

Unlocking the Social Economy

Towards an inclusive
and resilient society

INSIGHT REPORT
MAY 2022

In collaboration with Deloitte



Contents

3	Preface
4	Foreword
5	Executive summary
7	Introduction
8	1. The social economy explained
9	1.1 Introducing the social economy
11	1.2 A spectrum of economic models
12	1.3 Shared ambition for the social economy
13	1.4 A global view of the social economy
17	2. The potential of the social economy
18	2.1 Global risks challenge existing economic model
18	2.2 Addressing inequalities with social innovation
19	2.3 Inclusion through jobs and local empowerment
20	2.4 Sustainable change towards a green economy
22	2.5 Leading an inclusive digital transition
23	2.6 Proving resilient during crises
25	2.7 Current barriers to unlocking the full potential
27	3. Actions to unlock the potential
28	3.1 Two shifts to maximize the impact of the social economy
29	3.2 Creating networks to build trust and understanding
31	3.3 Inspiring the private sector with innovative business models
32	3.4 Building better policy environments
33	3.5 Five policy priorities to strengthen the social economy
36	3.6 Two policy priorities to recalibrate the mainstream economy
38	4. Conclusion: the social economy unlocked
41	Contributors
42	Acknowledgments
43	Endnotes

Disclaimer

This document is published by the Schwab Foundation for Social Entrepreneurship and the World Economic Forum as a contribution to a project, insight area or interaction. The findings, interpretations and conclusions expressed herein are a result of a collaborative process facilitated and endorsed by the Schwab Foundation but whose results do not necessarily represent the views of the Schwab Foundation, the World Economic Forum, or the entirety of its Members, Partners or other stakeholders.

This document was created in collaboration with Deloitte. The findings, interpretations and conclusions expressed herein do not necessarily represent the views of Deloitte.

© 2022 World Economic Forum and Schwab Foundation for Social Entrepreneurship.
All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording, or by any information storage and retrieval system.

Preface



Hilde Schwab,
Co-Founder and
Chairperson, Schwab
Foundation for Social
Entrepreneurship



Sharon Thorne,
Global Chair, Deloitte



François Bonnici,
Director, Schwab Foundation
for Social Entrepreneurship;
Head, Social Innovation,
World Economic Forum

This insight report showcases the many ways in which the social economy, fuelled by social innovation, can tackle some of the most pressing development challenges of our time while contributing to jobs and sustained economic activity.

Despite significant gains in development over the last half century, the current global economic system lacks the appropriate tools to tackle societal challenges in a timely, adequate and equitable way.

On the other hand, the power of the social economy and its value-driven business models have shown how societal challenges can also be opportunities. The social economy has created inclusive and resilient global economic growth. Its potential to support the achievement of the development goals envisioned in the 2030 Agenda for Sustainable Development is immense.

This report is the result of a meta-research effort, bringing together researchers, practitioners and experts on the social economy from around the globe. It offers insights into how the sector works, its potential and the barriers it seeks to overcome.

The work underpinning this report has been driven by the Schwab Foundation, Catalyst 2030 and Euclid Network, as part of the COVID Response Alliance for Social Entrepreneurs and the World Economic Forum's Centre for the New Economy and Society. The report was created in close

partnership with Deloitte and the Working Group on Unlocking the Social Economy curated by the COVID Response Alliance, with social economy experts from multilateral organizations, non-governmental organizations, private businesses and social enterprises. Their invaluable insights have contributed to this comprehensive overview report, which has a clear objective to unlock the full potential of the social economy around the globe.

To realize this potential, two shifts are needed. First, to advance the social economy as a sector. Second, to apply the lessons of the social economy to the collective process of creating more inclusive and sustainable national and global economies. To realize both shifts, this report introduces a variety of policy priorities which have been proven to advance the social economy in different contexts.

Through this report, we offer an introduction to the social economy and begin to explain its potential to drive an inclusive digital transition and a green economy. We present tangible policy priorities to enable public policy-makers to advance the social economy and move towards a values-driven economic system. We also hope to inspire businesses to partner with and adopt the practices of social innovators. More importantly, we aim to stimulate dialogue between policy-makers, business leaders, social economy actors and civil society around the world to shape the future agenda on the social economy.

Foreword



Nicolas Schmit,
European Commissioner for
Jobs and Social Rights

Europe is at a crossroads. The war in Ukraine is a bitter reminder of the importance of peace and of democratic, cohesive societies. We need to work closely together in times of peace and show solidarity during times of war. I commend the tremendous work by the citizens of our Member States and regions who are working tirelessly to support all Ukrainians affected by this catastrophe.

Since the start of the war, social economy organizations across Europe have quickly mobilized to find innovative ways to provide food, shelter and basic needs to those fleeing Ukraine. In the tough years of recovery that lie ahead, social enterprises will be crucial in building networks that entrepreneurs from Ukraine can access for training, finance, employment or help launching their businesses in the EU. The social economy is also playing an essential role in caring for people with disabilities and the vulnerable coming from Ukraine.

The COVID-19 pandemic revealed the importance of a strong social market economy. In Europe and beyond, we hear calls for a more sustainable, inclusive and resilient economy. This is one of the European Commission's priorities and the social economy has been identified as a key tool for achieving this objective.

Reports such as this help maintain momentum for the social economy and are important tools for raising awareness of its value and potential. They also provide valuable insights into good practices and approaches to creating an enabling ecosystem for the social economy. It is only by joining forces and learning from each other that we will be able to give the social economy the boost it deserves.

As highlighted in this report, the social economy in Europe comprises 2.8 million organizations and entities, and more than 13 million workers – over 6% of the total workforce. But we can be even more ambitious. Let's unleash the full potential of the social economy across Europe, especially in places where these business models are less developed.

The European Commission's Action Plan for the Social Economy has three key objectives: to create the right framework for the social economy to thrive; to open up opportunities for social economy entities to develop; and to enhance recognition of the social economy and its potential.

It is essential to raise the visibility of the social economy and create an environment that enables social economy entities to thrive. The adoption of the Action Plan marks the beginning of a new phase in the recognition and development of this business model. An important deliverable of the Action Plan will be a proposal for a council recommendation, planned for 2023, which will include recommendations on areas such as socially responsible public procurement, taxation and state aid. Also in 2023, we will launch the EU Social Economy Gateway, a single entry point for those seeking relevant information on EU funding, policies and initiatives.

The degree of the social economy's development across non-EU countries varies significantly. Some have long-standing traditions in certain areas of the social economy, whereas in others, social economy models are only beginning to emerge. As part of our Action Plan, we will strengthen dialogue and collaboration on the social economy with key international partners such as the Organisation for Economic Co-operation and Development, the UN Inter-Agency Task Force on Social and Solidarity Economy, the International Labour Organization and the World Economic Forum.

I commend the good work of the Schwab Foundation for Social Entrepreneurship and I count on its support and expertise in helping achieve our common goal to take the social economy to the next level.

Executive summary

The world is facing the interconnected challenges of inequality and climate change, in tandem with associated economic, environmental, technological, geopolitical and public health risks.

The COVID-19 pandemic, for example, is no ordinary crisis. The worst health emergency in more than a century has caused structural damage to the real economy and to people's lives on a scale that the traditional toolkit of fiscal and monetary stimulus has struggled to address. The mismatch between the nature of the shock and the macro-economic levers available to address it has triggered a renewed focus on inclusive models of economic development that build social cohesion and address social inequalities.

Over decades, social enterprises, cooperatives and innovative, entrepreneurial non-profits have prioritized social and environmental value, and made a difference where it matters: on the ground, among the millions of communities and natural ecosystems facing damage and loss. These actors embrace explicit social objectives and governance models, and work with groups who face barriers because of gender, race, ability and economic class. Jointly referred to as the social economy, they deliver inclusive and sustainable economic development.

Governments are recognizing the potential of the social economy to address national and global challenges, as recovery and transition plans are made to navigate the pandemic and climate change. Despite their potential, social economies around the globe encounter common barriers which prevent them from growing, such as limited visibility, lack of a supportive legal and regulatory framework, and restricted access to markets.

To unlock the potential of the social economy, two shifts are needed:

- Advance the existing social economy by developing a supportive ecosystem
- Leverage the potential of the social economy to recalibrate the wider, mainstream economy to be more values-driven

To assist in delivering the **first shift**, this report outlines five concrete policy priorities that governments can develop to build more inclusive, resilient economies:

1. Recognize the social economy and build supportive regulatory frameworks

Political recognition of social economy actors, regular dialogue with them and the development of supportive regulatory environments have proved vital to grow the sector.

2. Create incentives for funding, taxation and investment

Governments can grow the social economy through public investment, favourable taxation and encouraging private investment in the sector. Mechanisms include fiscal incentives, alleviating regulatory barriers, leveraging tax frameworks, de-risking private funding and developing hybrid mechanisms that blend public and private investment.

3. Expand education and research

Expanding and enhancing education and research on social innovation, social enterprises and the social economy in schools and universities can increase the visibility of the social economy and thereby attract expertise and talent.

4. Make public and private procurement channels more inclusive

The public sector can choose to buy goods and services from enterprises that deliver social and environmental value, or that are led by women, minority groups or those with disabilities. In this way, procurement becomes a vehicle to meet objectives beyond the delivery of products or services, such as the reintegration of long-term unemployed into labour markets and the integration of excluded or vulnerable groups into employment and social networks. Governments can also create fiscal incentives for the private sector to procure from the social economy.

