



110th Session of the International Labour Conference (May-June 2022)

Agenda item VI

Briefing Note for Workers' Delegates

General Discussion on Decent work and the Social and Solidarity Economy

BACKGROUND

In March 2021, at its 341st session, the Governing Body decided to include in the agenda of the 110th Session (2022) of the International Labour Conference (ILC) an item related to Decent work and the social and solidarity economy (SSE) for general discussion. It will be the first comprehensive discussion on the SSE in the ILO. The ILO constitution and Philadelphia Declaration recognize the key role of cooperatives for economic development and workers wellbeing. The work of ILO on cooperatives has over a century and it has accompanied the developments in the field of Social and Solidarity Economy. The ILO Declaration on Social Justice for a Fair Globalization (2008) recognizes a strong social economy as critical to sustainable economic development and employment opportunities. The ILO Centenary Declaration for the Future of Work (2019) acknowledges the role of the SSE in generating decent work, productive employment, and improved living standards for all. The Global call to action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient (2021) recognizes the critical role of the SSE for a broad-based, job-rich recovery with decent work opportunities for all.

General Discussion

The expected outcomes of the general discussion are conclusions and a resolution to provide further guidance for the ILO. The Office prepared a report that provides an overview of key topics that are relevant for the discussion. Among the themes that will be discussed are: The definition of the SSE, International Labour Standards, challenges and opportunities with regard to the contribution of the SSE to the Decent Work Agenda (e.g. employment and income generation; social protection; transition from the informal to the formal economy; etc.) and to the Sustainable Development Goals (e.g. gender equality; food security; access to housing; etc.), the relationships with the ILO tripartite constituents, regulatory environment for SSEs, resilience to crisis, among other topics.

Key Observations

After a Centenary of existence, with this conference discussion, the ILO will come back to one of the issues that were part of its founding history. Trade unions welcome this first opportunity to discuss the role of Social and Solidarity economy, a form of organizing and living that is closely related to the workers movement.

SSE is born and thrives as an alternative – opposite model to the dominant economic one, aimed at putting people and the planet over profits, to include all workers.

Social and solidarity economy is not a mere response to exclusion, but an alternative economic model, providing people (workers, producers, savers, consumers) with a better way of living, putting the common good, the collective well-being of communities at the heart of an economy which is socially sustainable for present and future generations.

Points for discussion

The general discussion is structured around four drafts points for discussions that aim at providing guidance to the ILO constituents and Office in the field of Social and Solidarity Economy

1. In line with international labour standards, what should be a universal definition of the social and solidarity economy, taking into account its values, principles, and organizational forms?

The Social and solidarity economy is present all over the world, SSE organisations and trade unions have common historical roots, have a history of collaboration and mutual support in long standing commitment in pursuing democratisation of the economy, human dignity and social justice. Such common goals are strictly linked to quality employment, innovation, education, social inclusion, equality and environmental goals. They also share a common set of values as collective actors. The SSE is recognised by public authorities and trade unions as an ally in the pursue of Sustainable Development Goals, particularly of Goal 8.

The ILO constitution and the Philadelphia Declaration recognize that outside the classic employer-employee relation, there are other forms of worker-led organizations and that human dignity is crucial to achieve lasting peace based on social justice. The Social Justice Declaration and the Centenary Declaration, reinforce this founding recognition of SEE.

The **fundamental principles and rights at work apply to all workers, including those in the SSE**. A key instrument for the SSE, is the **Recommendation 193, on promotion of cooperatives**, and there are two other recommendations that explicitly mention SSE, **R.204 on the transition from informal to formal economy**, and **R.205 on Peace and resilience**. Of course, the normative framework is not limited to these ones. The discussions at the ILC would provide the opportunity to **discuss an overarching normative framework for the SSE, aiming at providing a comprehensive protection to workers**.

The discussion at the ILC looks at **adopting a definition** of Social and Solidarity Economy, which does not officially exist in the UN family yet.

The trade union movement acknowledges and values the main features that SSE identify as distinctive of their missions and operating model, beyond the diversification of forms and sectors of activity: Primacy of people and the societal/collective objectives over capital; democratic governance principles; reinvestment of most profits to carry out sustainable development objectives, social mission with consistent activities.

