



## ▶ Strengthening Social and Solidarity Economy Policy in Asia



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### Mapping the Social and Solidarity Economy Landscape in Asia Setting the scene

In Asia and beyond, policy makers, practitioners, activists and researchers are increasingly turning their attention to alternative forms of economy that serve people and the planet. This has led to growing interest in organizations and enterprises that prioritize social and environmental objectives and practise forms of democratic governance conducive to the economic and political empowerment of vulnerable groups. The concept social and solidarity economy (SSE), which is gaining traction internationally, is an umbrella term for describing organizations with such features. While relatively new in most of Asia, it encompasses myriad forms of cooperatives, associations, community self-help groups and mutual aid organizations that have a long trajectory within the region. It also includes new

forms of social enterprise that blend social objectives with income generating or for-profit activity, as well as organizations representing informal economy workers.

In the absence of analytical, legal and policy frameworks for SSE within the region, it is difficult to understand the composition and scale of SSE. To contribute towards bridging this knowledge gap, research was undertaken in six countries in Asia to map the SSE landscape from an institutional perspective and to undertake a preliminary assessment of the legal and policy environment for SSE (see Box 1). This series of eight policy briefs, presents key findings from the research and situates them in the context of broader discussions and debates that are taking place nationally and internationally about the challenges and opportunities facing the SSE.

#### Box 1: ILO Project on Strengthening SSE Policy in Asia

This brief is based on research that was carried out under the first phase of the ILO project “[Strengthening Social and Solidarity Economy \(SSE\) Policy in Asia](#)” that took place during 2019-2021. It was carried out in collaboration with the implementing partner, Korea Social Enterprise Promotion Agency (KoSEA), with financial support from the Korean Ministry of Employment and Labour (MOEL). Led and coordinated by Seoul National University (SNU), the research sought to better understand the current status of the SSE in six countries in Asia (Republic of Korea, Japan, China, Malaysia, Indonesia and the Philippines) in terms of the organizational landscape. The research adopted a framework suitable for cross-country comparison, identified policy challenges and suggested preliminary pathways for strengthening the SSE. Through a second phase of the project, ILO will conduct additional country studies in Thailand, Vietnam, Mongolia, Kyrgyzstan, Laos and Cambodia. This introductory brief presents the key findings from the research paper “[Organizational Landscape of the Social and Solidarity Economy in Asia: An Introduction](#)” by Euiyoung Kim and Hiroki Miura.<sup>1</sup>

<sup>1</sup> Other contributing authors to the research component of the project included Gihong Im, Yewon Kang, Kyungsoo Lee, Benjamin Quiñones Jr., Denison Jayasooria and Eri Trinurini-Adhi.

## Why the growing interest in the SSE?

Recent global crises and rising inequality have underlined the shortcomings of contemporary patterns of development that leave people behind and endanger the planet.<sup>1</sup> Efforts to promote integrated, inclusive and equitable development through the UN Sustainable Development Goals (SDGs) have emphasized the need for a transformational vision – one that effectively challenges business as usual.

Attention has focused increasingly on a wide variety of SSE organizations and enterprises (SSEOs) as a viable solution to re-balancing economic, social and environmental objectives. Many such organizations play an important role in facilitating access to basic needs, protecting the environment and distributing resources more equitably; they have also proven to be resilient in contexts of shocks such as the global financial crisis and the recent COVID-19 pandemic (see Box 2).

Knowledge about the scope and scale of the SSE remains limited, particularly in the world's most populous region,

### Box 2: The SSE and COVID-19

When a global crisis occurs, values of cooperation and solidarity tend to surge and many people turn to SSEOs to meet their livelihood needs, for employment, access to essential products and services, financial assistance or community support. This was apparent during the Asian Financial Crisis of 1997, and again during the recent COVID-19 pandemic. Worldwide, SSEOs have responded to provide relief for their workers, members, and communities. Many are also innovating and adapting through digitalization, new products, shortened supply chains, solidarity finance, targeting vulnerable groups and improved occupational health and safety. In some countries, local and national governments are starting to integrate cooperatives and other SSEOs into public relief strategies as partners and beneficiaries. Selected responses from SSEOs to the COVID-19 pandemic in the six target countries of this project include efforts to:

