



**LABOR OBSERVATORY
OF THE AMERICAS**

REPORT

Decent work and the Social and **Solidarity Economy**

COMMENTS TO THE ILO DOCUMENT PREPARED FOR THE 110TH SESSION OF THE
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**CONFEDERACIÓN SINDICAL DE
TRABAJADORES/AS DE LAS AMÉRICAS**



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1. INTRODUCTION

The meeting of the ILO Governing Body in March 2021 approved the inclusion of an item on decent work and the social and solidarity economy (SSE) in the Agenda of the 110th International Labor Conference. This is an event of undoubted political relevance and shows a trend to a stronger presence of these issues in the ILO¹.

ILO discussions on the SSE reflect an expression used, more so in recent years, with Recommendation 193 (2002) as the first milestone in the matter, followed by other declarations. Before, and as of its inception, far from being minimized, the issue of cooperativism was a fundamental part of the analysis of the world of work, as noted in the ILO Constitution, which provides for the possibility of

“ may make suitable arrangements for such consultation as it may think desirable with recognized non-governmental international organizations, including international organizations of employers, workers, agriculturists and cooperators” (ILO, 1919: Art. 12; in Guerra, 2022).

Since its creation in 1919, the ILO and the International Cooperative Alliance (ICA) have been closely linked, and actively promoted the United Nations in 1946. Undoubtedly, the presence of the cooperative member Albert Thomas as the first ILO Director General was a decisive factor of the lead role assumed by the cooperative movement in its initial steps.

For Thomas “almost all general work-related issues refer to cooperation or involve solutions that cooperation can provide” (ACI, 2020: 4). Thus, at the second meeting of the Board of Directors held in Paris in 1920, at Thomas's proposal, the Board unanimously approved the creation of the Cooperation Section in the ILO² (presently

the Cooperatives Unit) in charge of “studying the different aspects of cooperativism related to the improvement of the economic and social conditions of workers” (ACI, 2020).

As of 2009, the ILO International Training Center (ITCILO)³ annually organizes and promotes the Academy of Social and Solidarity Economy, bringing together SSE stakeholders from different parts of the world for networking and sharing good practices of the different dimensions and perspectives of this area.

Another step was taken in 2013 when the United Nations Inter-Agency Task Force on Social and Solidarity Economy (UNTFSE) was created⁴ which, in addition to the ILO, includes other United Nations agencies, the OECD and 14 civil society organizations as observers.

In 2017, the ILO Training Center published the Report “The Social and Solidarity Economy and the Future of Work”. The document was prepared by Carlo Borzaga, Gianluca Salvatori and Riccardo Bodino who, at the time, were the President, CEO and Coordinator of the European Research Institute on Cooperative & Social Enterprises (EURICSE), respectively. According to the introductory part of the document:

“Through its principles, values and practices related to participation, democracy, solidarity, and its social, and often environmental aims, the social economy has proven to be resilient to economic crises. In times of rising inequalities, environmental degradation, and overall economic turbulence, the social economy provides civil society with the means to meet its needs. Indeed, the social economy provides goods and services in tune with the reality, culture and needs of the community it serves”.⁵

¹ See ILO Declaration on Social Justice for a Fair Globalization (2008); Recommendation on the transition from the informal economy to the formal economy (2015); Recommendation on Employment and Decent Work for Peace and Resilience (2017); ILO Centenary Declaration for the Future of Work (2019); Call to Action for a human-centered recovery from the COVID-19 crisis that is inclusive, sustainable and resilient (2021).

² “The last section we would like to create is the Cooperation Section. The Peace Treaty provides that the International Labor Office will take interest, not only in working conditions, but also in workers' conditions. This idea is clearly perceptible in cooperation among popular circles. The Cooperation Section would not be limited to food issues in the labor sphere exclusively; it could also study the accommodation conditions, (...). In addition, cooperation already represents an important international movement with which the Office must necessarily be involved for its own interest” (ILO, 2020).

³ Please visit their official website at <https://www.itcilo.org/>

⁴ Please visit the official website at <https://unsse.org/?lang=es>

⁵ ITC ILO (2017). Decent work and the Social and Solidarity Economy p.10 and following

The document presents a contextualization on the development of SSE discussions in the ILO:

“Alongside the Future of Work Centenary Initiative, the ILO has for several years now organized the Social and Solidarity Economy Academy, a 5-day interactive training event on the Social and Solidarity Economy (SSE) bringing together governments, policy makers, academicians, and SSE practitioners from around the globe. The exchanges undertaken during the sessions are geared towards achieving the Academy’s objectives of contributing to a better understanding of the SSE concept, underlining the relevance of SSE as an alternate/complementary development paradigm, both within the ILO’s Decent Work Agenda and the 2030 Sustainable Development Agenda, building new and strengthen existing SSE networks, facilitating sharing of best practices and knowledge, and creating and fostering a SSE community of practice.” (Idem Ant).

The document concludes that

“in order to effectively address the challenges related to the future of work, these initiatives should prioritize the areas of the SSE that have the capacity for stable production of goods and services, since they are the ones that can have the greatest impact on employment. This means in particular the organizations that form the social economy (cooperatives, associations, mutuels, foundations) and social enterprises. It also means including both the more innovative forms (featured more prominently in the discourse on “social innovation”) and the more traditional forms, which have deeper roots and greater diffusion.” (Idem Ant.)⁶.