Therefore, based on the history and normative framework, **the Workers group might wish to consider some changes to the SSE definition** provided by the Office, highlighting those values and principles that distinguish SSE from other economic actors, as well as its role to achieve social justice , human dignity and wellbeing through the social value of labour, as recognized by the Declaration of Philadelphia.

2. What are the key challenges and opportunities for the social and solidarity economy to advance decent work and sustainable development? How can the social and solidarity economy further contribute to decent work, full, productive and freely chosen employment and improved living standards for all?

Both the economic and the social potential of SEE represent opportunities for all workers, member and the communities they operate in, and for sustainable development. Nevertheless, their operational capacity in this proactive sense is hampered by a series of challenges. The workers group might wish to consider the following areas regarding challenges and opportunities.

Resistance and resilience: From its origins to the current days, many of the SSEs experiences were born from or in coordination with workers organizations, as a way to resist and fight for human and labour rights. At the same time, the collective organization has been crucial as a way to **overcome economic crisis**. To thrive, **SSE needs public support**, from an enabling legal framework to economic support and inclusion in public procurement practices. This represents both a challenge and opportunity for resilience and growth. R.205 provides a framework for resilience and recovery from crises. Recent experiences

show that SSE can also be future proof **in the digital economy**, providing workers a collective bargaining power through worker-led digital SSE organizations.

Vast universe of job creation: The universe of jobs created in the SSE is wide and varies from regions and economic development contexts. Many of the workers engaged in SSE are so to cover their basic needs, and to have some level of protection through the collective organizations. However, in this universe there are also very well established cooperatives that represent a significant employer, and that operate transnationally. All workers regardless their employment relation, should be granted with human and labour rights, in line with the Decent work agenda.

Transition to formal economy: Millions of workers work in the informal economy, being a vast majority of them in SSE units. In line with R.204, a regulatory framework and integrated policies to the transition to formal economy can provide for job security, creating additional employment, fair income, access to social protection.

Social dialogue: SSE proved capable of achieving integrated solutions to overcome economic and legislative constraints by turning to its core values, such as concern for people and respect for labour rights as well as assertive dialogue with workers, trade unions and public authorities. This is particularly so in the areas of industrial relations and social dialogue. Where rights are respected, social dialogue brings positive results achieved collectively. However, **often SSE are not organised nor recognised to the ends of social dialogue at any level**, and are not supported in their attempt to distinguish themselves as peculiar and independent entities with respect general business organisations in the market economy. This represents an obstacle to the full enjoyment the rights to freedom of association and collective bargaining.

SSE contributes to social and environmental justice: SSE has the potential to transform economies and contribute to the realisation of decent work and livelihoods. From the care economy to environmental services, SSE plays a key role in societies, dignifying peoples lives and protecting the commons, as they serve the societies more than a mere profit-oriented aim. Being mostly territorially developed, it can contribute to build community relations, solidarity and values that go beyond the market. Short-chains of production and consumption, clean energy, recycling, sharing of goods (like car sharing cooperatives), among other practices, come from an old traditions, but are crucial for a human-centered and sustainable future, with social and environmental justice at its heart. However, the important role played by SSE serving the societies, is challenged by the lack of recognition of their peculiar features which require particular financial incentives – via fiscal rules, specific conditions in public procurement that value the social goals, a preferential treatments accorded by virtue of their inclusion, sustainability and solidarity mission.

The primacy of people and the democratic, equality-based governance rules not linked to the share of capital, especially in workers' cooperatives (where the principle is 1 person – 1 vote) contribute to ensuring attention to working conditions, job and income security and job opportunities, contributing to economic inclusion and development. Gender equality can also be promoted through the engagement and full participation of women in SSE.

A **major challenge is the distinction from non-member based social enterprises** which may be enterprises that do not share all values and methods of SSE, and might be part of mere companies corporate social responsibility plans. There is also the risk of **fake or pseudo cooperatives**, created to circumvent the employment rules and company legislation, and apply reduced standards with respect to collective bargaining's – thus undermining the employment relation or which precarize a labour relation – This is well recognized by R.193. In this line, a possible dilution of the employment relation particularly in cooperatives, can be a serious obstacle for labour rights.