- **Protect smallholder farmers' food production** and keep the food value chain alive with direct cooperative to cooperative trading (agricultural cooperatives in the Philippines), meeting the demand of consumers spending more time at home (*Consumer cooperatives, Japan*; *Good Food Community, Philippines*), and using the purchasing power of cooperatives to assist most affected regions (rural supply and marketing cooperatives, China).
- **Shift production toward medical supplies** such as hand sanitizers and face masks and distribute them to high risk populations including front line workers, such as in healthcare (*Die & Mold Industry Cooperative and iCOOP, South Korea*);
- **Provide free access to COVID-19 pre-screening, rapid testing and hospital care** among the poor, and build temporary care facilities (*Dompot Dhuafa Foundation, Indonesia*);
- **Work with community partners** in responding to the growing needs created by school closures as elementary schools are used to provide lunch boxes for disadvantaged children (*ZEN-NOH in Japan and iCOOP in the Republic of Korea*).
- **Provide consultation services and low interest loans** to members who are affected by COVID-19 (*Rokin labour bank, Japan*).
- **Create fundraising campaigns for COVID-19 relief efforts** and support to SSE organizations (foundations and social enterprises, Malaysia) or providing both funding for government relief programmes and solidarity finance for primary level cooperatives (*Malaysian apex cooperative organization, ANGKASA*).
- **Promote alternative forms of financing** to support efforts of cooperatives and other SSE enterprises, including through specific funds to respond to the needs of workers, businesses and communities (*Republic of Korea*).

<sup>1</sup> To "leave no one behind" is the central, transformative promise of the 2030 Agenda for Sustainable Development and its SDGs.

Asia. This gap is gradually being addressed via a number of pioneering studies.<sup>2</sup> Efforts to systematically map the SSE landscape, however, are still in their early stages. This partly reflects the tendency for research to focus on particular types of SSEOs, for example, cooperatives or social enterprises, or case studies of specific organizations. Furthermore, research often demarcates the field somewhat narrowly by focusing on a limited range of SSE organizations with specific attributes. This approach can divert attention from changes occurring within organizational culture and institutional arrangements in other sectors of the economy where hybrid or blended organizations are emerging. Some of these entities may share certain features of SSEOs or interact with them in ways that are mutually beneficial. The research sought to map this broader organizational ecosystem to better understand the emerging scope and scale of SSE.

As interest in the SSE grows, international research, advocacy and policymaking networks have expanded their activities in recent years. They include EMES International Research Network, Intercontinental Network for the Promotion of Social Solidarity Economy (RIPESS), Global Social Economy Forum (GSEF), International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC), the Organisation for Economic Co-operation and Development (OECD) and the UN Inter-Agency Task Force on Social and Solidarity Economy (UNTF SSE). The ILO has also broadened the scope of its work in this area (see Box 3).

## What is SSE?

The types of enterprises, organizations and activities that make up the SSE, as well as its core normative and transformative features are indicated in several definitions adopted by international organizations or networks.<sup>3</sup> Central to the definition of SSE are organizations and enterprises “which have the specific feature of producing goods, services and knowledge

while pursuing both economic and social aims and fostering solidarity.”<sup>4</sup> Such entities typically include cooperatives, mutual benefit societies, self-help groups, social enterprises, associations, foundations and other non-governmental organizations (NGOs). Beyond combining economic and social objectives, SSE is often promoted as a means to transform market and power relations that reproduce poverty, inequality and environmental degradation. This, in turn, requires organizations that not only have a social mission but also practise participatory or democratic forms of governance and engage in collective action and active citizenship.

Such features could yield a wide range of benefits. Recent ILO research on the contribution of the SSE to addressing challenges of the changing world of work described the benefits as follows:<sup>5</sup>

- (Re)embedding economic activities in local social systems;
- Organizing economic actors and facilitating transition to a more formalized social status;
- Participatory governance and renewed social dialogue;
- Searching for sustainable economic performance while focusing on social purposes;
- Finding meaningfulness in work;
- Foreshadowing the network society;
- A policy instrument and a policy partner; and
- Common bonds and partnerships through new finance models.

Clear environmental benefits are also associated with SSE organizations and practices, for example, community or social forestry, sustainable fishing, fair trade schemes, organic farming, renewable energy, recycling initiatives and local circuits of production, exchange and consumption. All these aspects point to the potential contribution of SSE to sustainable development.

