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SOCIAL AND SOLIDARITY ECONOMY AND SOCIAL ENTREPRENEURSHIP: ENCOURAGING OPPORTUNITIES FOR TRANSFORMATION IN COMPLEX CURRENT TIMES

LA ECONOMÍA SOCIAL Y SOLIDARIA Y EL EMPRENDIMIENTO SOCIAL: GENERACIÓN DE OPORTUNIDADES DE TRANSFORMACIÓN EN TIEMPOS COMPLEJOS

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ABSTRACT

The current situation the world is experiencing with the Covid-19 pandemic is bringing forward the weaknesses of the prevailing economic system. In these circumstances, a demand for a change of paradigm is emerging, and the Social and Solidarity Economy (SSE) and social entrepreneurship play a key role in such scenario. This paper reflect on this situation and emphasizes the importance of going in depth in the field of research of SSE and social entrepreneurship, focusing in early-career researchers whose hands may hold some important keys for our future.

RESUMEN

La actual situación que estamos viviendo con la pandemia del Covid-19 está poniendo de manifiesto las debilidades del sistema económico vigente. En estas circunstancias, está surgiendo una demanda para un cambio de paradigma, y la Economía Social y Solidaria (ESS) y el emprendimiento social juegan un rol clave en dicho escenario. Este artículo reflexiona sobre esta situación y recalca la importancia de seguir profundizando en el ámbito de investigación de la ESS y el emprendimiento social, poniendo especial énfasis en las personas investigadoras que comienzan su carrera, en cuyas manos se encuentra parte de nuestro futuro próximo.

KEYWORDS

Social and Solidarity Economy; Social Entrepreneurship; Covid-19; early-career scholars; international networks.

PALABRAS CLAVE

Economía Social y Solidaria; emprendimiento social; Covid-19; jóvenes investigadores; redes internacionales.

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1. INTRODUCTION

Public administrations and academic researchers have recently taken a keen interest in the social and solidarity economy (SSE) and social entrepreneurship (Defourny and Nyssens, 2017; Guzmán et al., 2019). The exponential development of entities over several decades within an international context that conform to these realities is a key factor in this surge of interest. They have contributed to: job creation and work integration (Prazzkier and Nowak, 2014; Chaves and Monzón, 2018); the fight against poverty and exclusion; access to health and education; and the development of sustainable agriculture, renewable energy and means to tackle social justice and wellbeing (Zimmer et al., 2018).

A significant rise in inequality throughout the world, both in economic and social terms, can be understood as the trigger for such expansion. Globalization has increased inequalities not only at an international level but also at national and local levels. In response, the core values of SSE and social enterprises such as stakeholder participation and democracy prioritize human wellbeing over profit maximization. These values provide the fundamental pillars that support any social transformation aimed at improving equality across different societies. In responding to increasing needs, SSE entities and social enterprises are proliferating throughout the world, building a fairer and more equitably distributed society, creating job positions and even correcting certain extreme social issues not addressed by the market nor the State (Utting, 2014; Borzaga et al., 2019; Newey, 2018). Such initiatives tend to combine drivers of a bottom-up nature, led by group of citizens, and institutional dynamics, led by public policies (Borzaga et al., 2020).

2. THE CURRENT PANDEMIC: ENCOURAGING OPPORTUNITIES FOR TRANSFORMATION

SSE and social enterprises are attracting even greater attention during the current Covid-19 pandemic. The resultant health and sanitation crises that present multiple problems reveal the limitations of existing economic, political and social settings. The collapse of public sanitation systems and the pervasive economic effects of lockdowns are a common denominator in many countries around the world (Androicenu, 2020). Importantly, SSE

entities and social enterprises are playing a key role in recovery, mirroring the essential position they held in the aftermath of the 2008 economic crisis (UNTFSS, 2020).

The 2008 crisis has been linked to financial speculation (subprime markets) and profit maximization exacerbation, questioning neoliberalism's sustainability. The moment was seen as an opportunity for change towards a new paradigm based on values coincident with those of the SSE and social entrepreneurship (Hulgård, 2011; Bauhardt, 2014; Fernández and Arca, 2016). However, although SSE experiences and social entrepreneurship have increased, neoliberalism still dominates the international economic system. Some academics consider this period as a missed opportunity to change the rules that favour capitalism and intensify competition throughout open markets (Wigger and Buch-Hanssen, 2012).

Some authors agree that the current crisis will constitute an inflexion point in the global economy (Reinhart and Reinhart, 2020). So far, the destruction of employment and economic growth is much more significant than in the 2008 financial crisis, and we have yet to see the pandemic through. In addition, unlike the previous financial crisis, the Covid-19 pandemic not only affects the financial and economic dimensions of our lives but also the health and wellbeing of citizens and societies. We are facing an unknown situation where traditional economic tools such as interest rates or subventions are far from enough. And governments are investing vast amounts of energy and resources across different administrative levels to manage the crisis within their territories.