Investment, scale and skills: Most of the challenges faced by small units of SSE is related to their recognition, which limits the access to financial support. The unequal access to quality public services is also a major concern, as well as the recognition of skills achieved from the working practices.

3. Taking into account the history and nature of the social and solidarity economy, what is the role of the governments and social partners in promoting its contribution to a human-centred recovery that is inclusive, sustainable, and resilient? What can governments and social partners do?

Without trying to be exhaustive, we can identify three main lines in the history of the SSE, which have nurtured the current organizations of SSE:

Traditional indigenous and tribal organization in social and solidarity economy. In all continents, there were experiences of worker organization and cooperation in different areas, food, shelter, finance, agricultural processes. Many of them have survived the colonial period and the industrialization, in a mix of resistance and an alternative way of protecting the commons (indigenous and tribal peoples) and adapting to the modern world.

As a result of the **industrial revolution worker-led cooperatives** were born as a tool to resist the exploitation suffered by workers. The origins of the trade union movement and the cooperative movement was the same and both grew in side by side, and many cooperatives were directly created by trade unions, as food banks, credit, housing among others. After the WWII, workers' rights were largely recognized, better wages and working conditions were conquered. At the same time, the original cooperative movement kept growing and "professionalising", and some cooperatives gained market scale. Starting in the 70's, liberalism and the beginnings of the globalization, led to massive unemployment and industrial production went to peripheric countries.

In the **20th Century, social and solidarity economy was reinvented** as alternative of resistance and resilience. With new characteristics, and in many cases as a means to survive and not as choice, it revigorated the original principles, including democracy, equality, self-management, in line with trade unions and other emancipatory movements, like women's and peasant's rights movements. At the heart of this reorganization, there was the quest for the Human Dignity of the oppressed, dispossessed and discriminated.

Based on this historical evolution, the workers group might want to consider discussing the following topics:

Governments should comply with the duty to protect and guarantee human rights and fundamental principles and rights at work A large majority of workers engage in SSE as a result of government's failure to protect and provide for decent living and working conditions for all. Widespread poverty, exploitation push workers to organize collectively to survive. The economic paths, based on austerity measures, the lack of a pro-employment macroeconomic framework, the burden of debt, and international loan conditionalities that push to privatization and reduction of social services, have excluded many workers generating massive unemployment and dispossession.

Governments must guarantee the respect of labour law and contractual employment legislation. They should enhance the role of public authorities to this aim, and promote collaboration and dialogue between labour inspectors, trade unions and SSE representatives to find common solutions to unlawful and even criminal practices and rights violations. Consistently, governments must respect and promote the rights to freedom of association and collective bargaining, as crucial to overcome obstacles for social dialogue and promote regulatory frameworks that enables workers in SSE in law and practice to organize and bargaining collectively.

Develop public policy framework for the protection of workers as well as for strengthening the workforce within SSE: A comprehensive framework, based on ILS, elaborated through social dialogue, should be the way forward to guarantee workers protection. Promotion and implementation of R. 193 and R 204 and economic support to genuine SSE units is crucial. This policy framework should be based on non-discrimination, in order to protect the most vulnerable workers, including but not limited to migrant workers. This should imply to guarantee **universal comprehensive and inclusive social protection** (in line with the latest ILC conclusions); **access to lifelong learning and training; full and implementation of occupational health and safety:** many workers in the SSE operate in agriculture, cleaning, recycling, among other sectors where they are exposed to hazards, as well as to violence and harassment .

A robust enabling environment, based on ILS, should also be established with solid regulation, protecting democratic governance, autonomy, as well as voluntary and open membership. SSE's genuine aims and peculiarities must be protected against fake organizations. This framework should also aim to clearly distinguish them from conventional for-profit companies while allowing them to take full advantage of the sustainable social market economy. The inclusion of SSE in public policies, particularly

through well-regulated public procurement is also increasingly important to achieve sustainable development.

Support and enhance the role of trade unions that can provide input and counselling to SSE units, especially when new-born; and also because the legitimisation of the collective actors can only improve the dimension of the collective representation of interests which is so important for the political, civil, social and economic progress

Recognition of the role of SSE in national development plans, recovery and employment plans: in line with C.122 and R169, and the recent conclusions on inequalities, and R.205 the SSE should not be a precarious or fall-back solution to the failure of economic and social options. SSE should be integrated into national development plans, through pro-employment macroeconomic, tax, social, environmental policies, in order to allow them to thrive and provide for decent working conditions and to contribute to sustainable development.