2 See for example, Asian Venture Philanthropy Network (AVPN), [Social Investment Landscape in Asia](#), 2019; Eric Bidet and Jacques Defourny, [Social Enterprise in Asia: Theory, Models and Practice](#) (Routledge, 2019); Developing an Inclusive and Creative Economy: The State of Social Enterprise in Indonesia (2018), Tilleke & Gibbins and UNESCAP, [ASEAN Social Enterprise Structuring Guide](#), 2018; British Council and UNESCAP, [Building an Inclusive and Creative Economy: The State of Social Enterprise](#) (2018); Centre for Asian Philanthropy and Society (CAPS), [Business for Good: Maximizing the Value of Social Enterprises in Asia](#) (2019); Jacques Defourny and Shin-Yang Kim, “Emerging Models of Social Enterprise in Eastern Asia: a Cross-Country Analysis,” *Social Enterprise Journal*, 7-1, 2011; Denison Jayasooria, [Developments in Solidarity Economy in Asia](#) (Centre for Social Entrepreneurship, Binary University, 2013); Ngai Pun et al., [Social Economy in China and the World](#) (Routledge, 2020); Benjamin Quinones Jr., [Social and Solidarity Economy in Asia: A South-South and Triangular Cooperation Perspective](#) (ILO, 2015); Euiyoung Kim et al., [Mapping Social Economy in Republic of Korea, China and Japan](#) (Jinjin, 2015); [Social Economy in Asia: Realities and Perspectives](#), ed. Euiyoung Kim and Hiroki Miura (Lexington Books, 2021).

3 See, for example: ILO, UNTF SSE, RIPESS and GSEF.

4 ILO, [Plan of Action for the Promotion of Social Economy Enterprises and Organizations in Africa](#), 2009.

5 The research was based on twelve case studies on SSE organizations and social finance mechanisms in nine countries (Argentina, Belgium, France, Morocco, Senegal, Switzerland, the Netherlands, the Philippines and the Republic of Korea). See Bénédicte Fonteneau and Ignace Pollet, eds, [The Contribution of the Social and Solidarity Economy and Social Finance to the Future of Work](#) (ILO, 2019).

**Box 3: The ILO and the SSE**

The ILO has been a leading agency of the United Nations on promoting and advancing cooperatives and wider SSE. The ILO remains the only specialized agency of the United Nations with an explicit mandate covering all cooperatives to this day. In the past decade the ILO expanding its work to the wider SSE, building on its work on cooperatives. The following are some historical landmarks on the work of the ILO with cooperatives and the wider SSE:

- 1920 – The ILO’s Cooperative Service was created as an international centre for cooperative research, documentation, information and advice as well as liaising with cooperative organisations.
- 1946 – Cooperatives are mentioned in the ILO Constitution, Article 12, Paragraph 3 indicating that “The International Labour Organisation may make suitable arrangements for such consultation as it may think desirable with recognized non-governmental international organisations, including international organisations of employers, workers, agriculturists and cooperators”.
- 1971 – The ILO co-founded the Joint Committee for the Promotion of Agricultural Cooperatives which subsequently became the Committee for the Promotion and Advancement of Cooperatives (COPAC).
- 2009 – The ILO Regional Tripartite Conference in Johannesburg, reaffirmed the importance of the SSE and provided a definition of SSE which is widely used;
- 2010 – The first ILO and ITC ILO SSE Academy session was held in Turin;
- 2013 – The ILO co-founded and currently chairs the United Nations Inter-Agency Task Force on SSE (UNTFSSSE);
- 2018 – At the 20th International Conference of Labour Statisticians, the Guidelines concerning Statistics of Cooperatives were adopted; and
- 2021 – The ILO’s Governing Body decided to place “Decent Work and the Social and Solidarity Economy” on the agenda of the 110th Session of the International Labour Conference that takes place in 2022.

**International Labour Standards and the SSE**

Central to ILO’s mandate is a system of international labour standards that promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and dignity. ILO conventions and recommendations have addressed cooperatives on 17 occasions since 1947. In recent years the SSE is also mentioned in ILO standards. The following list includes highlights from some of these standards that mention cooperatives, other SSE units and wider SSE.

- 1996 – R184 – Home Work Recommendation;
- 2002 – R193 – Promotion of Cooperatives Recommendation emphasizes that a balanced society necessitates the existence of strong public and private sectors, as well as a strong cooperative, mutual and the other social and non-governmental sector;
- 2015 – R204 – Transition from the Informal to the Formal Economy Recommendation;
- 2017 – R205 – The Employment and Decent Work for Peace and Resilience Recommendation;
- 2019 – The ILO Centenary Declaration for the Future of Work called on members to promote an enabling environment, particularly for micro, small and medium-sized enterprises, cooperatives and SSE to generate decent work, productive employment and improved living standards for all; and
- 2021 – The Global call to action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient recognizes the important role of the SSE, alongside the private and public sectors, for a broad-based, job-rich recovery with decent work opportunities for all.

