



International Labour Organization

# Social and Solidarity Economy and South-South and Triangular Cooperation in Latin America and the Caribbean: Contributions to Inclusive Sustainable Development





**Social and Solidarity  
Economy and South-South  
and Triangular Cooperation  
in Latin America and the  
Caribbean:**

**Contributions to Inclusive  
Sustainable Development**

Leandro Pereira Morais

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# Social and Solidarity Economy and South-South and Triangular Cooperation in Latin America and the Caribbean: Contributions to Inclusive Sustainable Development

Leandro Pereira Morais<sup>1</sup>

## INTRODUCTION

Frequent global economic crises have placed employment at the centre of local, national and international development strategies. Together with the changes in the geopolitical and economic scenarios, this has led to a great rise in the importance of the countries of the global South within the development processes.

In that sense solidarity gains ground, and South–South and triangular cooperation is a manifestation of this between the countries and peoples of the South, one that contributes to national well-being, national and collective self-reliance, and the achievement of internationally agreed development objectives, including the Millennium Development Goals,<sup>2</sup> as advised in the ILO’s South–South and triangular cooperation strategy.<sup>3</sup> Along these lines, the social and solidarity economy takes on fundamental importance, as it upholds the possibility of generation of work, employment and income coming out of the solidarity-based economic enterprises.

Solidarity-based economic enterprises can operate through cooperatives, associations and social enterprises, amongst other kinds of undertakings, which in various countries are already shown to be capable of contributing to the generation of wealth and the socio-occupational integration of various people, including young people and underprivileged groups. It undoubtedly constitutes a topic of relevance and pertinence within the context of the sombre unemployment prospects in the world, which will be presented below. In addition, based on its constituent elements (cooperation, self-management, solidarity, participation of the local actors, sustainable use of resources, etc.) the social and solidarity economy may contribute to rethinking the current development model, in the direction of inclusive sustainable development, with repercussions on local territorial development.

As regards the world unemployment picture, mentioned above, a recent report of the International Labour Organization (Global Employment Trends, 2013: Recovering for a Second Jobs Dip)<sup>4</sup> indicates that the world

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<sup>2</sup> <http://www.pnud.org.br/ODM.aspx>

<sup>3</sup> Document: “South–South and triangular cooperation: The way forward”, 313th Session, Geneva, 15–30 March 2012.

<sup>4</sup> Available at: [http://www.ilo.org/wcmsp5/groups/public/—dgreports/—dcomm/—publ/documents/publication/wcms\\_202326.pdf](http://www.ilo.org/wcmsp5/groups/public/—dgreports/—dcomm/—publ/documents/publication/wcms_202326.pdf)

prospects for job creation have become worse. Within this scenario, millions of workers in the developed and developing world are seriously underemployed, involved in survival activities with extremely low productivity. Moreover, the unemployment rate is likely to increase once again in 2013 and 2014.

In the words of Guy Ryder, Director-General of the ILO:<sup>5</sup> “An uncertain economic outlook, and the inadequacy of policy to counter this, has weakened aggregate demand, holding back investment and hiring, prolonging the labour market slump in many countries, lowering job creation and increasing unemployment duration even in some countries that previously had low unemployment and dynamic labour markets.”

According to the study mentioned, in addition to weak global economic activity, the labour market has also been affected by the fiscal austerity programmes adopted in various countries. To get an idea: the advanced economies accounted for one-fourth of increased world unemployment in the last year. On the other hand, there was also a marked reduction in job openings in the emerging economies of South-East Asia and sub-Saharan Africa.

### Box 1 - Unemployment in the world: alarming situation

According to data from the ILO Report (2013), the number of people all around the world without an occupation rose by 4.2 million in 2012, to a total of 197 million – equivalent to an unemployment rate of 5.9%. In its projections, this year 5.1 million more people will lose their jobs, and another three million in 2014. Over the next five years, the total number of the unemployed is likely to reach 210 million.

The situation is particularly dramatic for global youth, seeing that close to 74 million young people (15 to 24 years of age) in the world are unemployed, which corresponds to a youth unemployment rate of 12.6%, and means 3.5 million more than in 2007, nearly one million more than in 2011. And the picture is discouraging, since the deceleration of economic activity is likely to generate a half-million more unemployed in 2014.

These data refer to the recent ILO study on global youth unemployment, entitled: “Global Employment Trends for Youth 2013: A Generation at Risk”.<sup>6</sup> According to the study, following a global reduction in unemployment for this age group from 12.7% in 2009 to 12.3% in 2011, the world youth unemployment rate rose once again in 2012, registering 12.4%, with prospects of closing 2013 at 12.6%, and may reach 12.8% in 2018, thus showing an overall upward trend.

The analysis of the above-mentioned study shows that the weakening of the economic recovery in 2012 and 2013 worsened youth unemployment, making access to the labour market even more difficult for young people. In addition, due to this situation young people are less selective with jobs, accepting more part-time jobs or temporary jobs, within a framework in which stable quality employment is increasingly scarce, particularly in developing regions. Undoubtedly this scenario leads to severe consequences and economic and social costs.

<sup>5</sup> As put forward in the renowned Brazilian newspaper *Valor Econômico* of 22.01.2013. Available at: <http://www.valor.com.br/internacional/2979176/desemprego-global-deve-piorar-novamente-em-2013-alerta-oit>

<sup>6</sup> Available at: [http://www.ilo.org/wcmsp5/groups/public/—dgreports/—dcomm/documents/publication/wcms\\_222658.pdf](http://www.ilo.org/wcmsp5/groups/public/—dgreports/—dcomm/documents/publication/wcms_222658.pdf)

### Box 2 – Global youth unemployment by region

According to the above-mentioned study, youth unemployment rates vary a great deal from one region to another. To get an idea: in 2012 the highest rates of youth unemployment were recorded in the Middle East (28.3%) and in North Africa (23.7%), while the lowest corresponded to East Asia (9.5%) and South Asia (9.3%). In Latin America and the Caribbean, the current unemployment rate amongst young people is 12.9%, and in the event that the current growth trend is maintained, youth unemployment in the region will reach the level of 13.6% in 2018.

Seen in this way, according to the ILO study on youth unemployment there is no single solution for all countries, within a framework in which it is necessary that governments undertake an in-depth analysis of the reality of the labour markets within each national context, in order to thus draw up programmes and policies for intervention. However, it is understood that many solutions may be discussed and disseminated amongst the countries, for exchange of experiences and knowledge and a joint approach.

One form of this contribution could come about starting from South–South and triangular cooperation and the social and solidarity economy, as this article will try to show. In the face of the image of unemployment that was presented, it is believed that innovative responses to the global challenges are arriving from the emerging powers of the South, which are becoming strategic partners for other developing countries. South–South cooperation and interchanges allow the countries of the South to benefit from the solutions developed in contexts similar to their own, which are accordingly better adapted to their realities.

This therefore constitutes the objective of the article: to show the potentials of South–South and triangular cooperation and the social and solidarity economy as effective mechanisms that contribute to the generation of work, employment and income in the territories, taking into consideration the fact that based on the incorporation of the already-mentioned constituent elements of the social and solidarity economy, there are real possibilities for influencing local economic and social development. This is understood as “a participatory development process that encourages partnership arrangements between the main private and public stakeholders of a defined territory, enabling the joint design and implementation of a common development strategy.” (Amorim and Lagarde, 2013, p. 20)

To that end, the article is structured as follows: following this introduction, the first part will present a brief history, objectives, constituent elements and practical actions of South–South and triangular cooperation. In this first part one looks to present the main milestones that point to the growing visibility of South–South and triangular cooperation, as well as some practical experiences carried out by the ILO in the field of South–South and triangular cooperation, and their relationship with local economic and social development. Afterward, in the second part of the work, the idea is to show the potentials of the social and solidarity economy in the generation of work, employment and income, as well as its effective connections with local economic and social development. Then it is demonstrated that if on the one hand the social and solidarity economy offers immense potentials, on the other, in some cases many promising experiences are made impracticable due to the weaknesses that are inherent in the *modus operandi* of the “sector” (Morais, 2013). Based on this finding, it will be argued that it is possible to face and minimize such weaknesses found in the field of social and solidarity economy, with the support of South–South and triangular cooperation, based on the exchange of knowledge, information, know-how and practice, and even the possibility of creating solidarity-based markets acting in a network.