4. Building on the century-long experience of the Office in supporting the ILO constituents, in partnership with the social and solidarity economy actors, what priority actions and measures should the Office take to promote the social and solidarity economy for a human-centred future of work?

The workers' group might want to consider the following areas

Reinforce the work of the ILO Office on SSE. The office report highlights the challenges related to the lack of staff dedicated to the promotion of SSE. This would be crucial to support ILO constituents to turn into a reality the potential of SSE for decent work creation and sustainable development.

Elaborate and produce an integrated strategy, based on ILO standards, enabling for the recognition of SSE, and for overcoming legal barriers. This framework should support members to integrate SSE in their national employment, recovery and development plans.

Reinforce the promotion, ratification and implementation of ILO instruments relevant to the SSE, including through capacity building and technical support

Provide a sectoral / Industrial research and monitoring of performances on the areas where SSE is contributing to an alternative economic model, just transition and decent work for structural transformation.

Elaborate indicators and compile data, in close collaboration with the ILO statisticians. The ILO is the best placed institution to provide relevant data related to work in the SSE.

Elaborate guidance and provide training to labour inspectors, particularly but not limited to R.193 to ensure that labour legislation is applied and to identify rights violations.

Provide capacity building on SSE together with the International Training Center

Promote international coherence with multilateral institutions, including with IFIs, to putting structural transformation for employment creation and formalization, and ILS at the heart of the global agenda for SSE.

Summary of the ILO report "Decent work and the Social and Solidarity Economy" 2022

Chapter 1 delineates the contours of the social and solidarity economy (SSE) around the world, elaborates on the building blocks of the concept and proposes a definition for discussion. It also presents regional overviews of the SSE.

The chapter analysis the legislation on the SSE that has been adopted in at least 20 countries, provides a typology of organizations: Cooperative, mutual society, association, foundation, self-help group, social enterprise. A shared understanding of the SSE is emerging from the development of legislation and statistical frameworks on the SSE. While a consensus is emerging on the values and principles of the SSE, there is no universal agreement on the organizational forms that are subsumed under it. Although a universally agreed-on definition may not fully capture the diversity of the SSE around the world, its absence impedes the adequate representation of the SSE in international development policies and

strategies, and SSE statistics. Based on the many commonalities across SSE policies and legislation in the specification of the SSE, the reports offers a proposed definition for discussion.

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.

This section examines the situation of the SSE in different regions, and its history, including pre- colonial, post industrial revolution and contemporary experiences.

Chapter 2 provides evidence of the contributions of the SSE to the global development priorities defined by the Decent Work Agenda and the broader 2030 Agenda for Sustainable Development (2030 Agenda).

SSE contribute to generate direct and indirect employment, and provide a wide range of services to their members and communities that improve incomes and livelihoods. The report also reflects how SSE units have a role to play by facilitating access to social protection, particularly through registration of organizations and members. In relation to ILO standards for decent work, The fundamental principles and rights at work apply to all workers in the sector and a list of international labour standards that specifically refer to the SSE or SSE units is provided in the appendix of the report. The question of job quality and decent work deficits in SSE units cannot go unattended. If they are not considered to be in an employment relationship, (as per R.198) workers holding jobs in SSE units may risk being deprived of the protection to which they are entitled. Recommendation No. 193 specifies that national policies should ensure that cooperatives are not set up for to establish disguised employment relationships. The role of labour inspection is critical to ensuring compliance and to avoid the emergence of “pseudo cooperatives”. Worker protection measures are necessary, especially in worker-owned enterprises, with respect to workers who are also members. Within the SSE there is a growing interest in gender issues, greater recognition of the value of women in leadership roles, and an increase in the number of SSE units owned by women. In some countries, vertical structures of the SSE take part in social dialogue. Large SSE federations in some countries, participate in social dialogue and sign collective bargaining agreements with unions. Representatives of SSE can take part in cross-border social dialogue mechanisms, notably in regional integration communities. Informal own-account workers can organize in a way that they engage in the transition to the formal economy. Vertical SSE structures of informal own-account workers provide those workers with voice and representation at the local, national, regional and international levels. SSE units help to scale up the activities of informal economy units through collective forms of entrepreneurship, enhancing their bargaining position and facilitating the access of workers to social protection. However, in some cases when SSE units are officially registered, they belong to the formal economy, while their workers may still operate in the informal economy. SSE is contributing to making digital transitions fairer. They rely on democratic decision-making or shared ownership of platforms, or both. SSE is also contributing to a just transition to environmental sustainability from agriculture and housing to energy are greening their operations and by producing and selling products and services in green sectors such as renewable energy.