The same document provides numbers on employment. For example, it points out that there are approximately 100 million jobs of the sector worldwide and about 8 times as many members. Regarding the sectors of the popular and solidarity economy, traditionally mentioned as part of the informal urban sector, only for the case of Brazil, the II Solidarity Economy Census accounts for 3 million people working associatively (ITC ILO, 2017 : 15).

For its part, as a precedent to the Centennial Declaration, the Cooperatives Unit of the ILO (ILOCOOP) prepared a note entitled

Responses to Key Issues in the Report of the Global Commission on the Future of Work.. The document has served as the basis to present the synthesis of knowledge production on SSE by the ILO.

In the Report, ILOCOOP establishes 3 fundamental pillars to describe the relationship between SSE and the Future of Work at the 2019 ILO Centenary Conference:

- 1.** Increase investment in people skills;
- 2.** Increase investment in labor institutions;
- 3.** Increase investment in decent and sustainable work.

In the end, the Report concludes that cooperatives and SSE entities

“can be viable means to promoting decent and sustainable work especially if proper policy frameworks and financial and institutional support mechanisms are in place. It is important in this regard that ILO constituents and the cooperative and SSE movements engage at the local, national, regional and international levels.”⁷”

Continuing with other core texts of this process, on June 21, 2019, the ILO adopted the Centenary Declaration on the Future of Work at its 108th International Labor Conference. In the instrument, the ILO’s constituents committed to

“support the role of the private sector as the main source of economic growth and job creation by promoting an enabling environment for entrepreneurship and sustainable enterprises, in particular micro, small and medium-sized enterprises, as well as cooperatives and the social and solidarity economy, in order to generate decent work, productive employment and better living conditions for all.” (ILO, 2019).

In this way, we now focus on the official Report published on March 31, 2022 entitled “Decent work and the Social and Solidarity Economy” in English⁸ and translated into Spanish, French and German. Later also translated into Arabic, Chinese and Russian, as well as Portuguese, Italian, Hindi, Japanese, etc.

⁶ ITC ILO. Decent work and the Social & Solidarity Economy p. 33

⁷ ILOCOOP. Responses to Key Issues in the Report of the Global Commission on the Future of Work (2019), p. 6.

⁸ See https://www.ilo.org/ilc/ILCSessions/110/reports/reports-to-the-conference/WCMS_841023/lang--en/index.htm

2. SSE AND THE COVID-19 PANDEMIC

During the years of the COVID-19 pandemic, the SSE has been highlighted as one of the main responses to the crisis.

Considering the dynamism of the transformations in the social, production, technological and demographic areas and their impact on labor relations, the social and solidarity economy has gained ground to respond to the different stages of economic and social crisis. Once again, it provides an instrument to formalize labor relations and an important tool to reduce informality, giving way to the generation of decent work, ensuring minimum standards, including workers' right to access social security.

Similarly, SSE is directly linked to the goals and targets of the 2030 Agenda, contributing to reaffirm the role of the ILO

in the promotion of the SDGs beyond the fulfillment of Goal 8, given the crosscutting nature of the issues and of the plurality inherent to the formats covered by the transformative economies (although the inputs used by the institution itself are less comprehensive).

The COVID-19 pandemic and its impacts on the world and on labor relations revealed the need to propose short, medium and long-term strategies and, in this context, SSE allows us to contemplate the challenges defined by the ILO macro agendas, such as the Agendas for Decent Work, the Future of Work and the Post-COVID-19 Recovery.

3. THE TRADE UNION MOVEMENT AND THE SOCIAL & SOLIDARITY ECONOMY

As of its origins in the framework of the Industrial Revolution, movements such as cooperativism and mutualism were closely related to trade unions and it is public knowledge that both for the variants of consumption and associated work, the social masses came from the working classes.

This fact was transferred to the countries of the Americas and started building the multiple profiles of associativism at the end of the 19th century and the beginning of the 20th century.⁹ In mid-20th century, the prominent role of the working classes can be seen in the creation of cooperatives. Over time, part of the trade union movement and the

solidarity economy movement converge, characterized by the resurgence of self-management practices.

In this regard, the common origin of cooperatives and trade unions creates a bond of identification in values such as solidarity, justice, equity and the promotion of workers' well-being. The rapprochement between trade unionism and SSE entities is highly relevant for workers when they are solidly united in their workers' organizations, whether seeking to preserve jobs (in the case of enterprises recuperated by their workers) looking for new labor alternatives (case of the creation of associative sources of work) better conditions for access to

⁹ The role of the working classes, and even of trade unions, in the emergence of worker cooperatives, consumer cooperatives, housing cooperatives, savings and credit cooperatives, as well as in the well-known experiences of the recuperated enterprises that ensured the jobs of thousands of workers, as well as of the production activities of their respective organizations. For the development of some of these cases in countries of the region, see Cruz & García (2016) "Labor Unions and Creation of Cooperatives", *Revista Idelcoop* N. 218.

consumption¹⁰) mejores condiciones para el acceso al consumo¹¹, financial services¹² and even housing¹³.

The link between trade unions and cooperatives and the evidence of their current relationship, has been discussed in events such as the forum “Transfer of enterprises to employees through the cooperative model”, held during the World Summit of Cooperatives held October 5-9, 2014 in Quebec, Canada. The event highlighted the important role trade unions in the process of creation and operation of these cooperatives in some countries.