The social economy accounted for around 7% of global GDP in 2017 and increases employment across economies.¹ In the EU alone, there were 2.8 million social economy enterprises in 2020, employing 13.6 million people, representing up to 9.9% of the employment rate in some countries.²

5. Collect, measure and visualize social impact data

To increase the visibility of the sector, governments are encouraged to systematically measure and present statistics on the social economy which go beyond traditional indicators (e.g. contribution to economic growth and job creation) and capture the social and environmental impacts of the social economy, including metrics beyond GDP.

The **second shift** moves beyond advancing the existing social economy sector towards recalibrating the wider, mainstream economy to be more values-driven. Social economy actors have often pioneered social and environmental innovations and have a track record for co-developing solutions that are later adopted by the mainstream economy. They can bring socially just and inclusive contributions to the green and digital transitions, and can serve as a source of inspiration for the private sector in its ESG goals.

Photo: Novica, USA

The two policy priorities outlined by this report to recalibrate the mainstream economy are:

1. **Enhance accountability and adopt taxonomy**
2. **Support innovation and participatory business models**

Through the adoption of frameworks of accountability, taxonomies of social reporting, and more participatory business and governance models, the social economy can contribute to the structural transformation of our current economic model and its persistent challenges.

By making the necessary transitions now, the social economy can help accelerate existing economies towards a more inclusive, sustainable future. This will help avoid trillions of dollars of cost that could otherwise arise through a failure to ensure greater social cohesion, tackle systemic inequalities and mitigate climate change and its impacts.



Introduction

The social economy has the potential to generate new jobs in an inclusive recovery towards a values-driven economy.

The objective of this insight report is to introduce the social economy as a proven mechanism and opportunity to tackle today's socio-economic inequalities. It draws from a rich and diverse set of available research on the emergence of the social economy over several decades, which repeatedly proves the potential of the sector to lead inclusive and sustainable development. The report shows the distinct ability of the social economy to address inequalities with social innovation, to lead the inclusive development of local communities, to build a model of inclusive digital and green transition, and to create socio-economic systems that prove resilient during crises.

Further, the report reveals the prevalence of the social economy across different regions of the world and outlines its scope as well as the different policy environments within which it operates. Various challenges to accelerating the emergence of the social economy are identified across geographies, ranging from a lack of visibility and supportive regulatory frameworks to barriers to access markets and finance.

To unlock the potential of the social economy, two shifts are introduced in this report. The first shift advances the existing social economy. The second shift recalibrates the wider economy to be more values-driven.

Policy-makers play a special role in creating a supportive policy environment for both shifts to be realized. Key policy priorities for the first shift include:

- Recognize the social economy and build supportive **regulatory frameworks**
- Enhance access to capital by creating incentives for **funding, taxation and investment**
- Raise awareness and attract local talent to the social economy through expanding **education and research**.
- Enable access to relevant markets by making public and private **procurement channels** more inclusive
- Recognize the social economy by collecting, measuring and **visualizing social impact data**

The second shift requires leveraging what the social economy has to offer the wider economy and multiplying its impact. Key policy priorities for this shift include:

- **Enhance accountability and adopt taxonomy:** framing policies regarding accountability, governance and transparency, based on insights from the social economy sector
- **Support innovation and participatory business models:** integrating and strengthening these policies to recalibrate the existing economy to be more values-driven

Enabling both shifts will allow policy-makers to move beyond immediate crisis-response towards the creation of more resilient and inclusive socio-economic systems for the future.

Report methodology

This report is a meta-analysis of independent studies and employs a mixed-method approach, entailing:

- Review of over 104 existing journals, reports, literature and articles on the social economy, social economy actors and country-specific contexts
- 15 semi-structured interviews with experts, policy-makers and practitioners, including representatives from governments, international organizations, social enterprises, private businesses, non-governmental organizations and academia
- Three consultation rounds with the World Economic Forum's Working Group on Unlocking the Social Economy

An initial review of the literature informed the report on the evidence of the impacts of the social economy from around the globe, while the interviews provided deeper insights into the ongoing barriers facing the development of the social economy and its potential to solve a variety of societal challenges. The interview insights were then complemented by a second phase of literature review.

1

The social economy explained

Drawing on decades of experience earned by impact-driven organizations, the social economy has created a more inclusive and sustainable economic sector. The social economy offers a way of reconceptualizing current socio-economic models, delivering a sense of purpose for an economy that is resilient and fit for the future.

Photo: Schwab Foundation for Social Entrepreneurship, Switzerland



1.1 Introducing the social economy

The social economy comprises multiple models with a common ambition to create a more inclusive and sustainable economic paradigm. It is composed of a highly heterogeneous set of private actors, including associations, co-operatives, foundations, not-for-profit organizations, voluntary groups and social enterprises. Social economic actors can

vary greatly in their legal forms, ownership, size, sector focus as well as target audience. They exist across industries, working in education, health care, welfare, financial and insurance services, housing and real-estate, agriculture and forestry, technology and waste management, as well as in the arts, culture and media (see Figure 1).³

FIGURE 1: Introducing a values-driven social economy



Social economy actors share an ambition to create positive societal impact. They put people and the environment first and invest most of their profits back into their organizations or channel it towards their chosen causes or beneficiaries.⁴

The social economy places social and environmental challenges and opportunities at the centre of economic activity. What marks out the

social economy as unique is that it puts “purpose before profit”. Social economy actors carry out activities in the interests of their members and beneficiaries (“collective interest”) or society at large (“general interest”) and are governed accordingly.⁵ While there is no universally recognized definition of the social economy, and some geographic variation in context, most definitions contain these key elements. A common

understanding of core characteristics and the broader ecosystem will be paramount to allow for policy design that optimally supports social economic actors.⁶

Historically these organizations have placed societal and environmental interest before profit. However, a trend has emerged recently where social economic

actors, especially social enterprises, are delivering both purpose and profit.

Some examples of the diverse set of legal entities within the social economy can be seen in Figure 2, which depicts the scope of different models and legal entities, without being an exhaustive analysis.

FIGURE 2: **Types of social economy organizations**



Associations

Associations typically pursue a societal purpose and/or promote a societal interest. They are characterized by a voluntary membership and equal voting rights. They often engage in voluntary or advocacy work.⁷



Cooperatives

Cooperatives are usually associations of people united around a common set of social, economic and/or cultural needs and values. They are collectively owned and democratically governed enterprises.⁸



Foundations

Foundations are characterized by their governance structure. They are mostly run by appointed board members or trustees and receive donations or gifts. They may finance and undertake research, support projects, provide grants or fund voluntary work.⁹ They often finance or undertake their own projects to support societal or environmental needs, according to their principles and values.¹⁰



Mutual societies

Mutuals are enterprises providing insurance services, complementary social security schemes and small-value services of a social nature. Their primary purpose is to satisfy common needs while not making profits or providing a return on capital.¹¹ They are often governed democratically, based on principles of solidarity between members.¹²



Non-profits

Non-profits do not pursue profit as a primary purpose, but instead serve the public interest. Non-profits typically rely on external funding and often do not pay income tax, in recognition of their mission to serve the public.¹³ However, some non-profits have adopted hybrid activities, such as earning revenue or providing services on contract to governments to enhance their income streams.¹⁴ Non-profits are the mainstay of organized civil society and seek to advocate, provide services and hold stakeholders to account as they seek to solve societal challenges.



Social/impact enterprises

Social enterprises or impact enterprises put social or environmental purposes first and often employ an entrepreneurial, for-profit and innovative way to provide goods and services. They are often governed democratically and may disburse profits back to their stakeholders, to the enterprise or in some cases also to shareholders.¹⁵

1.2 A spectrum of economic models

Besides the traditional definition of the social economy, there are other economic actors contributing to more inclusive and sustainable economies. Many businesses have been driven by social values for centuries. Civilizations from ancient India, Babylon and Rome first codified legal entities such as societies, associations and corporations to create social impact by providing education, public services, philanthropy and spiritual guidance. However, this clear link between economic and social activity became increasingly disconnected through the formalization of incorporation that occurred in the 19th century.¹⁶

Nevertheless, business practices continued to evolve their social values alongside their economic endeavours, cultivating informal and formal relationships between their activities and societal issues.¹⁷ Today, companies are increasingly using non-financial metrics and standards to disclose their environmental, social and governance (ESG) performance. In September 2020, the World Economic Forum, alongside many private-sector partners, launched its Stakeholder Capitalism Metrics initiative, to drive convergence among existing ESG frameworks towards a common set of metrics, allowing a comparison of ESG data between companies across geographies and industries.¹⁸

ESG reporting

Reporting of information about corporate performance on sustainability topics started as a stakeholder-driven accountability initiative just over 30 years ago. Today, sustainability disclosure – also called ESG (environmental, social and governance) or non-financial reporting – is more relevant than ever for a wide range of audiences, including policy-makers, consumers, employees, investors and civil society organizations. Leading companies and their boards, which carry the responsibility for all corporate reporting, are now aiming not just to be accountable to shareholders, but also to define their purpose and benefit to all stakeholders.¹⁹

Figure 3 illustrates the spectrum of organizational models, from civil society to business with social economy models at the intersection. Civil society organizations such as NGOs occupy a distinct place in the system, delivering societal and community development in niches where neither governments nor businesses are active, or advocating for the rights of citizens.²⁰ Philanthropic efforts by private foundations

and businesses play a key role in financially supporting such civil society organizations and ensuring they can carry out their role within the broader system.

The social economy's spectrum of actors is distinct in intentionally creating impactful solutions for society and the environment as their core purpose.

