#### **United Nations Economist Network**

#### NEW ECONOMICS FOR SUSTAINABLE DEVELOPMENT

Social and Solidarity Economy (SSE) refers to forms of economic activities and relations that prioritize social and often environmental objectives over prof t motives. It involves citizens acting collectively and in solidarity for democratization of economy and society, including producers, workers, and consumers. It is often used as

especially in the developed world, environmental degradation and de-industrialization placing skilled workers into unemployment. Furthermore, SSEOEs play a pivotal role to offer social services across communities especially in a time where government budgets are stressed and subject to cutbacks. In addition to providing fair services SSEOEs have by and large demonstrated a remarkable capacity as employers to maintain and create jobs in times of crises where the government and the market failed, including throughout the COVID-19 period. Growing numbers of policymakers therefore started paying attention to the role and potential of SSEOEs, as a means of implementation of the SDGs at the local level.

# IMPLICATIONS OF THE SSE FOR THE SUSTAINABLE DEVELOPMENT AGENDA AND LINKAGES TO THE SDGS

With its defining characteristics of community-centredness, democratic self-management and solidarity within and beyond its organizations and enterprises, SSE has been attracting policy-level attention, not least in a context where economic and financial crises in recent decades have forced policymakers to search for alternatives to business as usual.

An increasing number of governments are considering SSE a potentially powerful means for achieving the SDGs. Indeed, because of their social goals, values and local roots, many SSEOEs constitute assets worth scaling up to that end. Many operate via localized circuits of production, exchange and consumption, yielding not only basic needs provisioning but also local economic development based on sustainable production and consumption, as well as local reinvestment. Its values and principles centred around democracy, solidarity and social cohesion have considerable potential to reduce inequalities. Further, given the frequent active participation of women, SSE can have a signif cant impact on women's economic, social and political empowerment. The patterns of production and consumption practiced by SSEOEs tend to be more sensitive to local environmental conditions than those of for-prof t only focused enterprises. In addition to these economic, social and environmental attributes, SSE contributes to democratization with its ability to mobilize active citizenship and which helps reduce many social, economic and environmental externalities of mainstream economic structures.

Active in almost all economic sectors, SSEOEs have been shown to contribute to all 17 SDGs. However, the SDGs to which they contribute depend on their specificities as well as on the particular socio-economic, and environmental contexts in which they operate, and sometimes on the national political context as well. According to the UNRISD's study on the contribution of SSEOEs to the SDGs in Seoul, the contribution of SSEOEs was particularly prominent in the areas of SDG 10 (Reduce all forms of inequality), SDG 1 (End poverty in all its forms), SDG 11 (Inclusive, safe and sustainable cities for all citizens), SDG 8 (Inclusive and sustainable economic growth and decent work), SDG 4 (Quality education and lifelong learning), SDG 12 (Sustainable consumption and production), SDG 3 (Good health and well-being) and SDG 9 (Infrastructure and industrialization). A review of 43 studies on the contribution

of SSEOEs to achieving the SDGs in different parts of the world showed that the goals to which they contribute the most were Poverty Reduction (SDG 1), Decent Work (SDG 8), Gender Equality (SDG 5), and Sustainable Production and Consumption (SDG 12) .

Their diversity in terms of organizational and f nancial models, the f exibility with which their organizational principles can be applied across sectors, and their anchoring in local contexts, are the features making SSEOEs a means of implementation of the SDGs in social, economic and environmental dimensions.

## DIVERSITY OF SOCIAL AND SOLIDARITY A A BBDA

Although there are several values upon which SSE is built, such as cooperation, solidarity, reciprocity, and democracy, SSEOEs constituting the sector place different weights on these values. At least four different approaches in terms of the emphasis on SSE features can be identified.

ref ecting its intentions to move beyond incomegenerating activities, basic needs provisioning and micro-level interactions to systemic change, social transformation and political engagement at multiple levels of governance conducive to decommodifying economic circuits.

This approach focuses on bringing together diverse actors and perspectives regardig t

Furthermore, the strategic plan also specifies the Body responsible for the implementation of each initiative and the budgetary amount allocated, which also includes a strategy

period from 2009 to 2013. The growth has been mainly driven by domestic demand, fuelled by public spending and household income growth, including remittances from Senegalese workers abroad. Despite its economic growth, the unemployment and underemployment rates were still as high as 16.9 per cent and 27.7 per cent in 2019. The rates are higher in rural areas and for women. For instance, in 2019, unemployment rate for women and men were 27.6 per cent and 8.6 per cent. And the majority of Senegalese do not think that they are in a period of economic growth. Increasing urbanization combined with the pauperization of the masses can be one of the reasons.