According to the Ministry of Industry & Commerce of Canada, worker cooperatives are more stable, pay more decent and equitable wages than conventional enterprises (Luna, 2011).

In Quebec the Chantier de l'économie sociale has been at the forefront of the development of an ecosystem that supports the growth of the social economy recognized by the provincial government and considered to be an example at the international level. In other Canadian provinces, SSE has gained ground and, in several cases, is supported by provincial and local governments.

In the United States there is a growing base of practices of the solidarity economy, such as the project Resist and Build¹⁴, to connect social justice movements with

professionals of the solidarity economy. US cities such as Richmond, California, have shown interest in stimulating the creation of entities reflecting the principles of the SSE¹⁵.

In Central America, two notable organizations are the Federation of Organizations of the Social & Informal Sector of the Honduran Economy (FOTTSIEH) and the Nicaraguan Confederation of Self-Employed Workers (CTCP) which, although focused on representing self-employed workers, aim at SSE. There are also experiences of this kind in the north of Latin America (Mexico¹⁶, Dominican Republic¹⁷ and Panama) and in the Andean area (Bolivia¹⁸, Ecuador¹⁹, Peru²⁰ and Venezuela²¹). They include situations of direct affiliation of cooperatives and mutual societies, as well as others in which same are part of first and second tier organizations.

In South America, many examples can be seen of dialogue between the trade union movement and the SSE²².

In Argentina, the General Labor Confederation (CGT) includes multiple consumer, housing and services, work cooperatives and mutual societies of the public and private sectors, in particular the UOMRA (Unión Obrera Metalúrgica) cooperatives. The Federation of Trade Union Mutual Funds (with the truckers' and textile unions) is its coordination structure.

10 There is a history of cooperatives created by unemployed workers in the graphic sector at the beginning of the 20th century. Cf. Orbaiceta (2013).

11 The consumer cooperatives that were already beginning to crystallize in the region at the beginning of the 20th century were largely created from the labor movements. In Argentina, for example, see the creation of the Hogar Obrero, known for its consumer section, but created to ensure housing and credit for the working classes. Cf. Plotinsky (2016).

12 Especially in the second half of the 20th century, various initiatives of closed savings and credit cooperatives were undertaken by workers organized in company unions. In Venezuela, the Labor Law of 1936 allowed trade unions to create “relief funds and cooperatives” which was expanded to “savings funds” in 1991 (Lucena et al, 2005). We can underscore the role of the Argentinian trade union movement in the creation of the Federation of Mutual Unions. Cf. Orbaiceta (2013).

13 In Uruguay, some mutual aid housing cooperatives were created by trade unions (in the case of COVISUNCA) and currently the PIT CNT provides a Union Housing Program through cooperatives.

14 Available in: <https://thenextsystem.org/learn/stories/episode-16-resist-build-discussing-solidarity-economy-w-emily-kawana>

15 The Mayor of Richmond traveled to Spain to visit the emblematic Mondragón experience and hired a developer of cooperatives for his office. Legislators increasing consider worker cooperatives as a relevant long-term path to local job creation (Luna, 2011).

16 COR. It has public transport cooperatives and NCT taxis. The Confederation of Cooperative Organizations and the Cooperative Society of Pascual Workers are affiliates. UNT. 1. Its affiliate STRM (Union of Telephone Operators of the Mexican Republic) has the Cooperative Society of Savings & Loans, of which four trade unions are part. Also, 2. Its affiliate FAT created the FOCEP (Frente Obrero Campesino Estudiantil y Popular), a multisectoral organization which brings together cooperatives in several states, creating a network of solidarity, and editing of the magazine Revista Cooperando.

17 Dominican Republic CASC. 1 Affiliates “all organized expressions of workers”. 2. Mentions CNUS worker cooperatives”. In an institutional participation at ILO endorsed the figure of SSE in Santos, Felipe, 2017. “The Social and Solidarity Economy in the perspective of the Dominican CNUS”. Presented to the ILO Academy on Social & Solidarity Economy, San José.


18 COB. Cooperatives and other “popular organizations” are members.

19 CSE. 1. Promotes direct membership. 2. “Popular organizations” and artisanal workers are members.

20 CATP. 1. Promotes the membership of “self-managed workers”. 2. It mentions the CGTP cooperatives and mutual funds. 1. Promotes direct affiliation. 2. Workers under “any legal form” are affiliates. CTP. 1. Promotes direct affiliation. 2. CUT Cooperative workers are members. 1. Promotes direct affiliation. 2. Associative and self-managed organizations are members.

21 CBST. “Recuperated socialist enterprises” are members. Central ASI. 1. “Brings together and coordinates the various organizational experiences of the women workers’ movement”. 2. It mentions cooperatives and mutual funds. UNT. Organizes cooperatives “based on a self-management approach”.

22 Cfr. Orsattil, Alvaro (2017).



The UOMRA created the Network of Metallurgical Cooperatives, which is allied to the Federation of Worker Cooperatives of Argentina (FECOOTRA), in relation to MERCOSUR, and more recently, with the social movements that coordinate the workers of social programs focused on the conditional cash transfers, which generally promote the creation of cooperatives such as Movimiento Evita, Barrios de Pie and Corriente Clasista y Combativa (CCC).

