



UNITED NATIONS INTER-AGENCY TASK FORCE ON SOCIAL AND SOLIDARITY ECONOMY (UNTFSSSE)

WHAT ROLE FOR THE SOCIAL AND SOLIDARITY ECONOMY IN THE POST COVID-19 CRISIS
RECOVERY?
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Inter-Agency Task Force on
Social and Solidarity Economy

Brief note prepared by the United Nations Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSSE)

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About the UNTFSSSE

The UN Inter-Agency Task Force on Social and Solidarity Economy (TFSSE) aims to raise the visibility of Social and Solidarity Economy (SSE) within the UN system and beyond. The members and observers of the Task Force have committed to undertake collaborative activities to:


- enhance the recognition of the role of SSE enterprises and organizations in sustainable development;*
- promote knowledge of SSE and consolidate SSE networks;*
- support the establishment of an enabling institutional and policy environment for SSE;*
- ensure coordination of international efforts, and create and strengthen partnerships.*

For the full list of members and observers of the UNTFSSSE, please visit: <http://unsse.org/>

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*“This is, above all, a human crisis that calls for solidarity”
- António Guterres, Secretary-General of the United Nations*

1. COVID-19: IMPACTS ON LIVES, ECONOMIES AND PLANET

Globally, there have been more than 6 million confirmed cases of COVID-19, including almost 400 thousand deaths.¹ This raging pandemic triggered the declaration of national emergencies in many countries, unprecedented restrictions were enforced not only on the movement of people but also on a range of economic activities. Growing demand for urgent healthcare and rising death tolls are straining national healthcare systems. The pandemic is disrupting global supply chains and international trade. With nearly 100 countries closing national borders during the past months, the movement of people and tourism flows have come to a screeching halt.²

More than 2.2 billion of workers live in countries where workplaces have been closed. According to ILO estimates, 436 million enterprises (including 389 million independent workers) are in high-risk sectors (manufacturing, food and lodging services, real estate, wholesale and retail trade). ILO estimates a loss of 305 million jobs worldwide.³

The current crisis has increased the level of uncertainty at the economic and work level. People, women and men, entrepreneurs and workers, see their lives, their families, their work and their enterprises in danger. This situation does not affect everyone the same way. Women, migrants, forcibly displaced people, indigenous peoples, people with disabilities, marginalized communities, young people, workers in the informal economy and those with precarious employment contracts, are a few examples of some of the groups that will be most affected by the consequences of confinement measures such as the closure of businesses and non-essential activities.

Around 1.6 billion workers in the informal economy are severely affected by confinement measures and/or by working in the most affected sectors. Estimates show the first month of the crisis is responsible for a 60 percent decrease in the earnings of informal workers around the world. The decline is expected to reach 81 percent in Africa and Latin America.⁴

This economic crisis has many secondary impacts, one of the most significant is the impact on the right

to food and nutrition. Informal workers paid daily, now confined to their homes, no longer have the means to buy food for themselves and their families. This does not only include less developed countries, evidence indicates that even low- and middle-class people in developed countries have resorted to food banks to access basic food supplies.

Even as all of humanity confronts COVID-19, it is becoming increasingly clear that pre-existing inequalities along various dimensions are differentiating its impact. At the same time, inequalities within and across countries also stand to widen because of the crisis. There is evidence that pre-existing conditions - increasing the risk of contracting the virus - occur more frequently in disadvantaged groups, who may also be less likely to have access to quality health care, or more likely to live and work in conditions that increase the risk of infection.⁵

Moreover, adverse impacts on human and planetary health will come from many sources as the world deals with COVID-19: a spike in hazardous waste, such as personal protective equipment, electronics and pharmaceuticals; masses of wastewater and enormous use of detergents, disinfectants and antimicrobial solutions.⁶

2. POST COVID-19 CRISIS: BETTER NORMAL, NOT NEW NORMAL

The pandemic has exposed many fragilities in our economies, and deepened existing inequalities, while highlighting the need for resilience, innovation and cooperation. The pre-crisis problems, including the insufficient quantity and quality of employment, the growing inequalities, global warming and migration, the unsustainability of the current industrial food system, are going to worsen significantly as a consequence of the measures taken to counteract the health emergency.