# 1. South–South and triangular cooperation: brief history, objectives, constituent elements and practical actions

## 1.1 *The growing visibility and recognition given to South–South and triangular cooperation*

Cooperation between developing countries has been part of global development cooperation since the 1970s, but has recently gained greater visibility. The growing importance and relevance of South–South and triangular cooperation have been reaffirmed by various of the main UN Conferences.

South–South cooperation is complementary to traditional North–South relations, and incorporates the idea that, “through a spirit of solidarity, developing countries can provide sustainable solutions to their own problems and at lower cost”. In this way, “South–South Cooperation efforts – including the identification of successful experiences in one country and their adaptation and application in another – are an important addition to the dissemination of decent work outcomes under the ILO’s four strategic objectives”. At the same time, it “enables the formation of networks between both developing countries and traditional donors in triangular schemes that contribute to a fair globalization”. Seen in this way, it is understood that “the ILO can play an important role not only

as a support channel, but also as an institution that maximizes financial, logistical and technical resources”. (Amorim, 2013a, p. 8).

Thus South–South cooperation is even seen as an important means to tackle the challenges faced by the less developed countries. The Istanbul Programme of Action<sup>7</sup> highlights South–South cooperation as an important aid modality, and asks the developing countries to promote this cooperation with the less developed countries.

### Box 3 – Brief retrospective and main landmarks of South–South and triangular cooperation

- At the General Meeting in 2004, the High-level Committee on the Review of Technical Cooperation among Developing Countries spawned the High-level Committee on South–South Cooperation. Under the guidance of the High-Level Committee, the United Nations system has given priority to South–South and triangular cooperation as a fundamental form for the promotion of collaboration initiatives at national, regional and inter-regional level;

<sup>7</sup> Fourth United Nations Conference on the Least Developed Countries (LDC-IV), Istanbul, 2011. Additional information at: <http://www.un.org/wcm/content/site/ldc/home/Background>.

- In December 2009, the High-Level United Nations Conference on South–South Cooperation, held in Nairobi, gave a big political boost to South–South and triangular cooperation, requesting that the organizations of the United Nations system make additional efforts toward ensuring fulfilment of the expectations of the member states in relation to support for this form of cooperation;
  - In 2010 the Nairobi Outcome Document, drawn up in 2009 and approved by the UN General Assembly in 2010, provided the most comprehensive and far-reaching definition of South–South and triangular cooperation within the context of the United Nations system;
  - In this same year (2010) – during the Global South–South Development Expo – India, Brazil and South Africa (IBAS) signed a Statement of Intent with the ILO on South–South and triangular cooperation in the area of decent work. The Statement reaffirms the intention to strengthen the ILO’s South–South cooperation programme, looking to promote greater solidarity and equality amongst countries and peoples on labour matters;
  - Later, in 2012, the government of India hosted the first IBAS Conference of Ministers on decent work, and many initiatives are under way to support this Declaration, in collaboration with the Special Unit for South–South Cooperation of the United Nations Development Programme.
- Also in 2012, the relevance of South–South and triangular cooperation was reaffirmed in the *Quadrennial Comprehensive Policy Review of operational activities for development of the United Nations System (2012)*, which dedicates one part to South–South cooperation.<sup>8</sup>

Some additional comments may be set out as regards these milestones indicating the growing visibility and relevance of South–South and triangular cooperation. In relation to the above-mentioned Nairobi Outcome Document, drawn up in 2009 and approved by the UN General Assembly in 2010, it is interesting to bear in mind its main aspects,<sup>9</sup> since they allow us to visualize the main constituent elements of South–South and triangular cooperation, namely:

- a) South–South and triangular cooperation takes in initiatives at social, economic, environmental, technical and political level, being in this way a useful tool to involve the social partners from the developing countries in promotion of the Decent Work Agenda, through development cooperation;
- b) South–South and triangular cooperation is a manifestation of solidarity between the countries and peoples of the South that contributes to national well-being, national and collective self-reliance, and the attainment of the development objectives, including the Millennium Development Goals;
- c) South–South and triangular cooperation should not be seen as official development assistance, but as an egalitarian partnership based on solidarity; not a substitute for North-South cooperation, but rather a complement to it. Here is where the concept arises of “triangular cooperation”, which is defined as “South–South cooperation, supported by a partner from the North”;<sup>10</sup>

<sup>9</sup> Based on the document: “South–South and triangular cooperation: The way forward”, 313th Session, Geneva, 15–30 March 2012. Available at: [http://www.ilo.org/wcmsp5/groups/public/—ed\\_norm/—relconf/documents/meetingdocument/wcms\\_172577.pdf](http://www.ilo.org/wcmsp5/groups/public/—ed_norm/—relconf/documents/meetingdocument/wcms_172577.pdf).

<sup>10</sup> As examples of this cooperation we can mention that the ILO has already been involved in such triangular experiences, in the agreement between the United States and Brazil to support Haiti in the fight against child labour in the construction sector, as well as in the Memorandum of Understanding between Brazil and the United States, signed in 2011, for the promotion of decent work through South–South and triangular cooperation.

<sup>8</sup> Documento: *Revisão Quadrienal de Política Global das Atividades Operacionais para o Desenvolvimento do Sistema das Nações Unidas*, Parágrafos 70 a 77.

- d) South–South and triangular cooperation takes on different and evolving forms, including in particular the sharing of knowledge and experiences, training and technology transfer;
- e) The ILO’s tripartism is an advantage for it playing a significant role in South–South and triangular cooperation, since it can incorporate proposals, contributions and demands, both from the governments, as well as from the employers and workers. In other words, the tripartite structure of the ILO provides a useful platform for the building of consensus and cooperation amongst the actors from the developing countries. The governments, employers and workers in the Member States constitute the largest network of knowledge concerning the world of work. Through social dialogue, the representatives of this tripartite structure can share viewpoints on issues of common interest in the economic and social policy area;
- f) Through South–South and triangular cooperation, a certain cross-cutting nature can be perceived between its objectives on behalf of building more inclusive and sustainable patterns of development, permitting the facing of the global crises in their different facets (economic, financial, labour, food, energy etc.). Seen in this way, within the United Nations system the ILO could play a distinct and unique role for resolution of these crises, for example through the application of the ILO’s Declaration on Social Justice for a Fair Globalization (2008)<sup>11</sup> and of the Global Jobs Pact (2009);<sup>12</sup>
- g) South–South and triangular cooperation has been an effective means to promote cooperation between trade unions and universities, to the purpose of strengthening knowledge and research capacity for interventions in terms of policies and organizational development. The economic crisis has led to an increase in unstable and vulnerable employment in the world, particularly in the South. In response, the knowledge and experience of the trade unions may be taken advantage of in the drawing up of national and international policies directed to these issues;<sup>13</sup>

As may be understood, explicitly and implicitly, there are certain constituent elements in the ideas and actions of South–South and triangular cooperation, such as:

<sup>11</sup> This Declaration defines four strategic objectives: (1) creation of greater opportunities for women and men, so as to ensure employment and income; (2) improvement in the coverage and effectiveness of social protection for all; (3) strengthening of tripartism and social dialogue; (4) promotion and implementation of fundamental standards, principles and rights at work. Available at: [http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/resolucao\\_justicasocial.pdf](http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/resolucao_justicasocial.pdf)

<sup>12</sup> Available at: [http://www.oit.org.pe/1/wp-content/uploads/2009/12/OIT\\_Pacto\\_Mundial\\_PORT\\_web.pdf](http://www.oit.org.pe/1/wp-content/uploads/2009/12/OIT_Pacto_Mundial_PORT_web.pdf)

<sup>13</sup> One of these examples of cooperation is the Global Labour University, which is a network created in partnership with the ILO, one of the few advanced educational infrastructures that promotes capacity-building and knowledge for trade unionists from countries of the South. In the same way, the ILO’s Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR) has been practising and promoting South–South and triangular cooperation at regional level, through a platform for sharing knowledge and a network of policies for capacity building, linking public institutions, international organizations, organizations of social partners, universities and civil society. In the same way, the ILO International Training Centre in Turin has also used forms of South–South and triangular cooperation for capacity-building and training. For additional information, it is suggested to consult the already-referenced work coordinated by Amorim (2013 a).