In Argentina, SSE experiences have also been mapped among the indigenous populations of northeastern Argentina, based on a trust on the textile machinery confiscated in procedures applied to clandestine clothing workshops in Buenos Aires²³.

The National Association of Self-Managed Workers (ANTA) is a member of the Workers' Federation of Argentina (CTA) and has an alliance with the Argentinian Federation of Brewery Workers & Similar (FACTA) and the National Movement of Recuperated Enterprises (MNER). The members of these affiliated social organizations are cooperatives and mutual societies of different fields (maintenance of public buildings and schools, housing, recycling, support for children) such as the Tupac-Amaru Group and the Cartonero Movement.

In Brazil, the rapprochement of the trade union movement and the SSE is materialized in UNISOL. It emerged through the initiative of 30 unemployed workers who decided to unite in a legally established cooperative in the city of Cotia (San Pablo). UNISOL currently plays an important role in strengthening the solidarity economy in the country²⁴.

The origin of UNISOL were the discussions held at the headquarters of the Central Única de Trabajadores de Brasil (CUT). The CUT, the ABC Metalworkers Union and several other partners from all over Brazil have promoted numerous discussions on the subject, in which Professor Paul Singer, among others, actively participated.

The II National Congress of Metallurgists, which took place in the ABC Metalworkers' Union, raised the idea of founding an association in São Paulo

to politically represent its affiliated solidarity enterprises. Initially, there were 11 affiliated projects which then became UNISOL São Paulo.

In 2004, UNISOL São Paulo became UNISOL Brazil. Currently, UNISOL Brazil has about 750 member entities, a milestone for the Solidarity Economy in Brazil.

One of the first experiences of cooperative solidarity, which even contributed to the emergence of UNISOL Brazil, was the creation of UNIFORJA (Central Cooperative of Industrial Production of Metallurgy Workers), in Diadema (SP).

Founded in 2000, the company served as a laboratory to give form to concepts of the Solidarity Economy. UNIFORJA began in the CONFORJA company, one of the largest forges in the country, which was declared bankrupt in the late 1990s.

On that occasion, with the support of the ABC Metalworkers Union, the workers decided to accept the challenge of establishing a cooperative to manage the large enterprise²⁵.

Despite the common elements between the trade union and the SSE entities, the main difference lies in the need for the latter to compete economically with capital enterprises, under the influence of market rules, to reproduce and fulfill their social mission in favor of its members.

In this context, it is not difficult to find SSE enterprises that adapt and adopt these rules, often behaving like any other capital company. It is also true that many cooperatives need to hire employed labor, leading to frequent conflicts in their labor relations.

It is also important to point out the perverse use of pseudo worker-owned cooperatives (also called coopertruchas) that become an instrument of considerable worker exploitation, such as the cases reported in Colombia, where their very high growth in recent years has been cause for concern of trade unions (Benavides, 2009).

Therefore, it is no longer a matter of generating experiences based on the needs of the working classes, but of a new outsourcing instrument used by

²³ Piumato, "Experience of the social economy in the campaign against forced labour", RELATS, 2015

²⁴ UNISOL Magazine, Year IV, Edition 27, April 2014. Available in http://www.unisolbrasil.org.br/2015/wp-content/uploads/2014/04/pdf-final-para-site_1305.pdf

²⁵ After a few difficult first years, the cooperative bore fruit. In 1998, the company invoiced R\$ 1 million. Last year, UNIFORJA closed the fiscal year with revenues of R\$ 180 million. Of the total number of UNIFORJA workers, more than 270 are cooperatives.

capital and the States to reduce their operating costs²⁶.

Based on the above, we can see the relationship between the trade union movement and the Social and Solidarity Economy from its origin and looking to the future, either by highlighting the importance of the positioning of the workers' representatives with a view to reinforcing the emancipatory character of SSE practices to guarantee and champion the rights of the working class, by recognizing business models that seek to combine the economic dimensions with the social and environmental ones in the other formats.

In this regard the discussions at the International Labor Conference will require analysis in order to provide a vision of the trade union movement of the Americas on the importance of promoting the Social and Solidarity Economy to strengthen the agenda of workers' rights.

4. ANALYSIS OF THE ILO REPORT ON SSE AND DECENT WORK

The ILO Report has 71 pages: it opens with an introduction, followed by five chapters, and closes with some Annexes.

CHAPTER 1: The SSE around the world.

CHAPTER 2: Contributions to decent work and sustainable development.

CHAPTER 3: Relationship with ILO constituents.

CHAPTER 4: Office action on the SSE.

CHAPTER 5: Decent work and the SSE: Challenges, opportunities and future directions.

A summary of each of these chapters with comments is presented below.

4.1 CHAPTER 1 THE SOCIAL AND SOLIDARITY ECONOMY AROUND THE WORLD

This Chapter summarizes the status of the SSE in rather conceptual terms, noting that there is no universal acceptance of it, taking into account other terms such as "social economy", "solidarity economy", "third sector", etc. stating that these different terms are due to the diversity of traditions (Section 11) and not necessarily equivalent.

Numeral 12 establishes that "since the turn of the century" some 20 countries have adopted

legislation on SSE. This section deserves a first critical reflection. Strictly speaking, legislation on SSE (whether in terms of social economy or solidarity economy) began at the end of the 20th century²⁷.