FIGURE 3: Social economy actors on the spectrum between charity and business



Source: Adapted from J. Kingston Venturesome, CAF Venturesome and European Venture Philanthropy Association (2015)

1.3 Shared ambition for the social economy

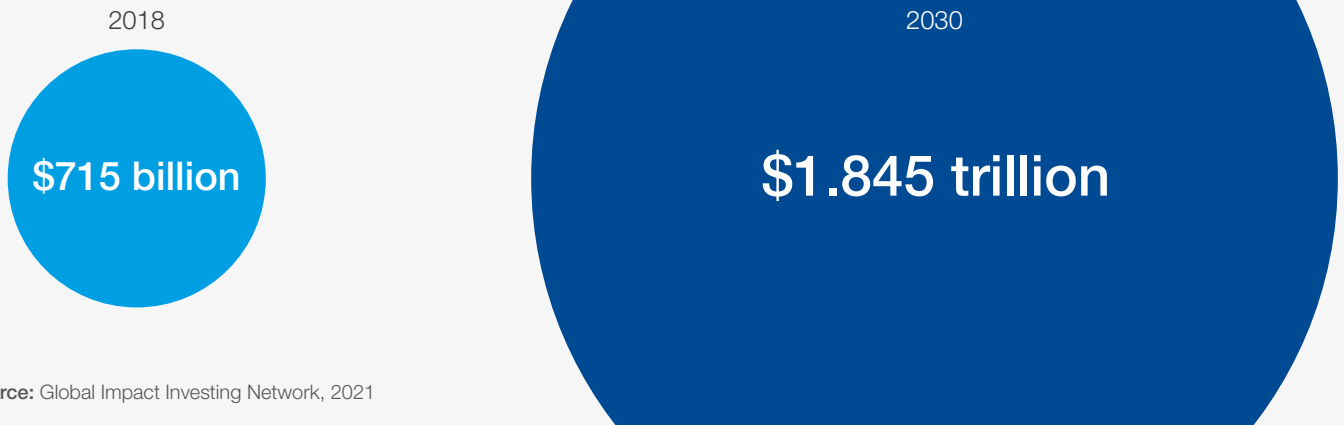
Social economy actors share an ambition and are tied together by distinct values to create more inclusive and sustainable economic opportunities, characterized by specific ways of working:²¹

- Pioneering social and environmental innovations and co-developing solutions
- Empowering and supporting local communities to develop and advance by enhancing employment possibilities in local markets
- Contributing to a sustainable change towards a green economy by using a values-based approach

- Leading an inclusive digital transition by democratizing and increasing access to digital tools
- Building resilience to shocks and cushioning the negative impacts of crises on communities
- Inspiring the private sector to shift towards more inclusive and sustainable business practices

This shared ambition has allowed social economy actors to strengthen their specific attributes and has been proven to generate positive impacts on societies and the environment in different economies around the world.

FIGURE 4: Impact investment market – 2030 forecast



Source: Global Impact Investing Network, 2021

Meanwhile, forms of capital that require a return beyond monetary profit are growing. The impact investment market totalled an estimated \$715 billion²² of assets under management in 2019. If these assets were to grow at a rate of 9%²³ annually, we could forecast this market alone to grow to \$1.845 trillion by 2030 (see Figure 4).

The Harvard Kennedy School recently estimated the value of assets held by global philanthropic foundations at \$1.5 trillion, with annual spending power of \$150 billion in a fast-growing market with mainly young organizations.²⁴ Similarly, foreign aid spending amounted to \$161 billion in 2020 – a record year.²⁵

1.4 A global view of the social economy

The social economy ecosystem is already present in every region around the world, but its size and maturity vary greatly between countries as do the policies that govern and enable it. The political, legal and economic environments define each country's priorities and their level of involvement with the social economy. Some nations already have an enabling ecosystem in place – with reporting mechanisms and public funding – that catalyses social innovation.²⁶

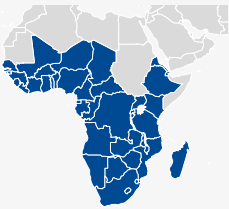

The social economy with its diverse set of business models and actors can be found around the world. Confronted with different challenges and policy contexts, they address a variety of challenges such as reducing inequality, driving nature-positive initiatives and creating more resilient communities. When looking at different geo-political regions, the social economy has many different manifestations, some examples of which are presented in Figure 5.



FIGURE 5: Overview of the social economy by geo-political region

Region	Origin and position of social economy in the region	Examples of policy context and scale of social economy
 <p>Asia Pacific</p>	<p>Social economy is not a new phenomenon in Asia-Pacific.²⁷ However, terminology such as “impact economy” and “inclusive economy” is also used. Government policies on these agendas have been gaining momentum in the region.</p> <p>Asia-Pacific combines a diverse set of subregions, including Central Asia, North-East Asia, South-East Asia, South Asia and the Pacific. In many countries, the concept of the social economy is not known at all. In countries where it is known, the social economy is at different stages of development, given varying policy environments and levels of socio-economic development, as well as the business-enabling climate.²⁸</p>	<p>Government policies to enable innovative business models and practices – such as social enterprise, impact investing and inclusive business – are emerging.</p> <p>At the national level, governments have put in place legislation to promote social entrepreneurship, such as the Social Enterprise Promotion Act in South Korea, and to incentivize impact investing, such as through social impact bond initiatives in Japan.</p> <p>At the regional level, economic ministers from the Association of Southeast Asian Nations (ASEAN) endorsed the “Guidelines for the Promotion of Inclusive Business in ASEAN”, making ASEAN the first region in the world to endorse such a set of guidelines to promote inclusive business.²⁹</p> <p>Informal work in the region employs 1.3 billion people – the largest informal work force globally.³⁰ In South-East Asia alone, there are up to one million social entrepreneurs.³¹ In South Korea, the social economy is estimated to be worth 3% of the country's GDP.³²</p>

Photo: Proximity Designs, Myanmar



Region	Origin and position of social economy in the region	Examples of policy context and scale of social economy
 <p data-bbox="118 443 328 517">Sub-Saharan Africa</p>	<p data-bbox="384 197 911 371">Sub-Saharan Africa is characterized by a largely informal social economy, as many social economy actors are employing a strong purpose but are not necessarily recognized as social economy actors. This makes them generally less grant-dependent than in other regions.</p> <p data-bbox="384 400 900 577">While most actors are small-sized, some are operating at larger scales.³³ Primary drivers of purpose in the region include job creation, health, education and agriculture. There is also a high occurrence of necessity-driven entrepreneurial activity emerging from local communities.³⁴</p> <p data-bbox="384 607 900 752">NGOs are restricted in trading or operating under market forces, so social economy actors often choose the for-profit legal entities available to them. This can make it harder for them to access impact-investment capital.</p>	<p data-bbox="951 197 1410 248">The Government of Ghana has developed a Social Enterprise Policy (GSEP).³⁵</p> <p data-bbox="951 277 1461 454">The International Labour Organization (ILO), the Government of Flanders and the National Economic Development Department of South Africa are developing a social economy policy to create access to decent jobs and promote social inclusion and environmental sustainability.³⁶</p> <p data-bbox="951 483 1449 568">The estimated number of jobs created by social enterprises in Sub-Saharan Africa was between 28 and 41 million in 2020.³⁷</p> <p data-bbox="951 598 1458 743">A green paper by South Africa's Department of Trade, Industry and Competition estimated the social economy at over 240,000 social economy actors that generated about 4.5% of GDP and 5.6% or over 900,000 jobs in 2019.³⁸</p>
 <p data-bbox="118 1041 233 1070">Europe</p>	<p data-bbox="384 801 900 978">The momentum for the social economy differs between Western and Eastern Europe. In south-western Europe, the notion of the social and solidarity economy has a long history. Thus, there is generally a higher level of recognition of the social economy in Western Europe.</p> <p data-bbox="384 1016 895 1133">In Eastern Europe, the notion of the social economy is less well established, although some countries such as Latvia have developed social enterprise laws.</p> <p data-bbox="384 1171 895 1288">Eastern European countries show interest in strengthening their social economies, with actors in the fields of education, technology and youth involvement.</p>	<p data-bbox="951 790 1445 1025">The sizes of social economies vary in the European Union (EU), but they are measured using traditional economic metrics. Across the whole EU, 2.8 million social economy actors account for over 6% of EU employment.³⁹ The social economy employs 9-10% of the working population in Western Europe, but below 2% in Eastern Europe.⁴⁰</p> <p data-bbox="951 1059 1461 1205">Policy in the EU towards the social economy has focused on five dimensions: 1) access to funds, 2) access to markets, 3) improving framework conditions, 4) international and new technology, and 5) business models.⁴¹</p> <p data-bbox="951 1234 1437 1350">In December 2021, the European Commission launched a 10-year Social Economy Action Plan to enhance social investment and policy development across the region.</p> <p data-bbox="951 1379 1401 1431">Some national-level policies with significant impact on their economies include:⁴²</p> <ul data-bbox="951 1460 1469 1706" style="list-style-type: none"> <li data-bbox="951 1460 1453 1576">– “Via cooperative adaptation” (2006 Act on social cooperatives) in Poland that recognizes social cooperatives that integrate disadvantaged people <li data-bbox="951 1592 1469 1706">– “Via cooperative adaptation” (Law 381/1991 on social cooperatives) in Italy that recognizes cooperatives that provide welfare services and work integration