**Regional understanding of the SSE**

Understandings of the SSE vary depending on countries and regions. The term SSE or ‘social economy’, as it is often called in Asia, may be used to refer to particular types of organizations, such as non-profits or cooperatives. Some interpretations of SSE may emphasize the social purpose of SSEOs rather than democratic features. While such variations may impede

a universally agreed definition of SSE, they are to be expected for two main reasons.

First, the term was coined as an umbrella concept that allows for different interpretations. Under this umbrella belongs a broad set of organizations and institutional practices, as well as different political and ideological perspectives. During the past decade, in particular, the term has gained traction internationally to describe both traditional forms of organization such as cooperatives, mutual benefit societies and associations, as well as new

or alternative forms such as social enterprises, self-help groups and community practices.<sup>6</sup>

The term also brought together two strands of thinking around the transformational purpose of SSE. These included ‘**social economy**’ and ‘**solidarity economy**’.<sup>7</sup> With a long trajectory in Europe, the former emphasized the social and economic benefits of SSEs, such as improved access by vulnerable groups to affordable food, healthcare, education, finance and housing, as well as fairer terms of market access, economies of scale and sustainable enterprise. ‘Solidarity economy’, a term often used in Latin America, also placed considerable emphasis on the role that SSE can play in systemic transformation via non-capitalist market relations, including decommodification and forms of enterprise that do not externalize social and environmental costs in order to maximize profits. Furthermore, solidarity economy emphasized the need to transform power relations and the policy process through active citizenship and the political empowerment and emancipation of vulnerable groups.

The social economy strand of the SSE is particularly prevalent in most countries in Asia where the research took place. This is manifested in the considerable attention paid to the role of both non-governmental or ‘third sector’ organizations and social enterprises, as well as the tendency to focus more on economic and social features of SSE and less on the democratic and political dimension. It also paves the way for a variety of public-private-SSE partnerships.

Second, variations in understandings of what the SSE is and why it matters for inclusive and sustainable development reflect the distinct geographical, historical, cultural, economic and political contexts and circumstances in which SSE is shaped.<sup>8</sup> While the term SSE is relatively new in the Asia region, normative principles and practices that characterize SSE have a long cultural tradition, with country variations (See Box 4).

Regional and country variations in the nature of SSE also arise from its relations with the state and other sectors of the economy and society. A particular focus of this research project is how SSE is impacted by the sectors with which it interacts and interfaces, be they the public, private and non-governmental sectors or civil society.

The trajectory and composition of SSE in different countries has been heavily influenced by contemporary economic and political circumstances. As indicated in the country briefs that follow in this series, three developments stand out in each country: the transition to democracy, economic liberalization and the impact of financial crises. These drivers of change can also

shape the type of issues that are prioritized by SSEs, activists and policy makers. For instance, providing social services and job creation or work integration are prominent activities in several countries.

#### Box 4: The cultural roots of the SSE

Rooted in the history and culture of all six countries are different forms of cooperation, solidarity and mutual aid. The origins of SSE can be traced to these aspects of traditional culture and social ethics. They include, for example:

- *Gotong Royong*, a moral and cultural tradition of people’s solidarity and cooperation in Indonesia and Malaysia;
- Principles of *Shariah law* within Islamic culture in Malaysia and Indonesia, which promote social justice and fair economy and underpin philanthropic and social finance institutions;
- *Bayanihan*, *Damayan* and *Pagtutulungan*, traditional cultures of co-work, fundamental respect for mutual dignity and practices of mutual help in the Philippines;
- *Sasaeai* and *Tsunagari*, moral traditions and social ethics for mutual help based on the fundamental interconnectedness of people in community life in Japan;
- *Dure*, *Kye*, *Hyang Yak*, *Pumashi*, traditional mutual-help organizations in the Republic of Korea;
- The tradition of pluralistic culture to pursue individual dignity with social harmony in China.