Such is the case of Law 454 of Colombia (1998), the first to use the term "solidarity economy" in legislation. There is even a more distant antecedent: the Honduran Law of the social sector of the economy (1985) (Guerra, 2012).

²⁶ For example, the Argentinian newspaper La Nación published an article on the existence of a fake cooperative of hundreds of employees in the town of Mendoza on June 17, 2008. This complaint has been repeated in some social networks and social economy forums in this country.

²⁷ Evidently, before that the region had important precedents in terms of mutual and cooperative legislation.

Otherwise, the list includes countries that have no SSE legislation or at least what is meant by SSE legislation should be defined. If it were possible to interpret SSE legislation as one that seeks to establish at least a legal framework for the recognition of an associative sector of the economy, clearly there are countries on that list that should not have been included.

Even so, it is clear that each year the list of countries with specific legislation increases, including regions that until recently did not have these instruments (i.e. Asia or the English-speaking region of Africa).

Of interest are the efforts made to summarize the principles and values of the SSE. The importance of the environmental dimensions is underscored, although the Report does not describe the consequences of a business model affected by ecological criteria.

At no point does it mention the importance of agroecological production models and the efforts to link them to the SSE. Nor does it refer to instruments such as the triple balance sheet, used by many SSE experiences throughout the world²⁸.

The principle of “prohibition or limitation of profit distribution” also deserves mention. It is

an important step in the lexicon (at least for the academy) that the category “lucro” (in Spanish) has been abandoned. However, the document does not specifically develop the concept of “profit”. Perhaps the term “gains” or even “earnings” could be used in the Spanish version. We will return to this issue.

Section 20 explores the discussions on whether the SSE is a different to the other more hegemonic sectors (State and private capital). This point is particularly important given the tripartite model of the ILO. The document refers to the “private sector”. It seems clear that the SSE is part of this sector if the variable that discriminates refers to whether its organizations are governed by Public Law or Private Law. But that distinction is insufficient: SSE organizations are part of the private sector, but not of the private-capitalist sector (the Report refers to the “profit-maximizing private sector”).

Regardless of the position adopted by the constituents on the matter, it should be noted that the document does not emphasize the possibility of representative extension in formats of quadripartism.

4.1.1 CHAPTER 1 CONCEPT AND ANALYSIS OF THE SSE IN THE REPORT

Taking into account the complexity to account for the broad-based universe of the SSE, the Report details a method to move towards a definition.

It indicates the need to specify **who does what, how and why**.

Clearly, these three dimensions of analysis are welcome to delve into the identity of any organization (the enterprises) and, therefore, are very relevant to account for the different formats of the social and solidarity economy.

(a) Who. This dimension of analysis refers to the subjects that carry out the activities of the SSE. The Report does not develop them, recognizing that there are various cuts in the different legislations that address the issue.

Remarkably, the subjects that carry out the initiatives in this sector of the economy (and also its beneficiaries) are either users

or workers. This distinction between users and workers accounts for a first classification of cooperatives as well as some of the first discussions on the most appropriate format to transform the foundations of our economies²⁹.

Beyond these discussions, and moving towards more pragmatic considerations, there is some unanimity on the SSE including cooperatives, mutuals and associations. There are two positions on Foundations: those seeking to include them to the extent that they are Foundations aiming at the sector and/or created by entities of the sector; and those who understand that it is an organizational format that does not meet the requirement of a democratic management model, so they should not be included as part of the sector. There are similar differences regarding the so-called “social enterprises”.

²⁸ Indeed, the Triple Balance Sheet (accounting, social and environmental) is a tool of fundamental importance to ensure that these enterprises actually put into practice the values and principles that guide them and that they are not mere replicas of traditional business models.

²⁹ The Nimes School promoted the idea of “consumer sovereignty” generating discussions with those who considered prioritizing the sovereignty of producers. Further back in time, with the origins of modern cooperativism in England, the so-called “The Big Dispute” took place in relation to the role of work and workers in cooperation development.

One position is to include them and the other one is to do so only under the condition of compliance with all the principles and values of the SSE.

Beyond these classic formats, each country includes other collective subjects that are specific to each reality. Such is the case of the Ejidos (Mexico), Employee Funds (Colombia), Cofradías (Guilds), Insertion Companies (Spain), Companies Democratically Self-managed by their Workers, Rural Development Companies (Uruguay), Popular Banks, Barter Clubs (Argentina), Peasant Communities, Community Banks (Ecuador), etc.

(b) How. This is the field of management models. There is some unanimity among experts who point to the democratic management model as a condition of the SSE, which translates into the principle of “one person, one vote”. This type of management differentiates these organizations from classic formats such as those of public limited enterprises in which the vote is weighted in relation to the contributed capital. There is also some unanimity on this type of alternative enterprises requiring that their profits, if any, should be assigned to the purpose of the organization (e.g. Associations and Mutuels) or distributed among their associative mass (cooperatives), with criteria and limitations established by law in the latter case. Ultimately, these are not enterprises that distribute their profits to those who contribute capital. And much less are they enterprises that are established to maximize profits.

(c) Why. This is the dimension of the principles and values that guide SSE actions. The Reference Report provides a good summary on the matter, noting the importance of caring for people, the planet, egalitarianism or autonomy (Section 14). A principle shared with the entire trade union movement is that of the primacy of people over capital, which is even established in some laws³⁰, such as:

After developing these criteria, the Report moves to a definition of the sources of positive law, missing the opportunity to refer to a large theoretical bibliography mostly developed in the last two decades, although with antecedents since the beginning of the 1980s and to which Latin American countries have prominently contributed.