Region	Origin and position of social economy in the region	Examples of policy context and scale of social economy
 <p>MENA</p>	<p>Social economy is a nascent concept in the Middle East and North Africa (MENA) region, although North Africa is familiar with the work of cooperatives and the term “social and solidarity economy”. The idea of trading for a social purpose is well established in the region, with roots grounded in the Islamic traditions of <i>Wakf</i> (charitable endowment) and <i>Zakat</i> (annual charitable donation).</p> <p>The social economy is often linked to agriculture, faith-based organizations, culture and the creative arts and crafts. In Algeria, parts of the Levant (eastern Mediterranean) and the United Arab Emirates, there is an increasing interest in eco-tourism, green technologies and agro-tech. It is an emerging movement led by predominantly young people. In some nations within the region, the social economy is seen as a solution to job creation – often for women and young people.</p> <p>Wamda is an example of a regional entrepreneurship hub that helps accelerate investment in many health and clean-tech start-ups in the region.</p> <p>The sector is formally recognized in countries such as Morocco and Jordan. But in most countries, there is a lack of formal recognition and the operating environment has often complex regulatory frameworks presenting barriers to start-ups.</p> <p>Capacity building support has been mostly funded via donors, meaning it is often time-limited. Most incubation hubs do not specialize in the social economy. Beyond recognition, access to funds is often difficult with social investment still evolving.</p>	<p>In Morocco, the National Strategy of the Social and Solidarity Economy 2010-2020 contains several objectives to strengthen the social economy.</p> <p>The Moroccan government has established an objective to grow the social economy from 1.6% GDP in 2010 to 3.9% GDP.⁴³ In Sudan, 65% of social enterprises have been set up since 2013.⁴⁴</p> <p>Data on social economy actors from this region is lacking, due to the sector’s partially informal character and lack of recognition.</p>
 <p>Latin America and the Caribbean</p>	<p>Latin America and the Caribbean is a heterogenous region generally employing related concepts of the social economy, such as social entrepreneurship or NGOs. The term solidarity economy or social & solidarity economy is used in some countries, while others employ the term social economy.⁴⁵</p> <p>New terms which are used more actively are social business or B Corporations, showing the influence of the USA.</p> <p>Economies in the region are characterized by a large informal workforce. The level of recognition of the social economy varies from country to country, with countries such as Costa Rica recognizing associations since 1939.⁴⁶</p>	<p>To address inequalities in Chile, the government implemented an ambitious reform agenda to strengthen income distribution and improve the quality of public services.⁴⁷</p> <p>Costa Rica has implemented several relevant policy instruments to recognize and support the social and solidarity economy, starting in 1967 and including a presidential decree in 2015 to strengthen the social & solidarity economy.⁴⁸</p> <p>In Ecuador, the social economy comprises of 25.7% of the nation’s GDP⁴⁹ and has taken steps towards supporting the social economy⁵⁰</p>


Region	Origin and position of social economy in the region	Examples of policy context and scale of social economy
 <p data-bbox="114 443 252 519">North America</p>	<p data-bbox="383 197 912 407">North America is comprised of two main countries: Canada and the USA. Canada employs a European terminology and understanding of the social economy in the regional policies it has enacted. In the USA, impact investment and a substantial philanthropic sector complement a traditionally profit-driven economy.</p> <p data-bbox="383 430 912 640">In a poll conducted by the Thomson Reuters Foundation on the best countries for social entrepreneurship in 2019, Canada was named the top nation, while the USA fell from #1 to #32.⁵¹ This region offers a mature recognition and foundation for a diverse set of actors that are contributing to the social economy.</p>	<p data-bbox="951 197 1481 318">In Québec, Canada, the Social Economy Act was passed to recognize the contribution of the social economy to the socio-economic development of the state.⁵²</p> <p data-bbox="951 340 1481 488">In the USA, 38 states have passed benefit corporation (B Corp) legislation, deregulating the purpose of businesses and allowing entrepreneurs to consider the interests of their stakeholders in addition to profit.⁵³</p>

Photo: Boomera, Brazil



2

The potential of the social economy

Striving for social and environmental impact as well as being more resilient during crises, social economy models offer inspiration for an inclusive and sustainable recovery.

Photo: myAgro, Senegal



2.1 Global risks challenge existing economic model

The social economy has the potential to address some of the world's most pressing challenges and create more resilient, inclusive economies. Whereas governments continue to play a key role in ensuring equitable access to public services, the social economy can become a compelling option for governments designing new recovery and transition plans, for companies looking to be inspired by innovative and inclusive business models, and for civil society to embrace new ways to become less grant-dependent

According to [The Global Risks Report 2021](#), published by the World Economic Forum, the next 10 years pose critical challenges from environmental risks, the digital divide, cybersecurity breaches and further infectious disease pandemics.

The most pressing risks expected in the next two years centre around risks employment and livelihood crises, the disillusionment of younger generations, digital inequality, an erosion of social cohesion, cybercrime and terrorist attacks.⁵⁴ When these crises materialize, they will inflict enormous economic costs.

The interconnectedness of socio-economic inequalities and global economic, environmental, technological and geopolitical risks poses unprecedented challenges to the world's economic system. These threats raise questions about the ability of the current economic model to respond in an adequate and timely way, as well as highlighting the role of the economic status quo in fuelling those crises.

2.2 Addressing inequalities with social innovation



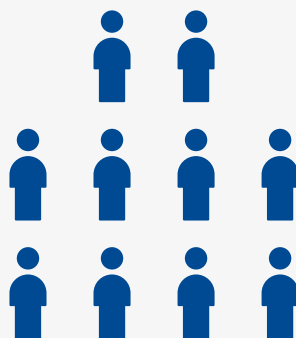
Income inequality has increased in most developed and many middle-income countries around the world.⁵⁵ In the US, the cost of income inequality has been expressed as \$50 trillion in lost income to the average worker since 1975, amounting to nearly 12% of GDP.⁵⁶ Initial data analysis of income inequality due to COVID-19 suggests that the pandemic has created new inequalities and exacerbated existing income

gaps. Income losses hit lower-skilled workers hardest, while existing occupational, racial and gender discrimination has translated into greater racial and gender inequalities in many countries.⁵⁷ Moreover, wealth is becoming increasingly concentrated. For instance, studies show that during the first two years of the Covid-19 pandemic, 10 men have accumulated more wealth than the poorest 3.1 billion people.⁵⁸

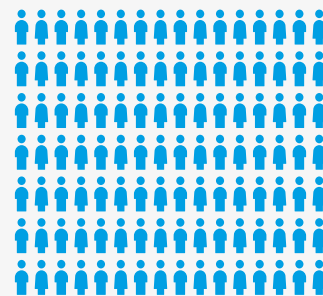
FIGURE 6: **Wealth inequality**

After 2 years of COVID-19 pandemic:

The 10 richest men own
6 times more wealth



...than the poorest
3.1 billion people.



Source: Oxfam 2022

In the US, the cost of income inequality has been expressed as \$50 trillion in lost income to the average worker since 1975, amounting to nearly 12% of GDP

Driven by social objectives rather than profit, social economy actors can explore niche opportunities within markets and unlock new sectors for excluded groups, while pursuing a combination of social, environmental, inclusion and economic objectives.⁵⁹ Enabling co-operation and collective

social innovation alongside local actors often results in co-developed and locally anchored solutions. Through strengthening local economic activity, the social economy strengthens social cohesion at the local level, fostering social capital and consequently creating social protection in the long run.

2.3 Inclusion through jobs and local empowerment



Social economy actors have been shown to empower communities as well as excluded and vulnerable groups by enhancing their employability

The UN's [Sustainable Development Goals Report 2021](#) states that the world is confronted with a critical moment in its pursuit of the SDGs. The 2030 Agenda for Sustainable Development was already off track before the pandemic, with stagnating progress towards reducing inequality, eradicating poverty and lowering humanity's carbon footprint. These setbacks provoked new projections that the SDGs would not be realized until 2082, more than 50 years too late.⁶⁰

The ambition of social economy actors in supporting local communities to develop and advance by enhancing employment possibilities in local markets can help empower the world's most vulnerable people. Social economy actors are active across industries, ranging from education, health care, welfare, financial and insurance services, housing, agriculture and forestry, technology and beyond.⁶¹

Social economy actors have been shown to empower communities as well as excluded and vulnerable groups by enhancing their employability. By addressing local needs in often underserved territories, social economic activity allows a revitalization of communities.⁶² The social economy has the potential to complement existing labour market models in three key ways:

- Offering direct and inclusive employment
- Enhancing employment possibilities by improving market conditions
- Assisting entrepreneurship from conceptualization to realization⁶³

Moreover, the social economy has the potential to reshape informal economies, by offering employment opportunities and by enhancing the social protection of citizens.⁶⁴ Social economy actors often act as intermediaries, offering products and services that provide benefits such as social protection, education and health services that create a porous interface between the informal and formal economies.

Finally, social economy actors themselves often employ inclusive governance systems.⁶⁵ The proportion of female workers is high, especially in welfare and education sectors, with 70% and 67% female workforce in social enterprises in Belgium and France respectively. In Italy, 61% of social cooperatives employed female workers, compared to 47% in other enterprises.⁶⁶ The gender gap in social entrepreneurial activity is significantly smaller than in commercial entrepreneurial activity, strikingly so in the Middle East and North Africa.⁶⁷

The case of the social economy actor EnAble India shows how marginalized communities such as people with disabilities can be successfully integrated into an inclusive business model (see case study).

CASE STUDY:

EnAble India⁶⁸



Type: Registered charitable trust

Focus: Providing economic independence with dignity for persons with disabilities

About: The vision of EnAble India (EI) is a world where persons with disabilities (PwD) are taxpayers, active citizens and nation builders. EI enables people, especially those with severe and multiple disabilities in both urban and rural areas, to become economically independent and financially productive. The aim is to encourage PwD to expect more from themselves and to become their own problem-solvers. Through process and technology innovations, EI has helped create a level playing field for PwD in the open labour market and in other forms of livelihoods.