This situation clearly depicts the worst crisis, on a humanitarian, social and economic level since World War II. The key question now is, once the health emergency ends, do we want to return to the world the way it was before COVID-19? What future do we want? Things are not going to be the same; it will be up to us to find answers that will guide us to a world that offers

1 WHO, Dashboard available on: <https://covid19.who.int/> Last access 3 June
2 UNDESA, [World Economic Situation and Prospects: April 2020 Briefing, No. 136](#), 1 April 2020
3 ILO, [ILO Monitor: Covid-19 and the world of work. Third edition. Updated estimates and analysis](#), 29 April 2020
4 *ibid.*

5 UNDESA, [Policy Brief #65: Responses to the COVID-19 catastrophe could turn the tide on inequality](#), 1 May 2020
6 UNEP, [Working With the Environment to Protect People UNEP's COVID-19 Response](#), April 2020

all people, for many generations, a better future.

As the General Secretary of the UN mentioned, “*we have the responsibility to recover better. The 2008 financial crisis demonstrated clearly that countries with robust social protection systems suffered the least and recovered most quickly from its impact.*”⁷

It is necessary to address the root causes of exclusionary and unsustainable development, in order to shape a different future. Rethinking the way we do business will be crucial in order to ensure a “people-centred and planet-sensitive” recovery. A healthy planet is critical to bounce back from the COVID-19 pandemic and to prevent future zoonotic diseases, which are passed on in humans and animal interactions.⁸ Setting up systems to ensure access to universal provision of quality services such as health care, education, sanitation and social protection – at the core of reducing inequalities – is key to build societies more resilient to future crises. Adjusting business models is crucial to sustain agri-food enterprises and supply chains during and post COVID-19.⁹ Tackling permanent and no longer postponable challenges of climate, digital and demographic transition and their impacts on the world of work is key for a renovated social justice and access to a decent life for all.¹⁰

3. SOCIAL AND SOLIDARITY ECONOMY: KEY ACTOR IN SHAPING A “PEOPLE-CENTRED AND PLANET-SENSITIVE” RECOVERY

In the post COVID-19, it will be necessary to promote cooperation, offering basic services in a different way, recovering and creating decent employment through diverse and complementary organizational models of production. Enterprises and organizations of Social and Solidarity Economy (SSEOs)¹¹, by their very nature, are particularly suited to participate in the production of goods and services where labour is the key strategic factor of production. This is even more

the case in personal and social services.

SSEOs have an ownership structure that attributes rights to a variety of stakeholders and therefore have a more inclusive and democratic governance structure, giving voice to all stakeholders. Such democratic governance works both internally and externally. Democracy is exercised internally through the promotion of participation and engagement in social dialogue as part of the initiative. Moreover, SSE thrives on ensuring that a plurality of voices is heard in the public sphere, thereby contributing to the emancipation of groups and communities. Such an active and responsible citizenship is imperative when facing situations such as the one generated by the pandemic, eliminating the need to resort to police states with the consequent regression in personal freedoms. Many SSEOs are already responding to the COVID-19 pandemic in various ways. These initiatives¹² cover several aspects: social and health protection, provision of food and prevention equipment, financial support, education and training, awareness raising, culture and the arts¹³, organization of community aid, converting their production to face the emergency, re-localizing supply chains, etc. However, the full potential of the SSEOs for the recovery stage will depend on governments’ willingness to co-design and co-implement public policies and recovery measures within a multi-stakeholder approach.

Promoting the access to basic rights, especially for the most vulnerable people

Rebuilding local economies will be crucial in the post COVID-19 setting, but in order to do so while keeping the central promise of “leaving no one behind”, everyone must have equal and universal basic rights. SSE is indeed a unique mechanism that provides universal access to opportunities, protection and empowerment. This is due to SSE’s promotion of active citizenship, participatory democracy and pluralistic economic systems, which are all essential, especially in crisis situation, in reaching out to the most vulnerable and marginalized groups.