Thus we arrive at the following definition:

The social and solidarity economy (SSE) encompasses institutional units with a social or public purpose, engaged in economic activities based on voluntary

cooperation, democratic and participatory governance, autonomy and independence, the rules of which prohibit or limit the distribution of profit. SSE units may include cooperatives, associations, mutual societies, foundations, social enterprises, self-help groups and other units operating in accordance with the values and principles of the SSE in the formal and the informal economies.

Let's focus on the terms of the definition:

1. “encompasses institutional units”.

We prefer terms such as “group of entities” or “group of socioeconomic activities”.

2. “with a social or public purpose”.

A different wording would be preferable, especially considering the scope of the public sphere. For example: “with the purpose of pursuing the collective interest of its members, the general interest, or both.”

3. “engaged in economic activities based on voluntary cooperation, democratic and participatory governance, autonomy and independence”.

This wording brings together concepts that are clearly part of the cooperative doctrine and legislation. It may be necessary to add that they must also be subject to multiple principles and values that should be clearly expressed.

4. “the rules of which prohibit or limit the distribution of profit”.

In Spanish the concept of “benefits” (the English version uses ‘profit’ is broader than in other languages. We suggest referring to “gains” or “results obtained” since they are clearly benefits of the cooperation, i.e. achievements that go beyond what is merely economic-accounting.

5. “SSE units may include cooperatives, associations, mutual societies, foundations, social enterprises, self-help groups and other units operating in accordance with the values and principles of the SSE”.

Problems might arise regarding foundations and social enterprises. Please note that some Foundations are the work of large corporations that use these instruments as part of their social marketing policies. Meanwhile, some social enterprises, despite their social achievements, remain traditionally led and managed capital enterprises.

Therefore, it is fundamental to underscore the condition that they need to operate in

³⁰ Law 5/2011 (Spain) and Law 19848 (Uruguay).

accordance with the values and principles of the SSE. Although they are mentioned in the writing, they are not detailed further. We suggest a second paragraph with a summary of these principles and values.

6. “in the formal and the informal economies”.

Without a doubt, this phrase will generate discussion in the ILO. The undersigning agree to include both formal and informal units (although we disagree with this conceptualization and prefer to refer to the popular economy as a category of analysis).

We believe it is important to be inclusive, especially in a continent such as ours in which the popular economy has a very significant scope and is advancing in terms of collective actions, trade union organizing and the generation of public policy instruments. Even so, an immediate precedent is that, when discussing the SSE Law of Uruguay, the representatives of the most institutionalized expressions of the SSE did not accept the proposal to include the so-called informal economy, as has happened in other legislations³¹.

4.1.2 CHAPTER 1 THE CASE OF THE AMERICAS

After the conceptual introduction and definition proposal, the Chapter reviews the situation of each region of the world. Thus, after Africa, it is the Americas. Emphasis is placed on the category of analysis of informality to account for many experiences in the south of the continent, ignoring the emergence of new analytical categories, such as the “popular economy”,

that have had widespread projection in many countries of the region in recent years³².

Section 39 mentions some of the networks working on the SSE in the region. The absence of some networks that contribute to these issues at the cooperative and in the academic levels is notorious.

4.2 CHAPTER 2 CONTRIBUTIONS TO DECENT WORK AND SUSTAINABLE DEVELOPMENT

This Chapter seeks to summarize the sector’s contributions to decent work and to reaching the so-called Millennium Goals.

Even taking into account the plurality of expressions of the SSE, integrating large cooperatives that operate as employers, as well as self-managed enterprises where workers perform the business tasks, the Report affirms full rights (Section 79) even relying on specific instruments (Recommendation 193 is used again as reference).

Section 86 is not clear when describing the labor legislation measures that must operate in worker cooperatives.

We believe that these pages should provide further details on the links between labor law and cooperative law, including some doctrinal and juridical reflections on the Cooperative Act as opposed to the mere commercial act³³.

The section on Informality (93 to 96) once again emphasizes an expression that, although it is used often in the ILO, has conceptual and academic limitations, as mentioned above³⁴.

The role of the SSE in times of crisis and in times of peace is properly detailed in the following paragraphs. A new twist occurs when environmental issues are put on

³¹ The inclusion of informal sectors is part of several local SSE legislations in Argentina and Brazil. The informal sectors are also part of the Law of Popular and Solidarity Economy of Ecuador (Art. 2).

³² Please note that public policies and legislation in Ecuador account for a “popular and solidarity” sector of the economy. However, in Argentina, numerous groups consider they are part of a broad-based popular economy, which has given rise to interesting analyses on their convergences and differences with the SSE.

³³ Indeed, there is no reference in the entire Report to the Cooperative Act, a Latin American doctrinal and juridical construction that dates back to the 1960s and is included in numerous legislations on the continent.

paper. Terms such as “transition” towards “environmental sustainability” are very welcome.

The alliances between the biological and agroecological production sectors with the associative sectors, fair trade and responsible consumption should be mentioned.

There are many new sale expressions through short chains and local markets in much of the world, showing the alternative searches that combine income for producer families and access to healthy food for responsible consumers. They are timidly expressed in Section 111³⁵.