Conservative, protective initiatives such as confinement and travel restrictions stand out among the measures adopted by public administrations to mitigate infection. These actions, linked to the fear of being infected, have had a direct effect on consumption habits and business activities (He and Harris, 2020). People are being asked to spend more time at home and avoid crowded events and places to prevent contracting the virus. Activities involving mass social interaction such as tourism, certain sports and attending cultural and entertainment events have consequently been substituted by others pursuits perceived as less risky. Also, the shortage of certain products such as masks in many countries has revealed the numerous deficiencies of global distribution. Dependency on external markets is once more under scrutiny, leading to increased contemplation of local production as a more secure option, avoiding unnecessary elements in the supply chain. New opportunities and threads have emerged. As more businesses close their doors, those that remain open despite Covid-19 are forced to reflect on their way of doing business, prioritizing health and safety and maintaining their workforce, supply chain and cash flow (Donthu and Gustafsson, 2020).

The SSE and social entrepreneurship are proving adept at addressing some of the challenges that have recently emerged. They prioritize people over profit, remain connected to their local contexts and act according to values that may offer some alternatives to the multifaceted crisis. Although many entities are facing uncertainties about their future, initiatives have emerged all over the world to alleviate various pandemic-related issues. For example, the SOLIVID platform collates solidarity-based initiatives created during the Covid-19 crisis under categories that differentiate between provision for psychological accompaniment, support for the elderly and vulnerable people, economy and labour, education, culture, sport, health assistance and production of medical supplies, food and other consumption, housing and gender-related violence (SOLIVID, 2020).

This special issue arrives at a moment when citizens require alternatives. Many are eager to engage in new, co-built, shared horizons and the SSE constitutes a feasible option. Therefore, a robust line of research is necessary, whose theories and findings could strengthen the foundations for developing new socio-economic paradigms.

3. THE NEW GENERATION OF RESEARCHERS: AN INTERNATIONAL PERSPECTIVE REVIEW

A new generation of researchers with an international perspective is looking ahead. This issue gathers a selection of papers in English and Spanish for a broad readership that were presented at the REJIES-COST International PhD Seminar held in April 2019 at the University of Seville, Spain, which was co-organized by the CIRIEC's Network of Young Researchers in Social Economy (REJIES), the EMES International Research Network and the Empower-SE COST Action (CA16206). The seminar was aimed at connecting different PhD networks and fostering synergies and collaborations among international early-career researchers investigating social enterprise from different perspectives. It brought academics from various disciplines together, focusing on different methodologies to reformulate SSE and social entrepreneurship-related topics, which are usually approached through traditional, neoclassical economic means. The process gave those who have developed other tools and strategies the opportunity to demonstrate that an option other than pure capitalism exists.

The first article, 'Sustainability, endogenous development and social economy' (*Sostenibilidad, desarrollo endógeno y economía social*), is by Adoración Mozas Moral, Domingo Fernández Uclés, Enrique Bernal Jurado, and Miguel Jesús Medina Viruel. Dr. Mozas Moral, president of CIRIEC-Spain, opened the seminar that inspired this special issue, explaining the suitability of the SSE to address Sustainable Development Goals (SDGs). The co-authored contribution begins with a focus on new processes of economic

development, known as bottom-up or endogenous development, based on local resources that are rooted in environmental, social and economic responsibility. Within this context, the concept of sustainability and overall social economy acquire new relevance through shared values and principles. The authors also highlight the social economy's role in sustainable development processes, underlining the alignment of social economy and SDG characteristics, particularly those of agricultural cooperatives.

The second contribution, 'Local ecosystems of social and solidarity economy in the Basque Country: An approach from the entities' (*Ecosistemas locales de economía social y solidaria en la Comunidad Autónoma Vasca. Una aproximación desde las entidades*) by Asier Arcos, identifies whether or not an SSE ecosystem exists in the Basque Country, one of the most well-known regions within an international SSE context due to the successful initiative of the Mondragón cooperative. Based on previous theoretical contributions, the author has designed a methodology consisting of semi-structured interviews for different regional SSE organizations aimed at categorizing existing SSE initiatives. The method facilitates the detection of necessary measures that could progress a favourable ecosystem whose final aim is the SSE's local development.

Despite links between the SSE and local development having already been studied since the 80s (McRobie, 1981), they remain one of the most popular topics for current research. While it already seems clear that social enterprises promote local development, the relationships between different variables in this process are relatively unknown. Their study from new perspectives may well shed new light on this existing issue.