## The SSE and the informal economy

SSE interfaces not only with the public, private and non-governmental sectors, but also the informal economy. SSE provides an important avenue for transitioning out of contexts of precarious employment that affect much of the economically active population in several countries in Asia. Joining together in a cooperative or establishing a social enterprise can be a means to improve the living conditions and economic prospects of, for example, home-based workers, street vendors, domestic workers or waste pickers. SSEs also play an active role in providing essential services, ranging from healthcare to finance, to informal economy workers. And SSE associations can advocate on their behalf in areas

6 Bénédicte Fonteneau and Ignace Pollet, eds.

7 See Peter Utting, “Introduction: The Challenge of Scaling Up Social and Solidarity Economy”, in *Social and Solidarity Economy: Beyond the Fringe* (Zed Books, 2015).

8 See Bénédicte Fonteneau and Ignace Pollet, eds.

related to labour and human rights, social policy and capacity building programmes.

Women workers make up much of the informal economy, as they do the SSE organizations that service its needs. Through SSEOs and solidarity practices, women can not only gain access to immediate material benefits related, for example, to employment; access to finance, health and care services; and affordable food, but also benefit from less tangible outcomes such as work-life balance. Another crucial determinant of women's well-being and empowerment is participation in SSE organizations on an equal footing and in decision-making bodies. Forms of democratic governance that often characterize SSEOs are inherently participatory. As a result SSE can empower women not only economically but also socially and politically.

## Mapping the SSE in Asia: The Research Methodology

To map the SSE landscape in Asia the research project adopted a methodological approach that sought to capture the diverse and evolving nature of SSE itself, as well as its relations with other sectors. From this perspective, it was important to:

1. see the SSE field in terms of a spectrum of organizational forms rather than a clearly demarcated set of organizations and enterprises;
2. focus on the broader 'organizational ecosystem' to see how the SSE interacts with, and is shaped by, the public, private and non-profit sectors;
3. recognize that the SSE landscape involves various types of hybrid organizations, which combine economic, social and democratic features in different ways.

By examining the organizational ecosystem, the research identified numerous institutions that either share features commonly associated with the SSE or are potentially supportive of the SSE. Seeing the SSE as a spectrum meant that attention focused not only on organizations such as cooperatives and mutual benefit associations that are readily identifiable as SSEOs – given their economic, social and democratic orientation – but also for-profit social enterprises whose relation to SSE is somewhat less apparent. Furthermore, the notion of an organizational ecosystem directed attention to a broad range of measures that the state can take to support SSE. These include not only aspects of law and regulation, but also government policies and programmes, state-sponsored social enterprises and public-SSE partnerships.

Using this methodology, the research identified organizations characterized by different types and levels

of hybridity related to three core features of SSE and specific sub-conditions (see Table 1):

- I. **social purpose of the organization**, be it to address a specific social problem such as providing elderly care or work integration for persons with disabilities, or to operate in the broader public interest, for example, in sectors such as education, healthcare and culture or by defending human rights;
- II. **economic activities** involving the production, exchange or provision of goods and services carried out by both for-profit and non-profit organizations;
- III. **democratic orientation** related to participatory governance arrangements, as well as free and voluntary association.

Organizations that combined at least one of the sub-conditions under all three features were classified as SSEOs.

► Table 1. Three features and six sub-conditions of the SSE organizations

Economic features	For-profit productive/ service activity	Non-profit productive/ service activity
Democratic features	Democratic governance	Free establishment
Social features	Pursuit of public interest	Solution to social problem

An organization that combined at least one sub-condition under two of the core features was classified as a "partial hybrid organization" (PHO). While lacking certain features that characterize SSE, a PHO could, nevertheless, be considered part of the organizational ecosystem that shapes and potentially supports the SSE field given that it possesses one or more sub-conditions that characterize SSE organizations. In the case of PHOs, their relevance to SSE needed to be assessed on a case-by-case basis.

Mapping the SSE is challenging given the long history and complexity of the organizational landscape in Asian countries, including the various types of cooperatives, the contemporary rise of social enterprises, as well as the presence of myriad non-governmental, people's or community-based organizations. To facilitate this task, the research focused primarily on formally constituted organizations, that is, ones that are recognized in law and regulated at a national level. Where such institutional arrangements were absent, it also considered organizations that had a national presence.