### Box 4 – Constituent elements of South–South and triangular cooperation in the context of the ILO

- Taking in initiatives in the social, economic, environmental, technical and political realms;
- Manifestation of solidarity;
- Egalitarian partnership based on solidarity, on the sharing of knowledge and experience, and on training and technology transfer;
- Tripartism and the building of consensus and cooperation between the actors;
- Social dialogue;
- Shared interest;
- Emerges out of a socio-economic demand;
- Respect for autonomy, peculiarities and priorities at national level;
- Cross-cutting nature of actions and objectives;
- Cooperation between trade unions and universities;
- Strengthening of knowledge and research capacity for interventions in policies and organizational development.

The recognition and pertinence of these elements in the projects and actions of South–South and triangular cooperation may undoubtedly be reiterated with analysis of the Guidelines from the above-mentioned Document “Quadrennial Comprehensive Policy Review of Operational Activities for the Development of the UN System” – QCPR (2012), and the importance that this document assigns to South–South and triangular cooperation.

As specifically regards South–South cooperation, that finding is supported in the following statements in this document:

- South–South cooperation as the manifestation of solidarity between the peoples and countries of the South, contributing to their national well-being, their national and collective self-reliance, and the achievement of internationally agreed development objectives, including the Millennium Development Goals;
- South–South cooperation and its agenda have to be established by the countries of the South, and should be guided by the principles of respect for national sovereignty, national ownership and independence, equality, non-conditionality and non-interference in the internal affairs, and common benefit;
- Strengthening support for South–South cooperation, including triangular cooperation, particularly through the sustainable mobilization of financial resources and the provision of technical assistance;
- Intensifying information sharing and the preparation of reports on the support conferred and results achieved through South–South cooperation, including triangular cooperation;
- The importance of strengthening the United Nations Office for South–South Cooperation (UNOSSC) and the appeal to the United Nations development system to provide additional support to the Office so as to permit the carrying out of its mandate;
- Improving the United Nations’ institutional agreements within all of the global frameworks for action, in political terms and those of governance, coordination, structures, mechanisms and resources allocated, including the proposal for overall financing of the system and for the coordination, promotion and

integration of the activities of the United Nations Office for South–South Cooperation (UNOSSC).

- The regional funds, programmes and commissions should pay particular attention to the implementation of South–South cooperation projects managed or supported by the United Nations Office for South–South Cooperation (UNOSSC).

As will be seen below, these elements converge with the constituent elements of the social and solidarity economy, making of the latter, and of South–South and triangular cooperation, complementary instruments of support to the economic and social development of the territories in which experiences and practices along those lines exist.

## 1.2 *The ILO and South–South and triangular cooperation in practice: some experiences*

For a number of decades now, the ILO has assigned importance to regional cooperation initiatives, which already constituted a form of South–South and triangular cooperation. As registered in “South–South and triangular cooperation: The way forward” (2012), Brazil became the first partner from the south to support the ILO’s Technical Cooperation Programme, through a South–South cooperation agreement. Since that time, the ILO has formally strengthened its role as a bridge between the countries of the South, helping them to share experiences on decent work and to move forward to the achievement of the Millennium Development Goals.

Subsequently new partners from the south have established partnerships and indicated interest in promotion of the Decent Work Agenda through South–South and triangular cooperation, including South Africa, Argentina, Chile, China, India, Kenya and Panama. The main points of entry for the ILO’s South–South and triangular cooperation activities have been integrated packages targeting areas like promotion of employment creation and of social protection floors, sectoral activities, migration, child labour, forced labour, green jobs, social

dialogue and the development of competencies and capabilities.<sup>14</sup>:

The following may be cited as examples of South–South and triangular cooperation actions and practices:

- a) **Initiative to combat child labour in Brazil, Bolivia, Ecuador and Paraguay:** promotion of horizontal interchange of knowledge between these countries, through study visits and training activities. The initiative also benefited from a close collaboration with a horizontal cooperation project financed by the Department of Labor of the United States, which provided financial support for two of these joint visits. This initiative to combat child labour ensured that the elimination of child labour was integrated into the entire labour inspection system – for example, in the Bolivian case, with the “System for Monitoring Child Labour in Bolivia”;<sup>15</sup>;
- b) **Supporting actions to comply with the targets for 2015 for elimination of the worst forms of child labour in the Lusophone countries of Africa:** The project is a South–South and triangular cooperation initiative, envisaging horizontal exchanges of good practices and lessons learned between Brazil and the Portuguese-speaking African countries (PALOPs). The main objectives are to develop National Action Plans as the main strategy for the elimination of child labour, and to establish tripartite committees as the main strategy for the prevention of child labour. Other initiatives in the international realm arose out of this to combat child labour. For example: (1) The Community of Portuguese Speaking Countries (CPLP) provides support in the area of training materials and communication; (2) the regional

<sup>14</sup> For a more detailed view, consult Amorim (2013 a), as well as the document “Brazil’s Contribution to the ILO South-South and Triangular Cooperation Strategy; An overview: 2011-2013”. VII Annual Review Meeting, ILO, Geneva, 18 June 2013.

<sup>15</sup> For detailed information it is suggested to consult the book: “South-South Cooperation and Decent Work: Good Practices”, coordinated by Anita Amorim, ILO, Geneva, 2013.

- ILO project in Dakar, with the support of the Spanish Agency for International Development Cooperation; (3) the ECOAR project<sup>16</sup> for teachers; (4) the TACKLE project<sup>17</sup> that is financed by the European Union;
- c) **Inter-American Centre for Knowledge Development in Vocational Training – CINTERFOR – ILO and South–South and triangular cooperation:** Created in 1963 by the ILO, the Centre promotes capacity building and development of national training institutions, as well as vocational training, as a tool for social inclusion and social dialogue on vocational training. One of its main tools for knowledge sharing is its online community.<sup>18</sup> The Centre promotes and facilitates cooperation, coordination and interchange between a network of countless partners, having at present more than 65 institutions from 27 countries of Latin America, Spain and Cabo Verde;
- d) The experience of the National Industrial Apprenticeship Branch (SENAI) in implementation of South–South and triangular cooperation: SENAI is a Brazilian non-profit organization founded in 1942, with the mission of offering technical and vocational education and training in industrial areas of specialization, and promoting applied research and technology transfer to the benefit of Brazilian industry. SENAI is one of the main Brazilian actors in South–South cooperation, since in partnership with the Ministry of Foreign Affairs, it has managed to establish 15 technical and vocational training centres in Latin America, Africa and Asia. The institution is responsible for the training of 2.5 million members of occupations per year, and for the administration of a network of 809 fixed and mobile operational units, with 55 million students having enrolled since its creation;
- e) **South–South and triangular cooperation and social protection:** The ILO is engaged in helping countries broaden social protection to all social groups, and improve working and working security conditions. To give an idea, the “Campaign for Social Security and Coverage for All”<sup>19</sup> offers an enabling environment for South–South cooperation within this area. The campaign was launched in 2001, during the International Labour Conference, at which governments, employers and workers arrived at a new consensus on social security as an important tool for reducing poverty and fostering social and economic development. Afterward, in 2009, the UN launched the Social Protection Floor (SPF) Initiative, which is one of its nine initiatives to address the current global crisis, supported by a resolution approved by the UN General Assembly, which has as its objective to promote strategies that safeguard a minimum level of access for all to essential services and income security;
- f) **South–South cooperation for implementation of gender-sensitive Social Protection Floors (SPFs) at national level:** The project pays particular attention to the promotion of a gender-sensitive approach in the introduction of elements of the SPF at national level;
- g) **Innovations in Public Employment and Inclusive Sustainable Growth Programmes,** under the auspices of the IBAS Forum (India, Brazil, South Africa), and the Global South–South Development Expo on “Energy, Climate Change and Decent Work”, held in 2012. The ILO also works in close collaboration with the countries of the IBAS Forum to promote the lessons learned coming out of initiatives like the Mahatma Gandhi National Employment Guarantee Law of India, the Brazil Family Allowance and the South Africa Community Work Programme;

<sup>16</sup> <http://www.ilo.org/ipec/Campaignandadvocacy/Scream/lang--en/index.htm>

<sup>17</sup> <http://www.ilo.org/ipec/projects/global/tackle/lang--en/index.htm>

<sup>18</sup> <http://www.oitcinterfor.org>

<sup>19</sup> Document signed between 18 countries, the European Commission and the International Training Centre of the ILO, Turin.