4.3 CHAPTER 3 RELATIONSHIP WITH ILO CONSTITUENTS

With the purpose of promoting the SSE to foster decent work and sustainable development, this chapter explores the links with the different stakeholders.

Firstly, governments. The Report points out the various ways in which States recognize the SSE, either in their Constitution, national laws or local laws.

Section 114 establishes that “The enactment of SSE legislation is often followed by the creation or strengthening of government institutions that both regulate and support the SSE.” However, the experience of various countries of the region shows is that the events occur in the opposite direction, i.e. legislation is usually part of a second step in the establishment of public policies, preceded by other forms of promotion linked to the creation of units in local governments or departments in certain ministries.

Second, there is a section referring to **workers’ organizations** that begins by recognizing the shared values and history. Further on, some experiences carried out by trade unions in the field of SSE are described (Section 117).

The movement of worker-recovered enterprises, of great impact in the Southern Cone of our continent, only mentions the Italian case. Undoubtedly, it is a section that could have been further developed, also establishing the evident friction that also occurs when trade unions and self-managed cooperatives violate classic schemes of role assignment.

Regarding employers’ organizations, cases are mentioned where cooperatives share union spaces with other enterprises, although cases in which the sector creates its own business association structures are also described. However, there is no mention of how labor relations systems integrate or exclude the identity of the associative sector.

Experiences of social dialogue or joint management of public policies are not presented in this chapter. The role of the SSE in collective bargaining models is also not mentioned either, whether at the bipartite or tripartite level.

³⁴ To mention a “Confederation of Informal Economy Workers” in Argentina is a mistake. It is a “Confederation of Workers of the Popular Economy” (CTEP). It is not just a correction of style, but of substance: the CTEP decided on this name after questioning the dominant paradigm that refers to informality as a problem that affects the sectors with less economic resources, an idea packed with prejudice.

³⁵ An interesting analysis of experiences across the world that combine environmental protection and SSE can be seen in the Sustainable and Solidarity Economy Project (Susy). Cf. Troisi et al. (2018).

4.4 CHAPTER 4

LABOR DE LA OFICINA EN RELACIÓN CON LA ESS

It is a chapter focuses on the actions of the Office, historicizing its genesis and development (the Cooperative Unit emerged in 1920; the term “social economy” already appears in a document of 1922), as well as on detailing the various programs that are executed. Notably, the ILO is the only United Nations agency that has a specific institutional framework for SSE (its Cooperatives Unit).

Although the name still has the limitations of the cooperative-centered model (i.e. prior

to the SSE paradigm), it is clearly an aspect of fundamental strategic importance for the SSE as a whole. Surely this it is clear if we consider that the main international organizations linked to the sector have signed agreements and established alliances with the Office. It is a long list that ranges from the International Cooperative Alliance (ICA) to the Intercontinental Network of Social Solidarity Economy (RIPESS), etc.

4.5 CHAPTER 5

DECENT WORK AND THE SSE: CHALLENGES, OPPORTUNITIES AND FUTURE DIRECTIONS

The people-centered ILO approach and focused on values such as social justice undoubtedly leverage the promotion of alternative business organizations, such as those of the broad-based SSE. Even so, the document rarely used the terms “alternative” or “transformative”³⁶.

It is a reality that the search for balance (the word with which this chapter begins) explains a certain generic orientation of the SSE, emphasizing its contributions to decent work and sustainable development rather than to social change or the transformation of our economies.

Even with these caveats, the chapter seeks to position some limitations of the sector (fundamentally its behavior in the markets), as well as in relation to the other stakeholders of the system (Section 144 says very little in that regard). It does not risk a position for governments to foster the participation of the SSE in conjunction with other actors³⁷.

The Report underscores that **“SSE units are typically neither in the same nor in a similar situation as enterprises aiming to**

maximize profits and distribute them on the basis of capital invested. They often operate in a disabling policy and legal environment and on an unlevel playing field”. (Section 146)

Even so, the idea that “an enabling environment” for the SSE is one that also favors all business schemes prevails in the Report. This is certainly a questionable idea. By raising values such as associativity, democratic management, care for the environment, primacy of people over capital, solidarity and mutual help, the sector deserves to be supported by concrete measures that foster its development (positive discrimination versus capital enterprises).

The SSE will not strengthen its democratization of the economy by fostering a neutral market, but by developing specific instruments that allow it to provide true alternatives to other expressions of the economy that produce wealth at human, social and environmental costs.

³⁶ The concept of transformative economies is not mentioned. The word “transformative” does not appear either. The “alternative economy” is mentioned only once and the word “alternative” appears other times to refer to the SSE as an alternative to intermediation, rural electrification and “social limitations”, but not regarding the hegemonic models or capital enterprises.

³⁷ As is the case of Uruguay, with the participation of SSE delegations in the governance of the FONDES INACOOP or of the INEFOP Board of Directors. Or the experience of the Brazilian Forum of Solidarity Economy, made up of the delegates of the enterprises and of the public agents.

5. CONCLUSIONS

As a field of knowledge and public policy, the Social and Solidarity Economy (SSE) has evolved both conceptually and in practice, achieving a tangible and innovative impact, international visibility and a broad-based knowledge production. Such recognition has generated the emergence of discussions on the SSE as a point of the International Labor Conference (ILC).