Chapter 3 discusses the relationship of the ILO’s tripartite constituents with the SSE, using examples from around the world.

Around the world, workers’ organizations and SSE units share values and principles, a common history and occasionally intersecting organizational structures. In many countries, workers’ organizations and cooperative organizations trace their origins to the same social and economic upheavals. A priority of

workers' organizations is to promote and defend SSE workers' rights and interests, and may provide goods and services for their members and to reach out to workers and producers that may not be their members. Workers' organizations have established SSE units in the areas of retail, affordable housing, small-scale finance, mutual insurance, education and training, and employment preservation in order to benefit their members.

Partnerships between workers' organizations and the SSE in the informal economy include the provision of individual support and services (micro level) and building collective identity and knowledge and commitment to shared ownership and mutual support (meso level). Often rooted in wider rights and social justice movements, many SSE units have successfully built strategic coalitions to build worker power, visibility and influence, leading to improved rights and protections as a result of locally, nationally and globally focused advocacy and dialogue (macro level).

Workers' organizations build alliances with SSE units to pursue common goals.. At the international level, trade unions, informal economy organizations and civil society groups sometimes form coalitions around a common agenda, including campaigns for the ratification and application of international labour standards, such as Convention No 189 and the Violence and Harassment Convention, 2019 (No. 190).

Chapter 4 describes the Office's work on the SSE, with a specific focus on historical background, current programmes, development cooperation policy and partnerships and capacity-development activities.

The unit on Cooperatives was created in 1920 and several initiatives were developed in a Century of existence, in all regions. The Office supports ILO constituents in SSE-related areas ranging from legal and policy advice, to research and statistics, to training and capacity-building. There are several programs undergoing, and adapted its work to support constituents during the COVID pandemic. However, the limited human and financial resources allocated to this portfolio have been a challenge. To help ILO constituents to become better acquainted with the work of the Office on SSE units, an online self-learning tool was developed in partnership with Turin Centre, with a specific focus on cooperatives.

Chapter 5 discusses the way forward in terms of strengthening the contribution of the SSE to decent work and sustainable development. It stresses the importance of promoting a conducive environment for the SSE, discusses the linkages between the SSE and the future of work and proposes avenues for future Office work on the SSE.

The SSE is a pillar of a balanced society and a human-centred future of work. The values, principles and practices of the SSE can contribute to the development of such an approach. This chapter discusses the challenges and opportunities presented and future directions in respect of harnessing the contribution of the SSE to achieving decent work and sustainable development, which ensure dignity, self-fulfilment and a just sharing of the benefits for all. A conducive environment for the SSE should be developed, as the future of the SSE in the changing world of work depends on concerted action by governments, the social partners, vertical and horizontal structures of the SSE and other development partners. The promotion of the SSE also requires the adoption and implementation of favourable policies in alignment with decent work and sustainable development, particularly through integrated national employment policies, social policies and supportive macroeconomic, fiscal and industrial policies; education and training in SSE values, principles and practices, support measures such as employment promotion or the development of activities benefiting disadvantaged groups or regions, facilitate the access of SSE units to markets, including through socially and environmentally responsible public procurement ensure that policies to guarantee universal social protection, promote the adoption of measures that promote OSH within the SSE, promote gender equality, facilitate the transition of workers and economic units from the informal to the formal economy; among others.

Building on the conclusions of this general discussion, the report provides a set of actions that the Office could take, particularly highlighting the potential of SSE to decent work and sustainable development, integrating it into its programme and budget, promote the compilation of data among others actions to be defined by the conference.