Outcome: EnAble India has partnered with one state government, over 700 companies and 200 NGOs, as well as national universities, to implement programmes. The organization has built an Indian ecosystem of employability, employment and entrepreneurship for PwD, through technology innovations, breakthroughs in skills training, new workplace solutions and behaviour-change tools.

Lessons learned: Across 19 disabilities, working on human-centred insights has been the key to success. EI has focused on the "Includability Quotient" of leaders and the ecosystem, to develop their ability to include and maximize value across differences and disabilities.

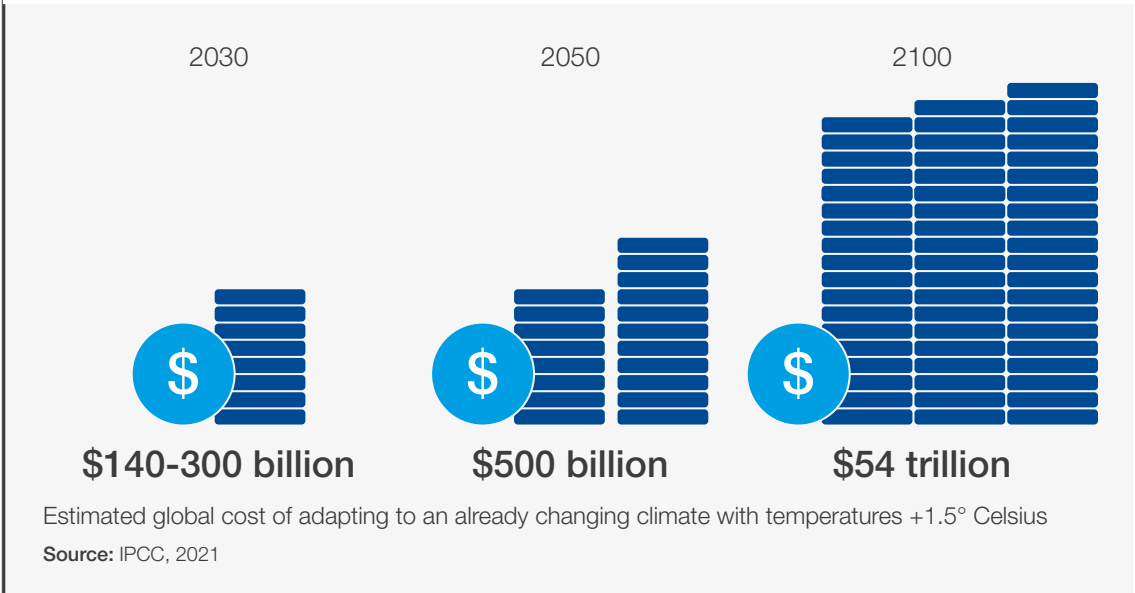
2.4 Sustainable change towards a green economy



FIGURE 7: The cost of adapting to climate change

The risks posed by growing environmental degradation as well as sudden climate-related shocks such as floods, fires and windstorms are further exacerbating socio-economic inequalities. According to the World Economic Forum's Global Risks Perception Survey for 2021,

the failure of governments and businesses to effectively respond to threats created by climate change, also referred to as "climate action failure", has been identified as the most impactful and second most likely of long-term global risks.⁶⁹



“ GDP covers up a massive robbery committed against future generations, who will have to shoulder the cost of past generations living beyond the means of the planet

– Independent Commission for Sustainable Equality

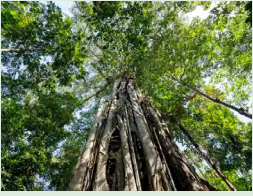
The ambition of social economy actors to contribute to a sustainable, values-based transition towards a green economy offers new opportunities to address the challenges of climate change. The social economy also facilitates synergies between the SDGs and the nature-positive outcomes the planet urgently needs by 2030. Social economic activity encourages an alternative perspective from one where the economy, environment and society are seen as competing or incompatible priorities. The values-driven social economy recognizes that economic, social and environmental imperatives depend on each other and can work together towards creating regenerative impacts through sustainable economic activity.

For example, the environmental principles of the circular economy complement the societal impact and inclusion principles of the social economy.⁷⁰ Equally, social economy actors have played a key role in growing organic agriculture practices as well as using renewable energy and developing low-carbon housing and mobility. Both the circular and social economies underpin an inclusive and sustainable economic system which can trace its origins earlier than the modern conceptualization of the "social economy". As Théo Buratti and Tatyana Warnier write in their report Green Deal and Social Economy: Issues and perspectives: "Historically present in the field of re-employment and recycling,

the SEE [social economy enterprise] players have been active for several decades in activities at the heart of the circular economy model and even before the emergence of this concept."⁷¹

The social economy's ambition to lead an inclusive green transition resonates increasingly with young people who, in the words of the Independent Commission for Sustainable Equality (ICSE), "will have to shoulder the cost of past generations living beyond the means of the planet".⁷² The climate justice generation is increasingly pushing governments and business leaders to create a future built on the principles of solidarity, equality and respect for the environment. It is vital to inspire young people with the vision of the social economy and to equip them with the knowledge, technical skills and leadership qualities needed to lead this sector forward.⁷³

Projects such as the Katingan Mentaya Project in Indonesia show how social economy actors can link a diverse set of stakeholders to impactful contributions towards nature protection (see Case Study).



About: The Katingan Mentaya Project (KMP) is the largest peat forest conservation and carbon finance offsetting initiative of its kind. The project protects and restores large areas of peat swamp forest while offering local communities sustainable income sources selling fully verified, high-quality carbon credits. In partnership with local communities and a global network of NGOs, academic institutions and corporations, the carbon revenues are used to ensure natural forest restoration and protection, through activities aligned to the UN's Sustainable Development Goals.

Type: Project

Focus: Reducing deforestation and supporting sustainable development opportunities

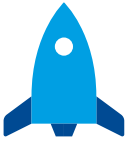
Outcome: The project protects over 100,000 hectares of peat forest located in Central Kalimantan, Indonesia. The protected area is home to 5-10% of global populations of the Bornean Orangutan, Proboscis Monkey and Southern Bornean Gibbon.

Lessons learned: Social economy actors are a key factor in the shift towards a green economy.

Photo: Indigital, Australia



2.5 Leading an inclusive digital transition



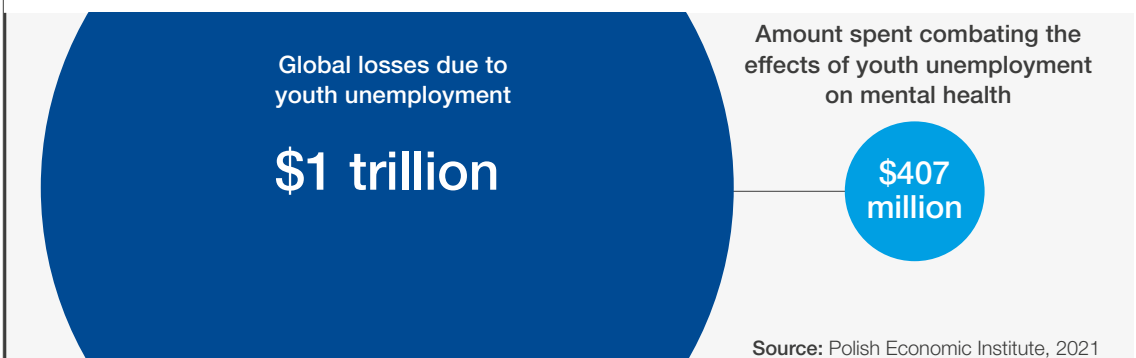
Labour markets are influenced by global trends such as the Fourth Industrial Revolution, which is posing challenges and opening spaces to rethink current employment models.

The digitalization of the private sector has led to two related challenges for entry-level professionals. First, they face higher expectations on skills and professional expertise, which continuously need to evolve. Second, they face shrinking professional opportunities as automation begins to replace tasks and positions. The World Economic Forum's [The Future of Jobs Report 2020](#) estimates that

automation may displace 85 million jobs in just five years.⁷⁵ In addition, young professionals remain vulnerable to unstable contracts and low-paid or unpaid internships, constantly facing career instability.⁷⁶

In the UK, the economic impact of youth unemployment on national output was forecast to hit £6.9 billion in 2022, with an additional fiscal impact of £2.9 billion.⁷⁷ Globally an estimated \$1 trillion per year is lost due to youth unemployment, while an additional \$407 million is spent combating the effects on their mental health (see Figure 8).⁷⁸

FIGURE 8: Losses due to youth unemployment



The social economy has proven to be a major asset in leading an inclusive digital transition, offering alternatives to build inclusive labour market models.⁷⁹ The social economy often seeks to use digital tools, such as blockchain, to distribute ownership to more people. A focus on up-skilling people increases their access to digital tools, democratizes control over digital resources and safeguards against growing inequality within technology. For instance, new digital business models employed by social economy actors use

collaborative tools such as platform cooperatives and participatory-governed businesses. These digital platforms facilitate citizen engagement and the sale of locally produced goods and services, while aiming to achieve better working conditions for their members.⁸⁰

The potential of the social economy to use digital up-skilling to address societal challenges such as the employability of marginalized communities can be seen in the case study of Sama (see case study).

CASE STUDY: Sama, US⁸¹



Type: Social innovation

Focus: Impact sourcing and training of local workers in underserved communities to solve global needs in the digital labour market.