- h) **Global Labour University (GLU):**<sup>20</sup> A network that brings together universities, national and international trade unions, civil society organisations and the ILO, with the objective of creating a partnership for international management and knowledge, research and development of competencies;
- i) **Programmes in the area of the green economy:**<sup>21</sup> Brazil's "Green Allowance" Programme<sup>22</sup> for transfer of income and socio-economic integration of the rural population that is in extreme poverty; Argentina's Renewable Energy Sources, for technical and vocational training for the construction sector, and incorporation of sustainable techniques and practices in the construction sector; the Network of Training Institutions of Central America and the Caribbean, which contributes to socio-labour integration of underprivileged groups into the labour market, based on training in areas of green jobs; the Cobitech project, an African programme (partnership between Kenya, Tanzania and Uganda) for integration of young people through green businesses; and My COOP, related to agricultural cooperatives;
- j) **Recent experiences:** In 2012 an initial South–South mission was organized for consultation and knowledge sharing with an Indian specialist in "Mission Convergence", within the context of the development of a social protection system. In June 2012, South–South interchange missions took place with pre-eminent Thai specialists from the National Office for Health Security and from the Office of Research of the Health Insurance System, to support the conceiving of a computer system for management and monitoring of the Health Insurance Scheme of the National Social Security Fund. In Togo, the South–South

cooperation initiative supports the National Social Protection Commission, which was created in 2012 by the Prime Minister, and is responsible for the drawing up of the National Social Protection Strategy. In 2013 more than one thousand participants, including Heads of State and Government, representatives of various agencies of the UN and other relevant institutions, met in Nairobi for the Global South–South Development Expo.<sup>23</sup> At this meeting the topic was "Building Inclusive Economies: South–South Cooperation for Sustainable Development and Poverty Eradication".

### 1.3 *South–South and triangular cooperation and the relationship with local economic and social development*

In looking at the various fronts of action of South–South and triangular cooperation mentioned above (eradication of child labour, vocational training, social protection, green economy, projects for inclusive and sustainable growth, etc.), one notes that its potential ramifications contribute and are related to positive impacts in the respective territories of intervention of these projects. Territories with prospects for generation of decent work, a more educated population, with a better level of vocational training and with economic activities, which in addition to the generation of work, employment and income, are aimed at a standard of sustainable and inclusive development – these are territories that indeed practice what today many call inclusive sustainable development.

In that sense, as indicated by Jürgen Schwettmann:<sup>24</sup> "Local communities offer a wealth of opportunities for innovative projects, supporting job creation and the development of sustainable enterprises, the extension of social protection, and the protection of fundamental principles and rights at work. Local economic and social development and the active participation of local actors are

<sup>20</sup> Global Labour University (GLU): <http://www.global-labour-university.org/>.

<sup>21</sup> For a more detailed view, see the document from the "Global South-South Development Expo 2013". ILO Solution Forum: Promoting Sustainable Development and Decent Work through South-South and triangular cooperation. Kenya, 2013.

<sup>22</sup> <http://www.mds.gov.br/falemds/perguntas-frequentes/bolsa-familia/bolsa-verde/beneficiarios/bolsa-verde>

<sup>23</sup> [http://www.ilo.org/pardev/south-south/WCMS\\_220453/lang—en/index.htm](http://www.ilo.org/pardev/south-south/WCMS_220453/lang—en/index.htm)

<sup>24</sup> In the preface to "City-to-city and South-South and triangular cooperation", coordinated by Anita Amorim and Pierre Martinot-Lagarde, ILO, Geneva, 2013.

essential for the implementation of the Decent Work Agenda.” Further, in his view, “the experience of cities and local communities in the greening of the economy, in eradicating poverty, and in promoting the Decent Work Agenda has been strongly recognized”.

Another constituent element of South–South and triangular cooperation thus appears here: its relationship with local economic and social development. Along these lines, the great challenges that are raised are as follows: how can the cities, the local governments and their partners address the challenges of the world of work jointly with the central government and the social partners? What is local economic and social development, and how is it in fact practised?

#### **Box 5 - Local economic and social development: another constituent element of South–South and triangular cooperation**

Local economic and social development is understood as “a participatory development process that encourages partnership arrangements between the main private and public stakeholders of a defined territory, enabling the joint design and implementation of a common development strategy, by making use of the local resources and competitive advantages in a global context, with the final objective of creating decent jobs and stimulating economic activity”. One of the main characteristics of this approach is that it brings together local government, the private sector, non-profit organizations and the local communities, encouraging them to make better use of the existing resources and of the potential of the locality. Local economic and social development “aims at improving local economic conditions and therefore moving towards a better quality of life. This is a ‘bottom-up’ approach that places local, public and private actors in charge of investment and the related processes”. (Amorim and Lagarde 2013, p. 20)

Such definitions lead us to think about a modest if important contribution to “endogenous”

development, based on cooperation, learning, tacit knowledge, territorial cultures and synergetic inter-relationships. The idea of endogenous development is based on the vision that productive systems consist of a set of material and intangible factors that allow local, regional and national economies to adopt particular paths to economic growth and social development. Seen in this way, as Putnam (2000) had indicated, the fundamental explanation for endogenous development is in the high degree of “social capital” found in the communities in which activities are carried out. Which is to say, society’s organizational capacity is of fundamental importance for its development process.<sup>25</sup>

Another fundamental aspect resides in the fact that in making reference to local economic and social development, it is necessary to take into consideration the importance of the following dimensions (always together): (a) economic: related to the creation, accumulation and distribution of wealth; (b) social and cultural: implying quality of life, equity and social integration; (c) environmental: having to do with natural resources and the sustainability of models in the medium and long term; and (d) political: involving aspects related to territorial governance, as well as to the independent and sustainable collective project.

In those terms, the innovative focus of South–South and triangular cooperation and of its proposals, is centred on the one hand on the idea that the development project ought to be built “from the bottom up”, and on the other hand, on the existence of a “territorial pact”, mediated and driven by the articulation of key actors: government, producers’ organisations, cooperatives, trade unions, business associations and educational and research institutions, etc.

This is what França Filho (2006) coined “a strategic conception of territorial development”. In the view

<sup>25</sup> By “social capital” the author means the “capital” that has to do with characteristics of social organization, like confidence, norms and systems that contribute to the increased efficiency of society, facilitating coordinated actions. In this area, rather than identifying high social capital, what is important is to find out whether the social-local-territorial organization provokes a strong capacity for cooperation around the collective project.



of this author, the strategic concept arises from the idea that territorial development is the fruit of joint, collaborative and participative actions, of social and productive mobilization of the territory, with broader socio-economic and political impacts that get articulated within a specific territory. It is also what one may call a policy of “organization of society”, since its direct beneficiaries are not individuals who are isolated or receiving assistance, but rather collectives placed within the territory.

In practice, these “new” grounds for action for development, have as their basis the inter-relationship between three main forms of policies that should be followed: (a) sectoral: having in view ongoing improvements in the efficiency and productivity of the productive sectors, starting from actions for skilling, training, technological innovations, etc.; (b) territorial: ways of administrating and managing the endogenous resources (manpower, natural resources and infrastructure), aiming at the creation of a local enabling space; and (c) environmental: coming out of actions for conservation of the natural resources and raising of ecological awareness, taken as a strategic value in issues of development of localities.