SSEOs create opportunities (through collective action), extended protection (through mutual assistance) and empowerment of individuals and communities (through membership-based, democratic management). For instance, as community-based

7 António Guterres, [Secretary-General Remarks on COVID-19: A Call for Solidarity](#), 19 March 2020

8 UNEP, [Working With the Environment to Protect People UNEP’s COVID-19 Response](#), April 2020

9 FAO, [Adjusting business models to sustain agri-food enterprises during COVID-19](#), 6 May 2020

10 Guy Ryder, [Better normal, not new normal](#), 30 April 2020

11 Although there is no globally agreed definition on SSE, the document uses one that was adopted by ILO Regional Conference “The Social Economy: Africa’s response to the global crisis” in Johannesburg (2009) and the UNTFSSSE position paper (2014) that is “a concept designating organizations, in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises, which produce goods, services and knowledge while pursuing both economic and social aims and fostering solidarity”.

12 ILO, [Cooperatives and wider SSE enterprises respond to COVID-19 disruptions, and government measures are being put in place](#), April 2020

13 Caruana V. and Nogales R., [Stakeholder Brief 5: Unlocking the transformative potential of culture and the arts through social enterprise](#), 2019

enterprises, SSEOs have been instrumental in increasing access to employment and work, upgrading and integrating small-scale farming into agri-business value chains and improving livelihoods of rural workers through provision of basic services and social protection. Cooperatives also promote representation by magnifying the voice of rural workers, especially those in vulnerable groups such as women and indigenous people. SSEOs are well-suited to advancing women's economic participation in three key ways: increasing access to employment and work, enabling economic democracy and agency and boosting leadership and management experience.¹⁴

Also, the SSE has a historical track-record of supporting the full integration of people with disabilities, acting for people with disabilities, but most importantly, with them, since in some countries they employ significantly more people with disabilities than traditional enterprises. In this sense, SSEOs will be crucial to allow people with disabilities to be part of the solution, contributing fully to the recovery, instead of being left behind or seen as an "added problem".

Moreover, before the COVID-19 outbreak, still 400 million people worldwide did not have access to the essential health service package. Of those who had access health services, 100 million were pushed into extreme poverty every year because they have to pay out-of-pocket.¹⁵ Over the past few decades, a community-based approach was seen to be the "gold standard" for health promotion and disease prevention, especially when dealing with deprived areas.¹⁶ The presence of this enterprise model in the health sector, and the growing presence of mutual aid societies, has been confirmed in 76 countries, with more than 3,300 health cooperatives generating an overall turnover of \$15 billion.¹⁷

Generating innovative solutions at the local level

As most SSEOs are member-based, they are rooted in their communities where they play an essential role in local economic development (LED) and local governance.

Within the recovery framework, SSE can favour not

only the creation of decent employment opportunities, but also a more a people-centred development at a local level. In this sense, SSEOs have a great potential for innovation because they are rooted in the territory and are born as a response to the needs or opportunities of communities. For instance, when dealing with the health emergency, innovative solutions have been found by social cooperatives and enterprises in many countries and in cooperation with the local authorities. The SSE, without aiming to replace public health, plays a complementary role in the provision of health services, considering the proximity to its members and to the communities they serve, in line with the "community health" model. Cooperatives in Africa and Latin America have facilitated access to health care services for people living with HIV and governments have been inspired by these SSE initiatives to design public health policies.¹⁸

Many enterprises, encouraged by governments, seek to shorten and simplify supply chains, and, where possible, re-localize production. Most SSEOs are part of sustainable production systems rooted in local and regional economies. They are well placed to help strengthen this re-localisation.

In fact, the COVID-19 crises has illustrated how vulnerable the global supply chains of the current pattern of globalization with highly fragmented supply chains and just-in-time delivery. The lack of available personal protection equipment (PPE) is a stark reality. As the crises deepened, governments, companies, and citizens have realised the fragility of this system and that the economies need to be re-localized in many sectors.

