

## *Summary of Side Event*

### *“Social Innovation Experiences from the Social and Solidarity Economy”*

(2 May 2023, 10:00 to 11:30, New York time) – [See recording and presentations](#)

**Background:** This virtual side event was co-organized by the United Nations Task Force on the Social and Solidarity Economy (UNTFSSSE), in partnership with Diesis Network, the Intercontinental Network for the Promotion of the Social Solidarity Economy (RIPESS) and the Canadian CED Network (see [concept note](#) with list of speakers). Its aim was to showcase the strategic value of the social and solidarity economy (SSE) in policy discussions on Science, Technology and Innovation (STI) for the Sustainable Development Goals (SDGs) at a time when SSE is gaining global policy importance with the recent adoption of the UN General Assembly resolution (A/RES/77/281) “[Promoting the social and solidarity economy for sustainable development](#)” and the International Labour Conference resolution (ILC.110/Resolution II) on “[decent work and the social and solidarity economy](#)”. These landmark documents define SSE as encompassing “enterprises, organizations and other entities that are engaged in economic, social and environmental activities to serve the collective and/or general interest, which are based on the principles of voluntary cooperation and mutual aid, democratic and/or participatory governance, autonomy and independence and the primacy of people and social purpose over capital in the distribution and use of surpluses and/or profits, as well as assets...” Speakers from all continents provided experiences of social innovation through SSE initiatives that advance fundamentally more transformative ways to tackle the multiple crises facing people and the planet than the hitherto dominant “piecemeal” or “cosmetic” approaches to social innovation.

### **Key Issues discussed**

***Reclaiming the systemic transformational objectives of social innovation.*** There are two main contrasting political approaches to social innovation: one focuses on outcomes through marginal, piecemeal improvements to a social problem; the other focuses on the process, through empowering communities with new capacities to address the underlying causes of their social problems. To some extent, these are reflected on one side in a “weak” social innovation approach (small innovations addressing smaller elements of a wider complex situation); and on the other side a “strong” social innovation approach which aims at a broader socio-economic and ecological transformation, bringing with it a strong level of permanence or sustainability. The latter could be a new law, regulation, product/service, program, or organization that is brought about and sustained by collective mobilization of civil society and social movements. These contrasting approaches are expressed for example in the context of the European Union, where the policy thrust of the European Commission (EC) and its member states has been to prioritize economic and technological innovations to increase competitiveness, while social innovation has been relegated to tackling social damage often caused by these innovations. At the same time, social innovation has been diluted to the point that any entity can claim to be a social innovator, simply through expressed intentions (like a generic subset of Corporate Social Responsibility), without having the democratic governance and substantive characteristics of long-term commitment to a social mission, as outlined in the above-mentioned UN and ILO resolutions. EC civil society partners are currently trying to change this paradigm.

***Social innovation as collective action, not individual initiative.*** Strong social innovation involves partnerships, alliances, or networks of multiple actors with complementary assets that create an “SSE ecosystem” for sustained transformative change. One example is TIESS (Innovative Territories for SSE) in the Canadian province of Quebec. Funded by the Ministry of Economy and Innovation, this autonomous organization acts as “spark plug” of collaboration between higher education institutions and SSE networks, working through apex organizations, regional clusters, and sectoral associations to track and co-construct knowledge about promising social innovations, and promote their adaptation in new contexts. In the State of Uttar Pradesh, India, the Development Alternatives Group co-constructed with members of a marginalized community a micro-systemic solution to women’s hampered mobility (which prevented them from working or gaining an education) through the creation of “e-mobility safe networks” of women running some 120 battery-run e-rickshaws or tuk-tuks in the community, safe for women and girls to use. In Mexico, the National Institute of Social Economy established pursuant to the social economy law adopted in 2012 drew lessons from its earlier mistakes: there was little point in funding SSE in the absence of strong networks of complementary actors in the field. Since 2018, it has been striving to build large networks and alliances of universities, SSE and other actors to work notably on biodiversity preservation (80% of which is under “social property” or *ejido*), clean energy production and distribution as well as SSE-compatible forms of economic integration.

***Social finance: a key social innovation within a broader SSE ecosystem.*** Because SSE organizations and enterprises (SSEOs) place their social/ecological mission above profit, they face unique challenges, notably in accessing long-term affordable finance, as recognized in the ILO resolution. A wide variety of innovative formal and informal financial mechanisms for SSE (referred to as social or solidarity finance, detailed for example in the ILO research project [Financial mechanisms for Innovative Social and Solidarity Economy Ecosystems](#)) aim to address this challenge. While in an era of widespread public budget cuts across the world, there are potential prospects of increased support to SSE by international financial institutions and development banks called for in the UN resolution. The question is not only about the amount of the resources allocated to SSE, but whether social finance is part of a wider SSE ecosystem development strategy. For example, while the SSE ecosystem is well developed and sophisticated in Quebec, it is much less so in the rest of Canada. The Canadian federal government has now embraced a broader approach to innovation to include a social innovation and social finance agenda. The ultimate goal is to achieve a self-sustaining social finance marketplace with a government-financed Social Finance Fund matched by private capital. For this to happen, a policy co-construction process was launched to develop an overall strategy detailed in the government report: [Inclusive Innovation: New ideas and new partnerships for stronger communities](#). It outlines the building blocks for SSE ecosystem development (namely: capacity-building, investment and funds, market access (including public procurement), enabling policy and regulatory environment, knowledge transfer, data and measurement, and awareness/mobilization). An Investment Readiness Program kickstarted the process to ensure SSEOs become ready to accept reimbursable social finance capital and to develop the broader SSE ecosystem landscape.

***One size does not fit all.*** In the effort to scale up SSE social innovations, a key challenge is to ensure that models that work in one context are not blindly transferred to very different situations. In the case of South Africa – marked by sharp inequalities manifest spatially – a successful social enterprise might work well in a relatively prosperous neighborhood, but would not work in deprived areas where SSEOs operate in the informal economy according to very different models

(e.g. multiple functions carried out by the same entity such as from child care to managing the local savings scheme) and rely on local bonds of trust that are not necessarily compatible with scaling up strategies that work in more advanced economies.

### **Key recommendations for action**

- Ensure that the social dimension is included from the outset in all innovation policies/programs.
- Ensure that social innovation is understood as a collective transformational agenda that addresses systemic root causes of social and ecological crises (thinking through transdisciplinary multi-actor processes envisioning a multi-dimensional “spherical” as opposed to just “circular” economy).
- To this end, support not just desired sustainable development outcomes, but invest in collective democratic processes of social innovation through multi-actor co-construction.
- Screen actors that claim to be part of the social innovation trend, depending on whether their governance and substantive characteristics correspond genuinely to those defined for SSEOs, such as described in the UN and ILO resolutions.
- Support the development of financial mechanisms for social innovation through SSE within a much broader co-constructed SSE ecosystem development strategy adapted to the local context.