As may be observed, there is a convergence of ideas when one analyzes the above-mentioned work of the ILO on the topic, which reveals a path of support to local economic and social development, within the context of South–South and triangular cooperation. In Chapter 4 of “City-to-City and South-South and Triangular Cooperation” the authors defend the idea that:

*“an enabling local environment is key to the success of local development as it relies heavily on local stakeholder involvement. Both the capacity of local government officials and the capabilities of other locally active public, private, and non-governmental actors are important in this respect. Public and private research institutions, SMEs, large corporations, trade unions, local NGOs, etc., play a key role in LESD (Local Economic and Social Development) projects” (p. 24).*

Along these lines, in the same way as the constituent elements of South–South and triangular cooperation indicated above – the latter linked to local economic and social development – also display a quite close relationship with the social and solidarity economy. South–South and triangular cooperation permits an interchange between the various forms in which the social and solidarity economy gets manifested in the respective territories, contributing – in addition to the generation of work, employment and income – to local economic and social development. So as we will see, the solidarity-based economic enterprises act based on the: (a) valuing of labour, of knowledge and of creativity; (b) identification of work in association and of membership-based ownership of the means of production, based on democracy, solidarity and cooperation; (c) democratic management of the enterprises by the workers (self-management); and (d) building solidarity-based collaboration networks as a form of integration between the various solidarity-based economic enterprises.

This finding encounters support in some of the initiatives proposed within the context of South–South and triangular cooperation,<sup>26</sup> which contributed to mitigating the effects of the current crisis, placing employment and social protection at the centre of the recovery policies, including the identification of successful models in the developing countries and the sharing of these experiences, even collaborating with the ILO’s Decent Work Agenda.

The important areas of contribution to knowledge sharing include the following: (a) sharing of best practices in the formulation and adaptation (or replication) of micro-finance schemes to address the growth in levels of unemployment and loss of job positions amongst the vulnerable groups; (b) sharing of experiences in new incentives and mechanisms for the creation of companies, in particular micro- and small-scale firms, which in the developing countries make up the majority of the sustainable and growth-generating employment base; (c) promoting the replication and adaptation of programmes/systems of employment guarantee in developing countries, which may be particularly efficient in terms of costs during a crisis (for

<sup>26</sup> Based on Amorim (2013).

example in Argentina, Brazil, Indonesia, India and others); (d) sharing of employment programmes for young people, since young men and women are more susceptible to being affected by the increase in unemployment and unstable jobs.

In looking at these areas, one notes that micro-finance – one of the instruments of the social and solidarity economy – constitutes an opportunity for generation of small businesses and socio-economic inclusion, based on the values of the social and solidarity economy, and may be promoted and replicated in other territories, based on South–South and triangular cooperation. If successful, the experience brings as fruits local economic and social development, improving the living conditions and conditions for social integration in the territories in which those experiences take place. Moreover, the possibility of promotion of business for the micro- and small-scale firms is an important idea, including because the latter companies need support, advice, better credit terms and terms of access to markets, etc.

In the case of the employment guarantee programmes/schemes, certain experiences have more recently been occurring that deserve highlight, particularly taking into account the fact that South–South and triangular cooperation may contribute to the progress and dissemination of these experiences, which connect the social and solidarity economy to local economic and social development. Such experiences refer to public employment guarantee programmes, the greatest objectives of which are reduction of unemployment, especially in the most vulnerable groups, coming out of programmes for revitalization and cleanup of roads and public spaces, for building roads in the rural area, for extension of basic sanitation projects and others. On the one hand, such programmes ensure an expansion in the urban and rural infrastructure of the territories, and on the other hand, the socio-labour integration of underprivileged groups with no prospects of employment and income.

Some international cases have been studied in the context of these programmes, like the Expanded Public Works Programme (EPWP) and Community Work Programme (CWP) in South Africa; the Unemployed Male and Female Head of Household

Plan in Argentina; the Productive Safety Net Programme (PSNP) in Ethiopia, and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in India (Lal et al, 2010). In addition to these, in 2011 a programme was launched in Brazil that fits within this logic, called the “Brazil without Poverty Plan”.<sup>27</sup> From amongst other aspects, this Plan looks to eradicate poverty based on productive integration via the route of the social and solidarity economy, and will be targeted to Brazilians living in homes with a household income of up to 70 Reais (BRL) per person (roughly US\$ 35).

Lastly, the sharing of employment programmes for young people constitutes a rather relevant and pertinent topic, particularly taking into account the above-mentioned framework of youth unemployment. In that sense, there are experiences that indicate countless opportunities for creation of jobs for young people by the route of the social and solidarity economy,<sup>28</sup> based on cooperatives and associations that provide skills training courses in certain areas, training and integrating these young people into the local labour market, including avoiding them leaving their homes and regions.

Within this perspective, the idea arises repeatedly that more than generation of work, employment and income, the social and solidarity economy experiences point to a better social and political organization of the territories. In parallel with the carrying out of their productive and/or consumption activities, the experiences contribute to strengthening social and political bonds in the territory, in addition to allowing greater political participation on the part of the protagonists, as well as the creation of public spaces that “give voice” to their problems and to the opportunities for a collective and participative approach.<sup>29</sup> This will be the point to be dealt with in the following topic.

<sup>27</sup> <http://www.brasilsemmiseria.gov.br>

<sup>28</sup> Consult the ILO’s 2013 Guide for the Social and Solidarity Economy Academy, held in Agadir (2013), available at: [www.socialeconomy.itcilo.org/en](http://www.socialeconomy.itcilo.org/en).

<sup>29</sup> Or, as indicated by Engracia Hidalgo, Secretary of State for Employment of the Spanish government, in a recent CIRIEC study (2013): the social and solidarity economy transcends purely quantitative parameters, since it constitutes a “key element of social cohesion” (p. 5). In the prologue to the CIRIEC-Spain Magazine, August 2013. Available at: [http://www.ciriec-revistaeconomia.es/banco/CIRIEC\\_7800\\_Hidalgo.pdf](http://www.ciriec-revistaeconomia.es/banco/CIRIEC_7800_Hidalgo.pdf)

## 2. The social and solidarity economy and the potentials of this “sector” for generation of work, employment and income, within the framework of South–South cooperation

### 2.1 The social and solidarity economy: what does this “sector” involve?

The social and solidarity economy constitutes a phenomenon that is progressively gaining ground within the academy, on the agendas of national and international public policies and in the multilateral agencies, through uptake by its actors, and which is taken on as an area of study of immense importance and pertinence, in addition to great interest and curiosity on the part of society.<sup>30</sup>

The field of studies and of practice of the social and solidarity economy includes various theoretical currents, which today influence the thinking as to its role and place in the transformation of the capitalist mode of production. Which is to say, this field is characterized by ongoing tension – whether as regards theoretical–conceptual issues, or between the different local initiatives, their scale, contexts, specificities, frames and modes of operation.

This diversity may be noted in relation to the different terminologies encountered to designate the “sector”.

<sup>30</sup> To cite just one example that shows the magnitude of this phenomenon: the emergence in Geneva in September 2013 of the Inter-Agency Task Force on Social and Solidarity Economy, a task force between various United Nations agencies that will deal with the topic of the social and solidarity economy, within an international and cross-cutting perspective. Undoubtedly two other events ought to be mentioned as extremely important for the appearance of this task force: the International Academies of the ILO on the social and solidarity economy, and the conference held by the United Nations Research Institute for Social Development (UNRISD) in May 2013, “Social and Solidarity Economy: potential and limits”. For additional information, consult: [www.ilo.org/coop](http://www.ilo.org/coop), [www.unrisd.org/sse](http://www.unrisd.org/sse) and [www.socialeconomy.itcilo.org/en](http://www.socialeconomy.itcilo.org/en).