In the third article, 'Social economy as politic priority: Analysis of participative budgets in Ecuador' (*La economía social como prioridad política. Análisis de los presupuestos participativos en Ecuador*), authors, Katherine Guerrero Arrieta and Teresa Savall Morera define the *Buen Vivir* concept prevalent in Latin American political agendas. The text attempts to detect if citizen SSE preferences are aligned with those of public authorities in Ecuador. Although different patterns of participative budgets exist, in analyzing the participative budgets of three different Ecuadorian regions, they observe that both citizens and local administrations place importance on SSE initiatives and their visibility. The paper brings three different yet equally important SSE and social entrepreneurship research field issues together: the notion of *Buen Vivir* linked with the social economy; participatory budgeting, which allows for greater social inclusion and democratic governance; and public policies, which play a key role in the SSE's promotion and its institutionalization within civil society. The overall aim of these three aspects is related to fostering local development through local resources.

Aside from the above ideas related to the needs of a general ecosystem that can favor the SSE and recognize the importance of public policies, a key point in the literature is the long-term sustainability of these organizations. Leandro Morais analyzes this issue in 'The importance of the entrepreneurial ecosystem for the social and solidarity economy in the new technological era' (*La importancia del ecosistema emprendedor para la economía social y solidaria en la nueva era tecnológica*). The author investigates the social and economic consequences of technological advances and digital integration, emphasizing the importance of SSE organizations to adapt to this new era. He also remarks on the importance of an appropriated ecosystem that could achieve such a goal involving the public sector, universities, cooperatives, labor unions, etc.

Another significant topic focuses on the effects of initiatives such as the social impact assessment on SSE entities and social enterprises. Although no consensus yet exists on the most appropriate methodology (e.g., SROI or cost Benefit analysis), there seems to be agreement around the need to know how organizations can effectively change their environment. The fifth article, 'Social impact assessment: A possible challenge for social enterprise?', addresses this issue within a specific context where social enterprises are still arising: the Baltic States. Its author, Audrone Urmanaviciene, conducted twenty interviews among Estonian work integration social enterprises, ascertaining that, despite organization leaders being interested in measuring the social impact of their activities, they understand this social impact differently. Consequently, they use different, mostly self-created methods. This translates into a lack of knowledge about how to measure their social impact, as they devote the majority of their efforts to achieving their social mission. Therefore, training programs are necessary to professionalize these activities for those in charge.

The sixth article, 'Interplay of theory and practice: Experiences from the Hungarian social enterprise field' by Julianna Kiss, relates reflexive isomorphism theory and practice in Hungary with analysis of emerging SSE and social entrepreneurship initiatives. Dr Kiss studies how the discourses of dominant paradigm-building actors (development and support organizations, the European Union, the State, network builders and academia) have influenced the emergence and institutionalization of organizations. She also records the experiences of social entrepreneurs after conducting semi-structured interviews with twenty participants and examining official SSE and social entrepreneurship-related documents published by ecosystem agents.

The seventh research study, 'Quality. Local. Social. What else? - Factors that motivate consumers to participate in alternative food networks in Hungary' presented by Anna Torok, focuses on the consumer side of

debate. Torok studies the motivations that influence consumer participation in alternative Hungarian food networks. Through twenty-three interviews with people in these networks, she ascertains that both individual factors (related to food security and nutrition) and community factors (related to supporting local economies) affect participation in these structures.

These two studies constitute very important contributions not only because of their advances in the knowledge of emerging SSE and social entrepreneurship in Hungary but also because these new entities may advance some concrete alternatives to face pertinent issues. Hungarian citizens are currently experiencing very complex circumstances due to the reduction of social policies and resultant increase in suffering. Therefore, both articles can be understood as examples of the SSE and social enterprises' potential in a country under pressure.

The final article by Samuel Barco (Diesis) and Rocío Nogales Muriel (EMES Network), closed the international seminar with a lively debate called 'Social enterprise research from an international perspective: Key agents, challenges and opportunities ahead'. This paper gathers the contributions of both researchers who describe some of the challenges facing scholars when developing their activity. In particular, they analyze how research can increase its relevance and reach in collaboration with different stakeholders, who provide a realistic vision of needs within any given field, informing research processes and agendas. Based on their experience and an in-depth literature review, the authors analyze different international initiatives and research projects using the ecosystem approach, understanding as such that the SSE researcher is a person in contact with practitioners and policy makers and, consequently, has a certain role (and responsibility) in transforming society.

4. CONCLUSIONS

The papers included in this special issue let us to conclude that the SSE and social entrepreneurship constitute already stable lines of research aiming to contribute to local development, increasing human wellbeing and the creation of social value, something inspiring deserving to be highlighted in these complex times. However, we can also conclude that it is still necessary to continue deepening the analysis of the different aspects included in the SE field, and the new generation of early-career scholars are already facing this task, making great efforts to increase the knowledge about the SSE and social entrepreneurship using different methodologies and perspectives. To this regard, it is equally essential to emphasize the importance of being involved in international research networks while nurturing direct collaboration with ecosystem agents. Without these bridges, the social function of researchers will have hardly any repercussion

beyond the theoretical field, and such social function becomes even more urgent in post-disaster contexts such as the current moment.

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