About: Sama provides organizations with quality data to train their machine-learning models. Founded in the US in 2008 on the premise that talent is equally distributed but opportunity is not, the social enterprise connects people from underserved communities to dignified digital work opportunities. As a certified B-Corp, Sama is committed to paying all members of its workforce a living wage standard to each region, offering competitive benefits and providing upward mobility training.

Outcome: Sama is a longstanding and trusted employer in East Africa and has helped more than 59,000 individuals lift themselves out of poverty. A randomised control trial (RCT) study conducted by the Massachusetts Institute of Technology (MIT) on the impact of Sama's work showed that individuals trained by them had up to 40% higher average incomes and their rate of unemployment was 10% lower than non-participants in the control group. Today, Sama serves clients such as Google, Walmart and Microsoft and raised \$70 million in series B financing in 2021.

Lessons learned: Social innovation is at the core of social enterprises, showing that purpose and profit don't need to be mutually exclusive. When impact is inherent to your value proposition and product, then business and social challenges can be tackled together.

2.6 Proving resilient during crises



Ongoing crises like pandemics, climate change as well as shifting geopolitics question the resilience of global economic models and highlight the volatility of the current economic system, causing significant costs for governments, societies, the environment and economies. The Economist newspaper estimated the global toll of the pandemic at \$10 trillion in lost GDP over 2020-21 (see Figure 9).⁸² Meanwhile, a recent estimate by a pair of Harvard economists pegged the cost to the US of COVID-19 alone at \$16 trillion – four times the cost of the financial crisis in 2008.⁸³

Crises can further exacerbate existing inequalities. The COVID-19 pandemic precipitated a global increase in poverty rates for the first time in almost two decades, pushing between 119 and 124 million people back into extreme poverty in 2020.⁸⁴ The pandemic has shown that marginalized groups such as young workers, migrants, rural communities and women are disproportionately affected by crises, which exacerbate their already tenuous position within the economic system and their exposure to economic and social risks.⁸⁵

The social economy and its local embeddedness enable its actors to provide vital products and services in niches and local markets as first

responders during crises. Social economy actors can, in the words of sociology professor Marc Schneiberg, “propagate logics of community, localism, and civic engagement that focus people’s actions on the flourishing of local communities and institutions.”⁸⁶ These characteristics allow social economy actors such as communal banks to reduce the risk of unemployment in times of crisis. During the Great Recession 2007-2009 in the United States, for example, community-based banks showed not only lower unemployment rates, compared to large private banks, but stronger recovery rates in re-employment afterwards.⁸⁷ One reason is that community-based banks often link citizens, employees and consumers more directly to the profits and losses of the bank’s owners, thereby reducing conflicts of interest between different stakeholders.⁸⁸

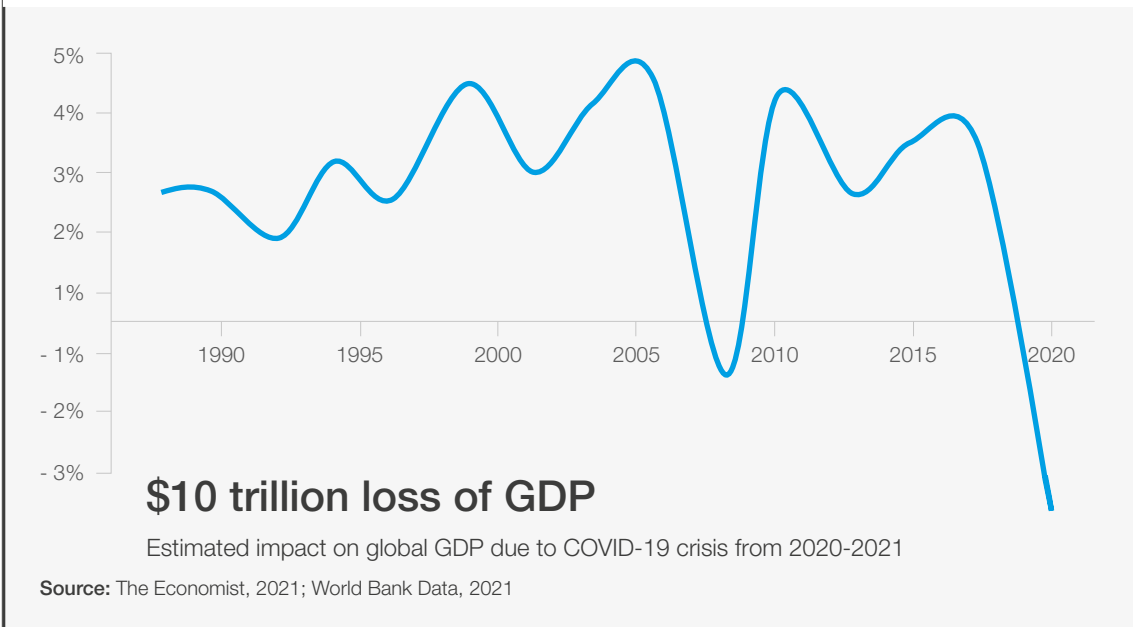
More broadly, during the global financial crisis of 2007-08, the social economy managed a consistently impressive growth rate in employment. As reported by the Organisation for Economic Co-operation and Development (OECD), from 2008 to 2010 employment in social enterprises actually grew in Italy (20.1%) and Belgium (11.5%), despite a sharp decrease in employment in the public and private sectors. Similarly in France, employment

Following the global financial crisis, from 2008 to 2010 employment in social enterprises actually grew in Italy (20.1%) and Belgium (11.5%), despite a sharp decrease in employment in the public and private sectors

Photo: Mindspark, India



FIGURE 9: Impact of COVID-19 on global GDP



in the social economy rose by 25% during 2000-2014, whereas the corresponding employment growth in the public sector was just 6%.⁸⁹

Social economy actors can also serve as crisis responders or support mechanisms, complementing the roles of the public and private sectors in responding to shocks. The example of OriginTrail illustrates how one social economy actor met the challenges of medical procurement during the COVID-19 pandemic with an innovative solution (see case study).

Due to its local embeddedness, the social economy complements the provision of public services in communities alongside civil society organizations, especially where those services are difficult to access for vulnerable communities.⁹⁰ Their governance and approach to organizing their activities allows social economy actors to include the concerns of their direct target groups and stakeholders in decision-making processes, as well as to sustain their investments and business activities in support of local communities.⁹¹

CASE STUDY: **OriginTrail, UK⁹²**



Type: Social enterprise

Focus: Open-source technology

About: OriginTrail was founded in 2011 in the UK and today has a presence in Slovenia, Serbia and Hong Kong. Its vision is to increase transparency in supply chains. By employing blockchain technology and creating an open-source protocol, OriginTrail enables data-sharing solutions which are efficient and energy-saving.

Outcome: During the COVID-19 pandemic, OriginTrail realised the potential of its transparent supply chain for providing medical supplies from trusted sources. It was able to employ its blockchain technology to provide medical equipment to health care workers that was reliable and authentic.

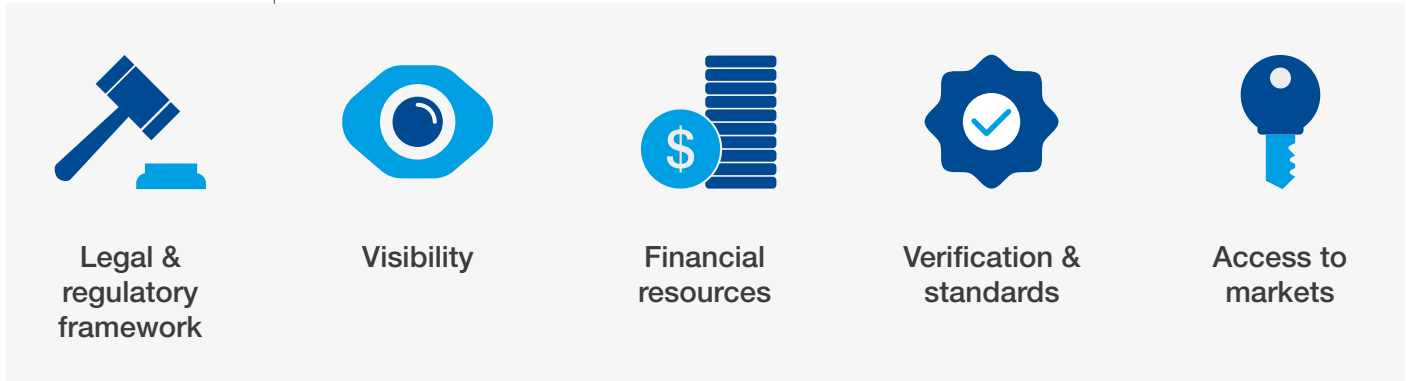
Lessons learned: OriginTrail identified the procurement challenge of medical equipment during the COVID-19 pandemic as an opportunity to increase supply chain transparency. Their intervention aligned responsibility and accountability of medical procurement processes and helped health care workers respond in more impactful ways to the pandemic.

2.7 Current barriers to unlocking the full potential

Despite its potential, the social economy has not yet been fully unlocked. The challenges vary depending on the context, but they have common features such as limited visibility, lack of supportive

legal and regulatory frameworks, lack of verification and standards, inadequate financial resources and restricted access to markets (see Figure 10).