**Box 6 - The social and solidarity economy and its terminological diversity**

The terminological diversity that exists has been described in great detail by Moreno (1996). According to the author, the most frequent terms are:

- 1) "Third sector": when allusion is made to the other two "sectors", namely the state and private capitalist sectors;
- 2) "Voluntary sector": term that has as its basic feature the voluntary character of a very relevant part of people who develop, work in and direct voluntary activities;
- 3) "Not-for-profit sector": term employed by the integrated System of National Accounts of the United Nations, which emphasizes the not-for-profit character of the organizations that make up the third sector, understanding that its actions do not have the objective of obtaining profits in order to distribute them amongst the individuals who compose them, but rather to direct them to other socially determined purposes;
- 4) "Philanthropic sector": refers to those organizations that channel personal and material resources on behalf of public or social causes, and is very much used when dealing with foundations;
- 5) "Charitable sector": term that emphasizes the support that the third sector receives from society at large, in the form of private donations for objectives of charity or social utility;
- 6) "Non-governmental organizations" – NGOs: term that refers to those private entities that are aimed at the socio-economic advancement of individuals and communities;
- 7) "Independent sector": term that is used to highlight the role that the third sector has as an independent force, both in relation to the activity of the public sector, as well as with respect to the for-profit sector or sector for maximizing gain from capitalist activities;
- 8) "Intermediate sector": analogous to the foregoing; emphasizes the role of the not-for-profit third sector as a third social force, which is to say, as the sector "mediating" between the interests of the market and those of the policies of the public agencies, even while maintaining relations with both actors;
- 9) "Tax-exempt sector": taking into consideration the fact that in the majority of the countries this sector enjoys a favourable tax treatment, which is to say, tax benefits and exemptions;
- 10) "Social economy": name that embraces both genuine third sector entities (foundations, associations), as well as certain bodies of a commercial kind, more oriented to the market, such as cooperatives, associations, friendly societies, etc.

Tremblay (2009) also enumerates different terminologies, by country, like: “Social Economy” (USA and Canada); “Solidarity Economy” (Argentina, Brazil, Chile and Quebec); People’s Economy (Asia); “Associative Movements” (Senegal and Turkey); “Civil Society” (South Africa) and “Community Economic Development” (Australia, New Zealand and Anglophone Canada).

As Cruz (2006, p. 88) pointed out, conceptualizing this “sector” is somewhat complex,

“since it is a task that shifts from simple academic debate, to get incorporated into the visions and proposals of a wide spectrum of social actors, from the trade union movement to those who formulate public policies, from religious institutions to multilateral bodies”.

In the face of this diversity, according to Moreno and Chaves (2006), one can detect in the specialized economic literature three well-defined theoretical approaches: (a) the “social economy” approach, taken to be the longest-standing and most consolidated, quite disseminated and used in Europe; (b) the approach of the non-profit organizations (NPOs); and (c) the “solidarity economy” approach, the most recent and considered by many authors as a derivation from the “social economy” approach, Latin American in origin.

In spite of these terminological, conceptual and theoretical differentiations, one should take two more general issues into account, in addition to the finding of the growing importance that the social and solidarity economy has been acquiring:<sup>31</sup> One has to do with the fact that, as Vieira (2005, p. 56) stated, the social and solidarity economy “as a concept has a triple nature. At the same time as it is an empirically verifiable object, it is also a social movement and a propositional theory of socio-economic change.” And the other resides in the fact that the main forms of action of the social and solidarity economy are produced coming out of the

cooperatives, friendly societies, associations and social enterprises. And in terms of its constituent elements, we may highlight: social value; cooperation and associational entrepreneurship; solidarity; voluntary participation and autonomy; the sustainability of local resources; the collective dimension; and the ethical and solidarity-based market.

### **Box 7 - The social and solidarity economy and South-South and triangular cooperation: similarities in their constituent elements**

In that sense, it is undeniable that these elements are umbilically linked to the constituent elements of South-South and triangular cooperation presented above (initiatives of a social, economic, environmental and political nature; solidarity; cooperation; partnership and sharing of knowledge and experiences; common interest; cross-cutting nature, etc.). In other words, the social and solidarity economy contemplates a facet of South-South and triangular cooperation that should be encouraged, since it is seen to be a formidable tool for socio-labour integration, looking to local economic and social development.

One may therefore say that South-South and triangular cooperation and the social and solidarity economy are two sides of the same coin, which feed back mutually, bringing effective forms of local economic and social development as a result.

Solidarity-based economic enterprises have as their basis local action rooted in the community, belonging to a network of relationships in common, which favours a strategy of local economic and social development, as well as its strengthening. And it is precisely that rooting that they display with the local space in which they operate, that will permit these enterprises to have a direct relationship with local economic and social development, realizing the endogenous capabilities and human and material resources. It is on this relationship between the social and solidarity economy and local economic and social development what we will look to move forward next.

<sup>31</sup> For further information, data and findings, consult the Guides (2010, 2011 and 2013) to the ILO’s international Academies on the social and solidarity economy, at the site: <http://socialeconomy.ilo.org/en>.

## 2.2 The social and solidarity economy and local economic and social development: broad and effective connections

In dealing with the relationship between the social and solidarity economy and local economic and social development, the study from the International Center of Research and Information on the Public, Social and Cooperative Economy (CIRIEC, 2007) noted that the social and solidarity economy presents a great potential for activating processes of “endogenous development”, given that the strong connection between community (territory) and social and solidarity economy makes the latter particularly knowledgeable about the interests and needs of the former, and is capable of promoting co-responsibility in terms of resource use and distribution of benefits.

These connections between the economic and the social have also been underlined by Greffe (2007), who upholds the idea that local economic and social development projects carried out by initiatives and organizations from the social and solidarity economy bring as a corollary the integration between the economic and social dimensions, in addition to driving new productive behaviours within the territory, based on partnerships, cooperation, bottom-up actions, community development and generation of social capital.

From the theoretical–conceptual viewpoint, the studies on local economic and social development have been gaining more and more ground, particularly in the last two decades, and appear to be based on a new socio-economic and institutional reality, where the local public administration is taken as the fundamental pillar of these policies. For Ramírez and Benito (2000), local economic and

social development may be defined as a process of economic growth with structural transformations that leads to an improvement in the living standard of the local population, creating employment, income and wealth by and for the community.

However, it is essential to highlight that this idea should not neglect the importance of the economic policies adopted in the federal sphere. Very much on the contrary, these should be thought through and implemented in such a way as to contribute to the successful achievement of the policies of local economic and social development. In the end, crucial issues like the interest rate, level of investment and exchange rate, as well as the percentage for transfers to the municipalities and of expenditure on particular local policies, are decisions taken at federal level that can facilitate or make impracticable local economic and social development actions, programmes and projects.

It is possible to observe the existence of various experiences under way in the world, which have even been multiplying and extending in many territories.<sup>32</sup> They express the attempts of society to seek new paths addressing unemployment and the lack of income, as well as of the lack of opportunities in the traditional spheres.

In other words, analysis of these experiences allows us to understand that initiatives/survival strategies are already under way that, intentionally or not, in addition to generating income and subsistence conditions, point to possibilities for alteration of the social relations between producer and consumer, within a framework of solidarity and based on collective and associational values. They are alternative practices that arise from different actors and on various scales, and that mobilize important issues like work, health, food and quality of life. Here we have the cross-cutting nature of the actions of the social and solidarity economy and its relations

<sup>32</sup> In the Brazilian case, for example, the book is cited that is entitled “New paradigms of production and consumption: innovative experiences” (2010), edited by Leandro Moraes and Adriano Borges, where 11 interesting experiences of the social and solidarity economy are analyzed, coupled to local economic and social development and occurring throughout all regions of the country.

with the actions, projects and programmes of South–South and triangular cooperation.

Cocco (2006) characterizes these experiences as a “productive multitude” and “radically democratic”, within a “set of singularities that cooperate amongst themselves” and are in alignment with the idea of productive mobilization of the territories, aiming at socio-territorial development starting from the emergence of new political subjects and from the constitution of what is in common.

Such local initiatives refer to a set of knowledge, competencies, notions and principles acquired over time and that give a “sense” and “identity” to a set of practices that generate dynamics that are economic, organizational and of political articulation. Such experiences emerged in different local contexts and are characterized by an enriched repertoire of technical–productive practices and of economic and social organization that get affirmed as creators of new territories and ways of living.