The research involved a four-step analysis (see Figure 1):

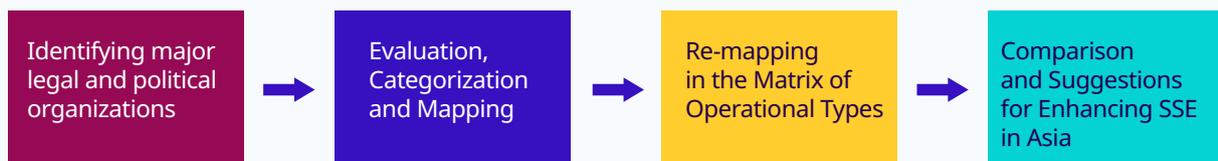
1. Identifying major legal and political organizations in each country;
2. Evaluation, categorization and mapping of all identified organizations;
3. Re-mapping the analyzed organizations in the matrix of operational types;
4. Comparing the organizational map and landscape of the six countries and suggesting common strategies to enhance SSE.

Applying this methodology, the project surveyed more than 180 legal and political entities in the six countries.

and 22 with economic and democratic features (see Figure 2). Many “other organizations”, namely those where only one of the three features is apparent, were also identified. While considered to be outside the SSE arena, the country-level research identified specific functions that these organizations may perform that can contribute to the SSE.

By referring to features of the SSE that are stipulated in law and policy, the research attempted to go beyond the anecdotal and case study approach that often characterizes research in this field. While this approach is important for mapping the SSE in a systematic way, it is insufficient for viewing the SSE landscape in its

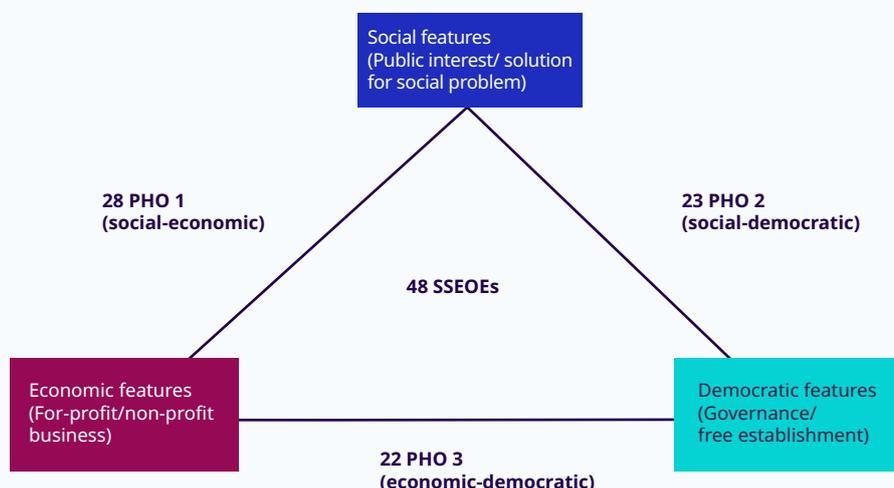
► Figure 1. Four-step analysis to mapping SSE landscape



As indicated in Figure 1, the mapping exercise identified 48 types of organizations that constituted the SSE core. Another 73 types of PHOs were identified. They included 28 that combined social and economic features, 23 that blended social and democratic characteristics

entirety. Focusing on formally recognized or national level entities can divert attention from the linkages between SSE and informal economy workers via myriad forms of self-help, community practices and collective organization and representation. Moreover, focusing on what is formally expected of organizations may

► Figure 2: SSE Landscape in six countries in Asia



distract from instances where actual practices diverge substantially with what is expected legally and politically. Despite these caveats, the methodology adopted for this project was considered an important first step in attempting to map more objectively and systematically the formal sector organizations that comprise the SSE landscape. It was also key for identifying new organizational forms and hybrids that are emerging as the conventional boundaries between the public, private and non-profit sectors become blurred and as SSEOs increasingly interact with these sectors.

The mapping of SSE revealed the plurality and complexity of the SSE landscape in the Republic of Korea, China, Japan, Indonesia, Malaysia and the Philippines. Six other briefs in this series provide an overview of the SSE landscape in each country, identify the main types of SSE organizations, and highlight policy challenge and orientations to strengthen SSE development. A concluding Brief highlights characteristics and trends of the SSE in the region and key pathways to realize SSE's transformational potential.

## ► Acronyms

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<b>ILO</b>	International Labour Organization	<b>SSEOs</b>	Social and solidarity economy organizations and enterprises
<b>PHO</b>	Partial hybrid organization	<b>SDGs</b>	Sustainable Development Goals
<b>SSE</b>	Social and solidarity economy		

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