FIGURE 10: Barriers to unlocking the social economy



The lack of a clear definition for the social economy results in the absence of a common set of metrics with which to measure it. This in turn limits the sector's visibility. Yet visibility is key for social economy actors to promote their business practices and inform policy-makers on appropriate regulatory frameworks. Enhanced visibility also advances a wider understanding of the relevance of the social economy approach and inspires other entrepreneurs to build similar business models.⁹³

The importance of being seen and heard is demonstrated by the Brazilian social impact publisher Editora MOL, which became a beacon for the social economy and enhanced the visibility of its impact in Brazil (see case study). Within a supportive policy environment, more actors can increase the visibility of the social economy across appropriate platforms and networks, thereby contributing to a shift in the mindset of consumers and creating awareness of the importance of value-driven businesses.

Enhanced visibility advances a wider understanding of the relevance of the social economy approach and inspires other entrepreneurs to build similar business models

CASE STUDY: Editora MOL, Brazil⁹⁴



Type: Social impact publishing house

Focus: Publishing products with positive content at affordable prices

About: MOL is a social impact publisher that develops printed materials – magazines, books, calendars, tabletop games and others – at below-market prices. Its publications always have positive and engaging content, with real-life inspiring stories and a focus on journalism for citizenship, promotion of human rights and quality of life. All the publications direct a least a third of their revenues to social organizations in Brazil.

Outcome: Created in 2007 in São Paulo, MOL has partnerships with large chains that sell its publications to the final consumer. Through retailer business volume and capacity, it democratizes access to reading and fosters the culture of giving in Brazil.

Lessons learned: Create a win-win business model that connects companies, consumers and social organizations around a social product, bringing micro-donations to their daily lives without disrupting their routines – and making a habit of the act of giving.

The lack of a supportive legal and regulatory framework for the social economy in many countries results in barriers to accessing fiscal relief or tax exemptions, despite eligibility. Social economy actors face further challenges in raising

finance, as the barrier to accessing impact-driven funding is often too high for smaller actors. However, the example of the European Investment Fund shows how access to financial resources can be strengthened (see case study).

CASE STUDY: **European Investment Fund's EaSI guarantee⁹⁵**



Type: Finance guarantee instrument

Focus: Supporting social entrepreneurship and enhancing microfinance by increasing finance availability and access for vulnerable groups

About: The European Investment Fund (EIF) is an instrument of the European Union, implemented on behalf of the European Commission. It aims to improve the terms for guarantees and counter-guarantees to encourage financial intermediaries to provide financing to micro-enterprises, micro-borrowers and social enterprises, thereby supporting their access to financial resources.

Outcome: This instrument was built on the European Progress Microfinance Facility, launched in 2010. It has supported over 55,000 micro-borrowers and mobilized over €520 million of financing.

Lessons learned: Adapt regulations to better support SMEs and social enterprises in accessing funding and to avoid inequalities among actors in the socio-economic pyramid.

Access to markets is another challenge that social economy actors have found it difficult to overcome, especially as publicly available resources (e.g. public procurement frameworks) do not consider social economy actors. The example of the social enterprise Esoko in Ghana shows how vital it is for

rural communities to be able to access the market. By providing their target group with information about market prices and agro-economic knowledge, Esoko has increased the access to market for millions of Ghanaian farmers (see Case Study).

CASE STUDY: **Esoko, Ghana⁹⁶**



Type: Private initiative

Focus: Connecting people in agriculture

About: Based in Accra, Ghana, Esoko empowers rural communities on the African continent through digital transformation and financial inclusion. Initially focused on providing content services to farmers to improve farmer productivity, it now provides a community management platform for organizations to implement and track community-based projects.

Outcome: Some 5 million rural Africans have a digital footprint and are enrolled in social protection programmes. Via its cloud platforms, Esoko also provides excluded communities and project beneficiaries with information services and access to digital financial products. It has empowered 1.2 million African farmers with market price information, agronomic advice and climate-smart information services using mobile channels.

Lessons learned: Provide vital access to market information for communities in a context in which publicly available resources are scarce.

3

Actions to unlock the potential

To unlock the potential of the social economy, two shifts are required. The first shift advances the social economy by developing a supportive ecosystem of coherent policies and public-private collaboration. The second shift leverages the experience of the social economy to address the persistent, structural challenges created by the purely profit-driven economy.

Photo: Editora MOL, Brazil

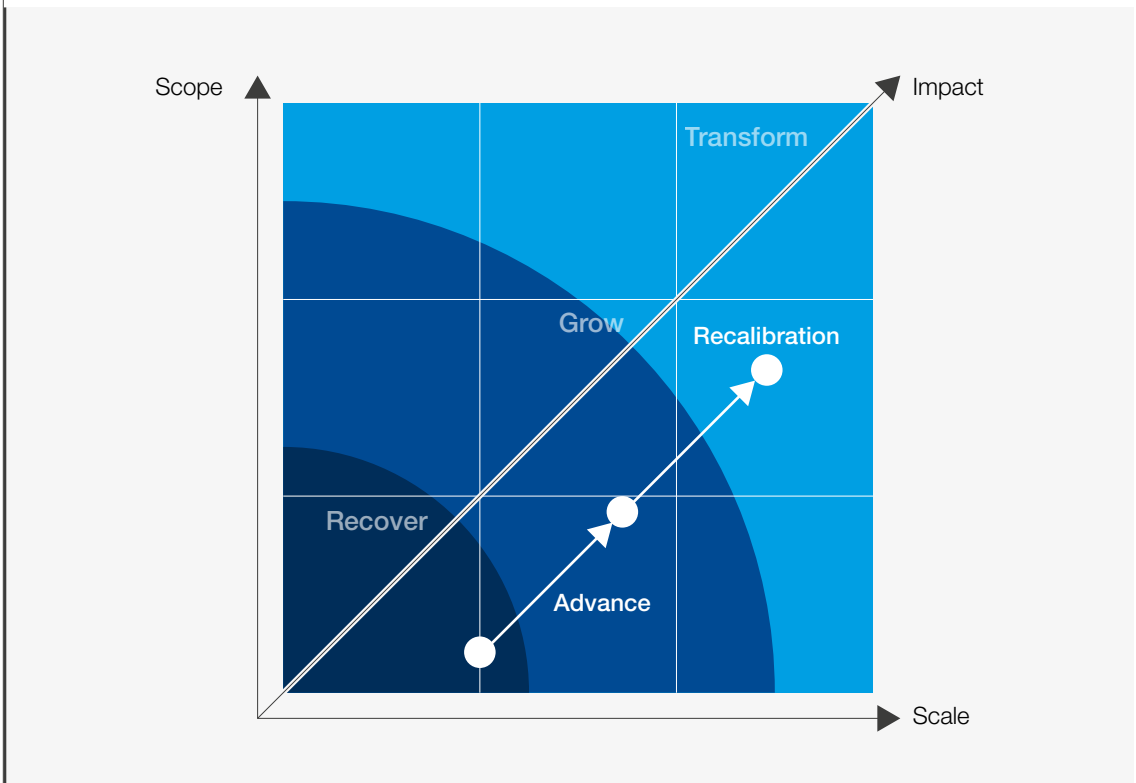


3.1 Two shifts to maximize the impact of the social economy

Building a more resilient and inclusive economy can be achieved by growing the social economy in its scope and scale, and by increasing its impact on society (see Figure 11). Scope relates to the variety of models within the social economy, ranging from cooperatives to mutual organizations

and associations. Scale relates to the prevalence of the social economy in terms of the numbers of social economy actors and jobs created by those actors. Increased scale and broader scope bring greater and deeper impact, leading to more actors employing social economy models in their work.

FIGURE 11: Maximizing the social economy's scale, scope and impact



When a broad set of actors including businesses are aligned in terms of ambition, further impact is generated. For this model to work for the social economy, a clear definition of impact management based on shared norms as well as a standardized set of metrics to measure impact beyond profit are required.⁹⁷

Governments play a key role in providing the policies that frame the societal and cultural norms to push this process. Yet, to fully unleash the potential of the social economy to drive inclusive development, public and private actors as well as non-governmental and multilateral organizations must collaborate.

To advance the social economy across the globe and realize the first shift, there is a need to:

- Recognize the social economy and build supportive regulatory frameworks
- Enhance access to capital by creating incentives for funding, taxation and investment

- Raise awareness and attract local talent to the social economy through expanding education and research
- Enable access to relevant markets by making public and private procurement channels more inclusive
- Recognize the social economy by collecting, measuring and visualizing social impact data

The second shift moves beyond advancing the existing social economy sector towards a reconceptualization of our current economic system and its role in society. This shift calls on the mainstream economy to use its entrepreneurial and creative energy to solve social challenges, creating businesses built on the premise that, in the words of the British Academy, “the purpose of business is to solve the problems of people and planet profitably”.⁹⁸

“ The purpose of business is to solve the problems of people and planet profitably

– The British Academy

The social economy has the potential to recalibrate our existing economic system, within which mainstream businesses and social economy actors can both benefit from each other and collectively grow the space for a purpose-based economy. This will enable mainstream businesses to shift their focus from solely optimizing quarterly results and shareholder returns towards a model of “purpose and profit” that seeks to deliver long-term societal benefits.⁹⁹ This shift relies on governance structures with legally binding goals that promote environmental change and societal progress.¹⁰⁰ To measure this progress, non-financial indicators – such as a common set of ESG metrics and standards – become key as they allow the measurement and comparison of corporate impacts on society and the planet.¹⁰¹

For a successful shift, both governments and the private sector will need to place a stronger emphasis on prioritizing well-being and sustainability before profit and growth. To address the intersectionality of contemporary challenges such as inequality, digital technologies and climate change, government policies must be complementary, evidence-based and focus on a long-term transition. Meanwhile civil society will continue to occupy a key space within the system, addressing the needs of underserved communities and driving social and environmental goals. Civil society and social economy actors are uniquely positioned to address societal issues on a local community level – something many mainstream businesses do not do.