As examples of some experiences that bring together the social and solidarity economy and local economic and social development, we can cite the following:

- a) In Argentina, the National Local Development and Social Economy Plan, entitled *Manos a La Obra* (Let’s Get to Work), the implementation, coordination and supervision of which are under the responsibility of the Secretariat for Social Policies of the Ministry of Social Development. This programme has as its objective to support initiatives for local socio-economic development of sectors with few resources, aiming at improvement in the income of this population. From amongst its main tools are economic and financial support for the productive and community undertakings that show viability and sustainability; capacity building for the consultative councils, associational fora and civil society organizations, and technical assistance and skills training for their participants;
- b) In Mexico, UNIMOSS, where the participation of its members is voluntary and collaborative and all of the actions are guided by the idea of an “overall strategy for the economic and social development” of networks that are distributed throughout the entire country. Another aspect relates to the Solidaristic Interchange Groups, which have as their function the promotion of the development of practices of solidarity-based exchange of products, services and knowledge, and of stimulating a common identity and relations internal to the community, in this way strengthening the relations of the territory with the public institutions and fostering the appearance of sustainable productive and commercial projects, specifically for the production of foodstuffs.
- c) In Brazil, Banco Palmas is considered the most famous and successful community bank, the creator of a model that has been reapplied quite a lot in the country: to get an idea, today there are close to 48 similar experiences. This is a territorial development program involving micro-credit, social currencies, the creation of social and solidarity economy initiatives, vocational training and education for consumption. This experience arose and developed from the community, with no great support from the government. Today Banco Palmas also undertakes strong political activity in the field of micro-finance, seeking its recognition and the creation of legal landmarks;
- d) In Ecuador, the 1998 Constitution bound the economy to the principles of efficiency, solidarity, sustainability and quality. One part of the public resources made available is targeted to ensuring the protection of the peasants and of the small-scale farmers, in projects that combine the generation of work, employment and income, social integration and environmental awareness raising. A new Constitution was adopted in September 2008 in this country, one that is of the people and community-based, where the people and life occupy an even more important place in the conducting of the country’s policies. Accordingly the idea was established of “living well”, emphasizing the principles of equality, democracy, diversity and national, food, energy and financial sovereignty.

- e) In New Zealand the “Action and Research Project for Community Economic Development”, which supports the formulation of local community projects, is considered a “key project” of the country’s Department of Labour. Within the context of this programme, the Department of Labour carries out interchange between governmental and business management practices and transfers them to the communities, in addition to mapping local opportunities for the development of activities in the territories. Within the context of this programme, the community itself is the entity in charge of planning, implementation and oversight of its development process, as well as of the training of its networks and relationships with the public sector and other institutions.
- f) In Mali the creation of the Department of Solidarity-Based Economy, which since 2003 enjoys the support of a national network of research studies and the development of strategies for the social and solidarity economy, called the National Network of Support to the Promotion of the Social and Solidarity Economy (RENAPES). This network enjoys the support of the country’s Ministry of Social Development and of a Canadian organization, and acts on the reduction of poverty and exclusion, as well as on the definition of social policies for the sustainable development of marginalized communities throughout the entire country;
- g) More recently, the existence is widespread in Morocco of “development associations” that emerge as instruments of local development and protection of the natural resources, and as a source of generation of work and income, above all in the rural setting. They act based on the “integrated actions approach”, which is to say, starting from projects for access to drinking water, irrigation and electrification, amongst others, and in the urban setting, they carry out work of training and awareness raising for environmental and sustainable development issues.
- h) In Cabo Verde the “National Program to Combat Poverty in the Rural Setting” has as its objective to increase the “social capital” of the poor people, in this way mobilizing the potentials of the local communities, of their leaders, and of the civil society and public administration partners. In order to attain this objective, the social actors and the Ministry of Labour, Vocational Training and Social Solidarity support the carrying out of training activities and the execution of income-generating activities in the sectors of agriculture, fishing, livestock raising, agricultural processing and handicrafts. They also struggle for improvement in access to basic services, in the areas of water, education, vocational training and social housing, based on incorporation initiatives based on the social and solidarity economy;
- i) At the present time in the Philippines, the micro-credit experience has been disseminated throughout the country, and in addition to providing loans, acts in areas of occupational qualification, socio-productive integration and techniques for resource management, and contributes to the raising of awareness concerning the potentials of community organization and of social entrepreneurs. A partnership between micro-finance groups led to a discussion and the drawing up of a draft law for the government to integrate the funeral allowance and incorporate the members of the micro-finance groups into the formal social protection system, within its social protection objectives (social security system);
- j) In Bangladesh – a country that is a point of reference as regards micro-credit and forms of access to financial resources on the part of the low-income population – the Grameen Bank is an exemplary case, successful and known throughout the world for the use of micro-credit as a way to reduce poverty and generate opportunities for millions of people in a situation of social and economic vulnerability. This experience has been getting disseminated in other parts of the world, and serving as an inspiration for the drawing up of public policies in the area of the social and solidarity economy.



As one can see, and as indicated by Galduf, Maruri and Prósper (2013), a local economic and social development policy requires satisfactory coordination between the various levels of government, the overcoming of any variety of localism, and cooperation between the various economic and social protagonists in each area. Also included is the important role that the universities have on this theme.

### 2.3 South–South and triangular cooperation as an instrument for strengthening of the social and solidarity economy

As has been noted, there are countless experiences that demonstrate that the social and solidarity economy constitutes an instrument for generation of work, employment and income for a significant number of people around the world, and contributes to the local economic and social development of the territory in which those experiences take place. In many cases the social and solidarity economy even constitutes a choice from amongst other possible ones, but is the sole alternative for obtaining income and as a form of survival.

However, these experiences are marked by challenges linked to their *modus operandi*, which in many cases make their continuity and progress impracticable or difficult.

Such challenges exist due to certain economic, administrative and management aspects; political, social, educational, cultural, scientific and technological aspects; and environmental, legal and accounting aspects (Neves, 2012). In addition, there are some restrictions as regards the need to advance on issues such as the regulatory framework for public policies on the social and solidarity economy, for its institutions and for financing. These restrictions mean impediments for the advance of the social and solidarity economy.

These impediments are: (a) from the economic viewpoint: the enterprises face great difficulties

to place themselves on the market; the workers have difficulties to market the products and find suppliers, and even difficulties in establishing a basic infrastructure, like a site for establishment, electrical power and water – as well as from the productive viewpoint, to get access to the machinery, equipment, etc.; (b) from the viewpoint of qualifications, sometimes the members of the enterprises have a low level of schooling and insufficient technical-vocational qualification, which brings with it problems of management and of accounting of their activities; (c) from the political viewpoint, greater institutionalization of the topic is needed, so as to clearly define the regulatory framework, the public policies, the targeting of specific funds, the continuity of the support policies, etc.

It is within this scenario that South–South and triangular cooperation will act as an instrument for strengthening of the social and solidarity economy, since the exchange of knowledge and know-how will favour improvement in the operating conditions of the experiences in other places. As already acknowledged in Amorim and Lagarde (2013, p. 29): “South-South exchanges are increasing in the field of social and solidarity economy, as exchanging good practices between developing countries is an important means of achieving such ownership in this field”.

Within this perspective, two important events should be recalled here, which served (and continue to serve) as a rich space for knowledge and exchange of diverse experiences between the protagonists of the social and solidarity economy (practitioners, researchers, governments and representatives of institutions, amongst others) on different topics surrounding the social and solidarity economy and its practice. They are: the ILO’s Social and Solidarity Economy Academy<sup>33</sup> and the UNRISD’s Conference on the Potential and Limits of the Social and Solidarity Economy.<sup>34</sup>

<sup>33</sup> <http://socialeconomy.ilo.org/en>

<sup>34</sup> [http://www.unrisd.org/80256B3C005BCCF9/\(LookupAllDocumentsByUNID\)/5936F8772AFB3780C1257BBE0056F0F9?OpenDocument](http://www.unrisd.org/80256B3C005BCCF9/(LookupAllDocumentsByUNID)/5936F8772AFB3780C1257BBE0056F0F9?OpenDocument)

In relation to the first event (the ILO Academy, held in Agadir in 2013), opportunities were focused on for improving the employment of young people, with a focus on the countries of the South. As we have seen, the social and solidarity economy is a reality in the life of many people, who can benefit from learning between countries and communities. The Academy promotes inter-regional training, bringing together hundreds of professionals, tripartite partners and politicians from the entire world to share their experiences and interact with specialists on the social and solidarity economy. The Academy helps the participants to better understand the areas in which the social and solidarity economy may be applied and successfully executed (for example, employment creation, social protection, social dialogue and green jobs). The participants also learn and share social and solidarity experiences, strategies and tools from all around the world, with particular emphasis on South–South exchanges.