At present, it is possible to recognize the consolidation of an international movement of social and solidarity economy in all continents articulated with the social movements of diverse fields. In many cases, associative and cooperative initiatives began in the trade union movement, for example with the emergence of worker cooperatives, consumer cooperatives, housing cooperatives, savings and credit cooperatives, as well as in the well-known experiences of the recovered enterprises that secured the jobs of thousands of workers, as well as of the production activities of their respective organizations. In other cases, the trade union movement itself has created and manages enterprises that, due to their characteristics, are part of the SSE³⁸.

It is highly relevant in the context of the current systemic crisis that an organization of global importance such as the ILO proposes a specific session of the ILC to analyze the role of the SSE in our economies, and more specifically in the goal of Decent Work and the Future of Work centered on people.

The SSE and its movements converge and join the positions of the trade union movement in the fight against the precarization of labor relations, the fight to secure the exercise of the right to freedom of association, the efforts to reduce and eliminate social inequalities and to move towards more sustainable models.

The concept of solidarity economy has been used to refer to a great diversity of economic activities, organized according to principles of solidarity, cooperation and self-management, either by recreating traditional practices or the emergence

of innovative forms and resignification of labor relations and production practices.

In pursuit of synergies with the entire associative sector of our economies, the name “Social and Solidarity Economy” allows convergence between the associativity of popular sectors through various self-managed strategies, with other experiences based on cooperation and mutual help, as is the case of all expressions of the cooperative sector, the mutual sector, of economic associationism, fair trade networks, responsible consumption, family farming and agroecological movements, the feminist economy together with a vast diversity of expressions of transformative economies.

It is important to underscore the positive aspects, and others not so positive ones, in relation to the ILO Report. Regarding the former, without a doubt it is a welcome document in the process of the greater prominence of the SSE in the ILO, a vanguard organization in the United Nations system in regard to these issues.

Also deserving acknowledgement are the efforts made to systematize the global situation and the contribution of its values and principles in the framework of the Millennium Goals, with special emphasis on the promotion of decent work and sustainable development.

As for the latter, the Report clearly begins with the conceptual approach of “balances” and the need for “enabling environments” that are not detrimental to the private sector, something that creates a distance between us given the transformative perspective shared by trade unions and movements such those of the SSE.

Also questionable is the approach to the popular economy (it is devalued) and the constant recurrence to the category of analysis of the informal economy, which is applied to the small economy and self-employment, but is discarded in the case of large enterprises that do not abide by the established labor, fiscal or environmental regulations.

³⁸ Such is the case of Sports Clubs, Vacation Colonies, Hotels, Student Homes, Libraries, etc. For a complete survey of these expressions generated by trade unionism for the Uruguayan case, Cf. Guerra (2021) *Guía de Servicios Sindicales* at <https://publicaciones.fder.edu.uy/index.php/gss/issue/view/67>

There are also deficiencies in the treatment of an issue that merits more attention: the role of the SSE in the framework of classic tripartism and the deeper dialogue that the perspective of labor law deserves with that of the cooperative and solidarity law.

Another issue refers to the references and bibliographical sources. The origin of the term “solidarity economy” should be recognized in the peripheries and not in the center of the world. The document focuses on references to European authors rather than Latin American authors³⁹.

Self-reference to texts of the United Nations system is perceptible, followed by quotes of authors who write in English.

At this point, it is worth remembering that the dissemination of the term “Social and Solidarity Economy” began in the 1990s when the first exchanges between the movements of the countries of the north (that used the term “social economy”) and those of the south (that used the term “solidarity economy” as of the early 1980s).

Regarding the proposed definition, there are no problematic elements. It is a technical definition that contemplates some of the varied existing legislations. Nonetheless, its wording is somewhat confusing and could be improved, especially the beginning.

In Spanish it is clearer if “beneficios” is changed to “utilidades”; support the inclusion of the popular economy and specially consider that Foundations and Social Enterprises are only part of the SSE to the extent that they specifically comply with the principles and values indicated.

In terms of wording, based on the definition proposed by the Report, we suggest the following as contribution to the discussions:

Social and Solidarity Economy is the term used for the set of socioeconomic activities carried out by entities such as cooperatives, associations, mutual societies, foundations, social enterprises, self-help groups and other formal or informal units that operate in accordance with the following principles and values:

► **Purpose of service to the community or members**

► **Management autonomy**

► **Democratic and participatory governance**

► **Eventual profits shall be applied to the social purpose of the entity or to the limited distribution according to the contribution made by the members.**

In short, the Report is welcome and constitutes a valuable opportunity to highlight the synergies between the trade union movement and the expressions of the social and solidarity economy.

Even without neglecting the historical and current discussions on the role of cooperatives in the quest for a society without the exploited and the exploiters, we consider that the SSE, together with the movement of workers organized into trade unions, of the broad-based grassroots of the tendencies with transformative potentiality in which the role of work and cooperation is of fundamental importance.

Although these pages refer to certain issues that could improve the contribution to the discussions, and even its wording, it is definitely a text that deserves receptivity and opens the global dialogue between trade unionism and a sector of the economy that share common values.



³⁹ The first quote of Latin American authors occurs precisely in the sub-chapter that describes our region, ignoring the contribution of this part of the world to the conceptual, theoretical and legal frameworks.

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