While grounded at the local level, SSEOs are critical in developing innovative solutions to issues that are global in their nature, simultaneously challenging different communities across the globe. Promoting knowledge sharing on innovative SSE solutions and good practices is crucial to expand the visibility of initiatives and promote peer-learning and exchanges. In this respect, SSE's impacts has proven to have the potential to be scaled up through South-South and Triangle Cooperation (SSTC). Based on the principles of solidarity and non-conditionality, SSTC is a strategic instrument that supports innovative SSE practices to be adapted to local possibilities and contexts in different parts of the world. Recovering from COVID-19 demands sharing SSE knowledge, skills, resources, and expertise while building regional and inter-regional networks that are people-centred and based on solidarity.

¹⁴ ILO, [Cooperative & social and solidarity economy responses to key issues in the report of the global commission on the future of work](#), 2019

¹⁵ WHO and the World Bank, [Tracking universal health coverage: 2017 global monitoring report](#), World Health Organization and International Bank for Reconstruction and Development, 2017

¹⁶ Phinse Mappalakayil & al., [Community-based interventions for health promotion and disease prevention in noncommunicable diseases: A narrative review](#), 2018

¹⁷ UNDESA, [Healthcare cooperatives: a reliable enterprise model for health and wellbeing](#), 2018

¹⁸ ILO, [Working Paper No. 19 - The cooperative model for the delivery of home based care services for people living with HIV](#), 2010

Supporting a just transition

A just transition to new economic models that protect the world's poor and vulnerable – for it is these people who suffer the most from pandemics and environmental degradation. COVID-19 does not provide a 'silver lining' for the environment, but it provides the impetus to revisit our relationship with nature and build a better world.¹⁹

Market-centred and corporate-led approaches are often associated with the process of commodifying and assigning private property rights to nature, technological fixes and 'green-washing', and run the risk of replicating the uneven distribution of costs and benefits associated with 'business-as-usual'. Since SSEEOs are not structured in this way, but rather aim to provide members and communities with goods and services and are often community-led or -owned, they are inclined to meet the challenges of both climate change and poverty reduction.²⁰

In particular, the SSE-based sustainable local food systems have been witnessing a significant growth in many countries, including practices of "direct from farm to home delivery services" and local contactless pick-ups such as Community Supported Agriculture (CSA) and vegetable box schemes. In the last years, cooperative producer-consumer shops are also flourishing, as is a new wave of 'grow-it-yourself' products. This exponential growth has led to the creation of both new platforms of direct producer-consumer sales, but also of some corporate capture. This has significant impact on our health and the planet.

Moreover, in a sustainable development approach it is necessary to move from linear, highly resource depleting systems with high emissions, waste generation, and high impacts on ecosystems and natural capital, towards circular, less wasteful systems that use resources more efficiently and sustainably, while providing work opportunities and a high quality of life. Many SSEEOs started numerous initiatives in the circular economy sector.²¹

Acting as an anticyclical "antidote"

SSEEOs can create jobs in traditional sectors as well as in emerging sectors²², while providing a framework

for new occupations that are at risk of informality and exploitation.²³ The resilience of SSEEOs in times of economic crisis is proven by extensive research²⁴ and particularly by cooperative banks.²⁵

The important role of the SSE in preserving employment is reinforced by the well-documented anti-cyclical nature of SSEEOs, as evidenced by their resiliency in times of economic crisis.²⁶ For instance, in the case of workers losing jobs due to enterprise failures during economic crises and subsequent transition, workers in firms with economic potential can buy out and transform the firms into worker-owned enterprises.