The specialists who had received a scholarship from the ILO demonstrated the links between the social and solidarity economy and South–South cooperation. Some messages deserve to be underlined, based on the experience and knowledge of the ILO:

- a) South–South partnerships between the stakeholders in the social and solidarity economy are inclusive: they involve a central multilateral approach to integration of the Decent Work Agenda;
- b) South–South cooperation and triangular agreements may strengthen the impact of the social and solidarity economy within national and regional settings. These may create and maintain broader regional and inter-regional networks and platforms of knowledge and

exchange of experiences.<sup>35</sup> The beneficiaries of the scholarships created a platform for knowledge sharing on the social and solidarity economy called “collective brain”, which may be accessed through this link: <http://socialeconomy.itscilo.org/en/sse-academy-collective-brain>.

- c) The existing social and solidarity economy networks between the countries of the South are inspiring initiatives. For example, Mercosul in Solidarity, which will be dealt with more fully later, acts as a platform for knowledge sharing for the organizations of the Southern Cone working on the promotion and development of the social and solidarity economy and fair trade.

As regards the second event (the UNRISD’s Conference on the Potential and Limits of Social and Solidarity Economy), one more landmark was reached in the link between South–South cooperation and the social and solidarity economy in the field of decent work, based on the principle of solidarity and incorporating economic, social and environmental concerns on the international development agenda. The Conference contributed to the production and exchange of knowledge, supporting the development of international policies and increased visibility within the United Nations system. As points to be highlighted we cite the experiences of the networks for fair trade, financial alternatives, complementary currency systems and micro-credit, cooperatives, the participation of women and of informal-sector workers and social protection, amongst others.

All of these experiences indicate the fact that the potential for South–South interchange on the social and solidarity economy is significant. On the occasion, Professor Paul Singer, Brazil’s Secretary

<sup>35</sup> For example, in 2008 COOP Africa – the Cooperative Cooperation Mechanism for Africa – sponsored a high-level visit to Ethiopia by the staff of the cooperation area of the government of Tanzania, in order to learn from the experience of its autonomous Federal Cooperative Agency. The ILO Regional Office for Africa supported this visit as a horizontal cooperation effort. This was consistent with the Action Plan for Promotion of the Social and Solidarity Economy in Enterprises and Organizations of Africa, adopted in Johannesburg (October 2009).

for the Solidarity Economy, and Mr. Guy Ryder, Director-General of the ILO, highlighted the need to expand the cooperation networks.

Thus 2013 represents the year in which the events of Agadir and Geneva showed the potential and relevance of South–South and triangular cooperation on this topic,<sup>36</sup> reaffirming their effectiveness for developing new networks and partnerships in support to the social and solidarity economy, within a context where the convergence of these thematic areas constitutes a strategic opportunity for the ILO.

In recent years the international integration of regional forums and networks for support to the social and solidarity economy has developed a great deal. That is a clear sign that the exponential increase in interconnectivity since the emergence of the Internet also impacts on the social and solidarity economy. By way of an example, we can cite the case of the social and solidarity economy movements in Latin America, as well as in Asia and Africa.

On the other hand, the importance of the building of value chains has already been emphasized for some time now in the field of social and solidarity economy, particularly due to the difficulty that its enterprises have to insert themselves within chains formed by other enterprises operating within the framework of the traditional economy. One of the reasons for that difficulty is the disadvantage in competing on specific aspects of productivity, distribution and marketing with enterprises that do not share the same social objectives as the social and solidarity economy (worker participation in management, transparency, open dialogue, quality of life, community development, concern for the environment, etc.).

An alternative for addressing the issue of the increase in efficacy and efficiency in the solidarity-based economic enterprises, is the broadening of the concept of value chain coming out of networks. That means strengthening the bonds of interchange and construction of techniques and knowledge, in addition to increasing the economic

interactivity between the solidarity-based economic enterprises, so as to build multiple possibilities for paths for adding value and socio-economic integration. That perspective results in flexible and dynamic economic chains that benefit strongly from a reduction in the transaction costs between enterprises that is proportional to the increased connectivity and economic interactivity between them. In other words, that would be a key factor for ensuring not only efficacy and efficiency, but also resilience in relation to the economic environment and its cyclical crises. In that sense, the practice of activity in network that already exists within the context of the political movements for the social and solidarity economy, constitutes a strong inspiration for the building of inter-regional and international economic networks.

Bearing in mind the importance of the establishment of these networks, and of the exchange of experiences and know-how, with the purpose of strengthening the practices of the social and solidarity economy within the context of South–South and triangular cooperation, it is worth presenting some experiences, taking into account the “selection criteria for good practices in South–South and triangular cooperation”.<sup>37</sup> Those criteria consider the following aspects:

- 1) **The “horizontal” dimension of cooperation:** one of the principles of South–South cooperation is the establishment of horizontal cooperation relations, with no conditionalities, based on non-discrimination and on the sharing of information. Cooperation should take place between countries, and may be in the form of knowledge sharing, training of human resources or replication of strategies;
- 2) **The “triangular” dimension of cooperation:** Cooperation by a country of the North with two or more countries of the South. The assistance of the North may be in the form of a financial contribution or of technical knowledge;
- 3) **Innovative:** The practice does not need to be new in order to meet this criterion, but should have its effectiveness accepted (for example:

<sup>36</sup> It is suggested to consult the newsletter of the ILO, No. 37, May 2013, available at: [www.ilo.org/pardev](http://www.ilo.org/pardev)

<sup>37</sup> Contained in: Amorim (2013).

having faced an adverse situation – high unemployment rate amongst young people – in the territory in which it is found);

- 4) **Adaptability/replicability:** Although the practice is localized, it has features that are transferable to other contexts or situations;
- 5) **Sustainability:** The practice and/or its benefits can continue in some way to maintain their effectiveness in the medium and long term. Which is to say, they can leave legacies and get integrated amongst countries of the South.

### *Interesting experiences that relate the social and solidarity economy and South–South cooperation*

#### **Box 8 – Mercosul in Solidarity<sup>38</sup>**

Mercosul in Solidarity is a platform of civil society organizations made up of 17 NGOs from Argentina, Brazil, Chile, Paraguay and Uruguay, with close to three thousand representatives who since 2003 have been developing strategies at local, national and regional level on behalf of the political, economic and social rights of the most vulnerable sectors of society. This network has as one of its main objectives, the strengthening of the social dimension in the process of integration within Mercosul, recovering the historic common ties, the cultural diversity and the capacity for mobilization of the social organizations and movements of the region.



<sup>38</sup> <http://mercosursocialsolidario.org/>

### Box 9 - Coordinating Group of Small-Scale Fair Trade Producers for Latin America and the Caribbean (CLAC)<sup>39</sup>

CLAC is a network of small-scale rural producers, democratically organized with the objective of strengthening its base-level organizations based on democracy and participation, solidarity, equity, respect and transparency.



### Box 10 - COOP Africa<sup>40</sup>

COOP Africa was created by the ILO in 2007, to provide technical assistance, training, tools – and in some cases, financial support – for the development of cooperatives in Africa.



<sup>39</sup> <http://clac-comerciojusto.org/quienes-somos>

<sup>40</sup> [http://www.ilo.org/wcmsp5/groups/public/---ed\\_protect/---protrav/---ilo\\_aids/documents/publication/wcms\\_188624.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---ilo_aids/documents/publication/wcms_188624.pdf)

**Box 11 - African Social Entrepreneurs Network (ASEN)<sup>41</sup>**

ASEN is an African network of social entrepreneurs with practices that take into account social and environmental aspects in their businesses, projects and actions.

**Box 12 - Asian Solidarity Economy Coalition (ASEC)<sup>42</sup>**

ASEC is a network that brings together 18 national networks and 21 continental networks, with the objective of increasing the accountability of the actors for the building of a fairer and more solidaristic economy.



<sup>41</sup> <http://asenetwork.org/>

<sup>42</sup> <http://aa4se.com/>

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