Two notable SSE responses to this situation of growth without satisfaction were housing cooperatives and health mutuals. In the context of rising housing costs, the cooperative option has become a credible alternative for people who want to own a house. In the Dakar region, more than 600 housing cooperatives have been established by a variety of groups. More than 100 health mutuals which have been established since 2012 are also a major type of SSE in Senegal. They provide health insurance, f lling the large gap of public health provision and contribute to improvement of health conditions of in both urban and rural areas.

Responding to this growth of the SSE sector, the Senegalese government set SSE as a priority sector within the framework of the Emerging Senegal Plan, placing it as the second most important among the five major initiatives. The government decided to promote and develop the SSE sector, thinking the productive and redistributive function of SSE can help disadvantaged and marginalized people enjoy the economic gains, consequently strengthen democratic society.

In June 2021, the Senegalese national parliament passed the SSE Framework Law, which introduced the of cial definitions of the terms used in the SSE sector, special taxes favourable to the SSE sector, and the creation of a National SSE Council which will be the national control tower to promote SSE.

## RELATIONSHIP BETWEEN THE SSE AND OTHER NESD CONCEPTS:

SSE is part and parcel or has strong connections with the variety of new economic initiatives which have emerged everywhere often as a reaction to unsustainable economic practices, which have been clustered by researchers and termed as "New Economics for Sustainable Development (NESD)" by UN New Economist Network. As a matter of fact, scaling up SSE and supporting the policies it upholds should lead to growing most NESD strands (circular economy, sharing economy, care economy, attention economy, green economy, etc.) SSE intersects (see table 1) and complements the array of NESD strands. Complementing synergies between NESD concepts may develop positive

feedback loops, while intersecting synergies may improve ef ciency by merging with each other.

SSE has strong local dimensions – for example, its localized circuits of production, exchange, and consumption. This can be part of or create synergies with the Frugal Economy/Innovation and Circular Economy. SSE enhances the capacity of local producers and communities, and contributes to "inclusive economic growth through the involvement of local communities in the value chain" (Frugal Economy/Innovation) and "minimizing the raw materials, particularly natural resources" (Circular Economy)

SSE operating principles include internalizing rather than externalizing environmental and social costs and correcting unsustainable patterns of consumption. These principles are very well aligned with the aim of "doing more with less" of the Frugal Economy/Innovation and "reconciling aspirations for increased prosperity while also addressing environmental concerns" of the Circular Economy.

Social services, and in particular, care, which is considered the bedrock of economies in the Purple Economy, are one of the core sectors of SSE. Despite its contribution, in the hegemonic economy unpaid care continues to be largely treated as an externality and is unaccounted for in economic and social policy making, while paid care work is often associated with signif cant wage penalties and poor working conditions, particularly for female and migrant domestic workers. SSE entities working on care, in particular those in developing countries, deliver care services and ensure access of care workers, mostly women, to food, income, and education. SSE often contributes to the creation of favourable conditions for women to gain income for care work, and ultimately empower care workers, particularly women, economically and politically. Employee-owned companies are more likely to provide adequate wages and benef ts.

Fisheries and eco-tourism which are core sectors of the Blue Economy are also one of the major sectors of SSE. SSE entities help to organize the sustainable use of ocean resources for improved livelihoods and jobs, while preserving the health of ocean ecosystems. SSE entities have developed eco-tourism, utilizing their local networks and resources including local currencies.

Attention Economy: SSE platforms realize and promote values and principles associated with truthfulness, quality of information, mental health and well-being (e.g., platforms designed to discourage addictive use of apps), gender equality and sustainable consumption. Users are encouraged to participate in the governance of digital technologies, in line with the goals of a "renewed attention economy". There are often built-in (democratic) safeguards against "extractive and exploitative tendencies to capture prof t without regard to social and environmental externalities", including design features to favour data

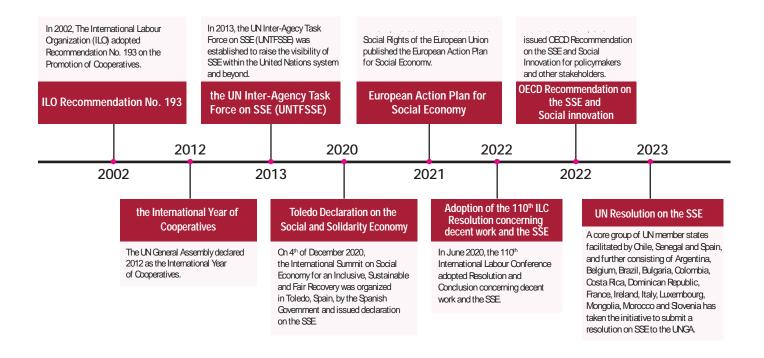
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How SSE relates to the other NESD concepts



Figure 3



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