Moreover, in fragile contexts, presenting different layers of structural socio-economic crises, SSE acts as crosscutting mitigation measure. For instance, in displacement contexts, SSEEOs have proved to work with both displaced people and host communities to access enhanced economic opportunities and enable leverage an integrated response to provide a combination of mutually reinforcing benefits to those involved. Establishing structures that the local community can trust, and strengthening local governance, are key to peacebuilding and working in crisis contexts.²⁷

4. CALL TO ACTION

By reiterating the urgency to reinforce multilateralism and joint efforts in the framework of the 2030 Agenda and to accelerate the achievements of the Sustainable Development Goals (SDGs), it will be crucial to include SSEEOs in order to ensure a "better recovery" in the spirit of "leaving no one behind". While the UNTFSSSE members and observers are engaged in the collection and systematization of data, information and knowledge on the actions, actors, and organizations of SSE amid COVID-19 crisis²⁸, they call for action. In particular:

Governments should focus on the causes of this crisis when devising reconstruction measures

While there is a clear need to focus on an immediate

19 UNEP, [Working With the Environment to Protect People UNEP's COVID-19 Response](#), April 2020

20 UNTFSSSE, [A Position Paper by the United Nations Inter-Agency Task Force on Social and Solidarity Economy](#), 2014

21 Circle Economy, [Jobs & Skills in the Circular Economy: State of Play and Future Pathways](#), 2020

22 ILO, [Social and Solidarity Economy and the Future of Work](#), 2017

23 ILO, [Cooperatives and the world of work no 12 Waste pickers' cooperatives and social and solidarity economy organizations](#), 2018

24 ILO, [Resilience of the Cooperative Business Model in Times of Crisis](#), 2009

25 ILO, [Resilience in a downturn: The power of financial cooperatives](#), 2013

26 ILO, [Social and Solidarity Economy and the Future of Work](#), 2017

27 ILO, [Mapping responses by cooperatives and social and solidarity economy organizations to forced displacement](#), 2020

28 For more information, please refer to: <http://unssse.org/sse-responses-to-covid-19-information-from-the-members-and-observers-of-the-untfssse/>

humanitarian response, governments cannot lose sight of the root causes of this crisis, and therefore advancing a community based recovery by building stronger health systems, working to minimize the number of people that live in poverty, contrasting gender inequality, and advancing a healthier environment, more sustainable local food systems and more resilient societies.

Governments should include SSEEOs when designing and implementing response and recovery measures

In the post-crisis setting, as governments approve stimulus packages to support job creation, poverty reduction, development and economic growth, it is necessary to seize opportunities for leap-frogging to plural economies, which include and promote alternative people and planet oriented business models. Promoting a transformative vision, as suggested by Agenda 2030, and not continuing with “business as usual” requires the adoption of a new paradigm of sustainable production and consumption. This paradigm must value issues such as the circular economy, agroecology²⁹, social innovation, short circuits, food security³⁰, and innovative financial mechanisms³¹ such as local currencies and the care for common goods.

Governments and local governments should co-build public policies in strategic socio-economic sectors for better recovering from the crisis

The complexity of the crisis that we are facing requires an enormous amount of resources, which furthermore calls for a cooperation between the private and the public sectors at different levels. SSE can play an important role due to its characteristics, as private enterprises often operate in areas of public utility. Multi-stakeholder partnerships are key to design relevant and innovative public policies to better overcome this crisis and to transform this crisis into an opportunity to make fundamental changes and allow the much-needed transformation of our society and economy.

Governments should encourage long-term investments and policies in the plural economy and develop supplementary indicators of progress towards well-being

Investing in strategic sectors, which promote decent and sustainable work and place people at the centre of business, entails diversifying investments and developing and implementing policies to create an enabling environment for different business models. In addition, public policies that aim to create and strengthen SSE ecosystems are decisive for the realisation of a transformative developmental agenda. There is an urge for indicators to supplement GDP that would encourage, and more accurately track, progress in the human-centred agenda. Develop supplementary indicators of progress towards well-being, environmental sustainability and equality will be crucial both to a better and faster recovery and for long-term sustainable and inclusive development.

29 FAO, [The 10 Elements of Agroecology](#), 2019

30 UNCTAD, [Trade and environmental review: Wake up before it is too late](#), 2013

31 ILO, [Financial Mechanisms for Innovative Social and Solidarity Economy Ecosystems](#), 2019