3.2 Creating networks to build trust and understanding

To unlock the full potential of the social economy, a greater level of trust, mutual understanding and collaboration between government, business and societal actors is required. Such collaboration across sectors can foster and enhance a mutual understanding that is vital, enabling governments to effectively facilitate and regulate their markets to build a beneficial context for the social economy.

Governments and social economy actors can actively increase their cooperation to develop a supportive policy ecosystem for the sector

to grow. Public policy-makers can especially benefit from the local expertise of social economy actors, which can help inform policy decisions.¹⁰² Businesses and social economy actors can collaborate on innovative business models addressing societal challenges. Collaboration can unlock potential financial resources for the social economy and create mutually beneficial economic and societal opportunities, as seen in the case study below on Tony's Open Chain.

CASE STUDY:

Tony's Open Chain, The Netherlands¹⁰³



Type: Industry initiative

Focus: Sustainable transformation of cocoa supply chains

About: Tony's Open Chain (founded in The Netherlands) is an industry-led initiative that helps chocolate brands transform their cocoa supply chains and become more sustainable, as well as working to end modern slavery and illegal child labour. The initiative is based on five principles: 1) traceable beans, 2) a higher price, 3) strong farmers, 4) long-term commitments, 5) productivity and quality. The mission goes beyond certification and fosters the development of equal relationships all along the cocoa supply chain.

Outcome: Several international businesses (e.g. Barry Callebaut, Aldi) have joined the initiative. The five principles ensure that a living income for cocoa farmers can be achievable. As the initiative enhances the transparency of supply chains, it also increases the visibility of the farmers and the circumstances under which they work.

Lessons learned: Investments that foster collaboration between social economic actors and profit-driven businesses can increase transparency of supply chains and working conditions, as well as reducing inequality.

Multilaterals play an important role using a collaborative approach with governments, the private sector and social economy actors to enhance understanding around the sector. Academia can contribute with research to increase knowledge about the social economy. Civil society organizations strengthen the voice of the social economy and its visibility towards government, businesses and the wider public.

Collaboration among social economy actors themselves is also important to unlock their potential and to share experiences and business

ideas. Global and regional platforms and institutions such as Association of Southeast Asian Nations (ASEAN), the European Union and the OECD have encouraged social economy actors to exchange their experiences. Actors with the power to unlock the potential of the social economy are illustrated in Figure 12, while Figure 13 outlines the particular roles they could play in the two shifts required to unlock this potential.

FIGURE 12: **Actors key to unlocking the social economy**



FIGURE 13: Roles for relevant actors in unlocking the social economy

Actors	Shift 1 Advance the social economy	Shift 2 Transform the mainstream economy
Governments	Provide an enabling environment for the social economy to grow and define clear governmental responsibility for supporting the sector.	Enhance regulatory frameworks towards more socially and environmentally inclusive accounting standards and corporate governance models.
Social economy actors	Lobby for their interests and encourage evidence-based policy-making to create a supportive policy and financing environment.	Strengthen their role as trailblazers within the broader economy by scaling their business models and embracing new funding opportunities.
Multilateral organizations	Increase R&D in socially beneficial areas and channel funds towards impact investment.	Provide expertise for a growing number of economic actors that focus on purpose.
Civil society organizations	Act as advocates of the social economy and its impact on development, increasing its visibility to the public.	Increase hybrid systems of income generation (donation & market) and increase the scope of the social economy.
Businesses	Integrate social economy actors in the value chain to scale the effect of the social economy.	Replicate social economy business models that are locally embedded and governed democratically.
Social investors	Create appropriate investment products that provide funds to social economy actors.	Demand comprehensive reporting, greater transparency and accountability.
Research & academia	Provide research for greater recognition of the social economy's impacts and identify untapped market opportunities for the social economy to explore.	Enhance the traditional economic understanding of governments and business leaders and strengthen an inclusive and sustainable business mindset through education.

3.3 Inspiring the private sector with innovative business models

Collaborating with the social economy offers great potential for mainstream businesses. Social economy actors are trailblazers that can offer the private sector inspiring business models that attract talent and safeguard value chains from future shocks. According to the OECD, “the social economy has proven to be a pioneer in identifying and implementing social innovations and alternative ways of organising economic activities. These innovations have often been subsequently mainstreamed and adopted by the rest of the

economy.”¹⁰⁴ For example, the European Social Enterprise Monitor has shown that in 2020, 96% of social enterprises in the Netherlands aim to influence mainstream businesses to become more sustainable. Social enterprises are able to demonstrate that sustainable businesses are viable, showcasing their attractiveness for consumers, employees as well as investors.¹⁰⁵ This illustrates that the social economy has already started the second shift, mainstreaming their business models in traditional economic sectors.

“ *The social economy has proven to be a pioneer in identifying and implementing social innovations and alternative ways of organising economic activities. These innovations have often been subsequently mainstreamed and adopted by the rest of the economy.* ”

– Organisation for Economic Co-operation and Development

Conventional businesses can utilize social procurement as a powerful tool to support social economy activity. One example that showcases how the social economy was not only included via social procurement but eventually led to a new business model is Hindustan Unilever Limited’s “Project Prabhat” (see case study). Initially Hindustan Unilever cooperated with a

social economy actor in its value chain to focus on creating sustainable communities around its sites, but ultimately the company evolved its value chain and elements of its business model to drive purpose by focusing on community health and nutrition, while also increasing profitability. Learning from a values-based approach in this instance led to a stronger and more profitable value chain.

CASE STUDY: Project Prabhat, India¹⁰⁶



Type: Project of Hindustan Unilever

Focus: Building inclusive and sustainable communities around Hindustan Unilever sites

About: Prabhat is a sustainable community development initiative that builds on local community needs at a grassroots level. The goal of the project is to create sustainable communities in and around Hindustan Unilever Limited’s sites through focused interventions on economic empowerment (e.g. skilling, entrepreneurship and value chain development), environmental sustainability (e.g. water conservation, waste management and climate adaptation), health and nutrition, and education.

Outcome: The project has improved the lives of around 7 million people across 30+ locations and is supporting the achievement of goals such as income generation, water positivity, zero waste to landfill, carbon neutrality and access to health, nutrition and education for all, through collaborating with multiple social economy actors (e.g. social enterprises, NGOs and community-based organisations).

Lessons learned: Prabhat started as a community development initiative, but its value-chain focus through targeted needs-based community programmes has allowed it to include social enterprises into the broader value chain of the corporation.

3.4 Building better policy environments

Governments play a key role in strengthening the ecosystem for the social economy to grow. This allows governments themselves to benefit substantially, through nurturing more resilient economies that can secure jobs, reduce inequality and withstand future shocks. The relevant policies depend on the regional context.

Across the globe, governments are already increasingly recognizing the social economy as a driver of a more inclusive and sustainable economy. Many countries, including France, South Korea, Vietnam and Tunisia are enabling the growth of the social economy by setting up enabling legal frameworks in areas such as procurement, licensing and even tax.¹⁰⁷

There are also efforts by intergovernmental organizations to support the social economy. In December 2021, the European Commission launched its Social Economy Action Plan.¹⁰⁸ Recently, the Association of Southeast Asian Nations (ASEAN) highlighted the importance of social enterprises for regional development in its publication ASEAN Socio-Cultural Community Blueprint 2025, which suggests strategic measures such as nurturing and promoting the social economy sector for youth, women, marginalized groups and people with disabilities.¹⁰⁹

As of today however, in most countries, policy-makers’ understanding of the social economy and its potential to contribute to societal development is still limited. Yet governments not only benefit from the potential offered by the social economy to avoid future costs, they also hold the key to unlocking its full potential. Governments can use policy tools to institutionalize the impacts of the social economy and further strengthen it by designing appropriate legislation, recognition and government programmes.¹¹⁰

The various forms and interlinkages of societal challenges can create difficulties for policy-makers. Future policies must address this complexity, enabling social as well as ecological progress with innovative and flexible policy tools.¹¹¹ However, the social economy varies greatly across regions. So in addition to innovative policies, there is a need for a decentralized policy-making approach that allows for adjustments to emerging developments and new challenges.

Specific policy needs may differ depending on regional and institutional contexts. Nevertheless, five broad policy priorities can be identified to advance the social economy, while three policy priorities can transform the mainstream economy. These are analysed in the remaining sections of this chapter.

3.5 Five policy priorities to advance the social economy

The five policy priorities that can strengthen the social economy – the first shift in the process of unlocking its full potential – are as follows:

1	2	3	4	5
Recognition and regulatory frameworks	Funding, taxation and investment	Education and research	Procurement and access to markets	Visibility and data



Recognize the social economy and build supportive regulatory frameworks

The recognition of the social economy as a partner in socio-economic development by governments has proven vital in some countries. This entails the political recognition of the social economy at national and regional government levels, as well as regular dialogue between governments and social economy actors. In consultation with social economy actors, governments can develop policy

strategies to further unlock the impact of the sector.

Many jurisdictions, however, lack clarity on the legal status of social economy actors, often leaving them without a status that recognizes the broad value they are creating. This puts them at a disadvantage because they often default to a non-profit structure, limiting their potential.¹¹²

Policy implementation case – European Social Economy Action Plan

The European Commission (EC) realized that in times of structural challenges and financial crisis, social economy actors were contributing to the building and strengthening of resilient communities, as well as managing major transitions. Based on this experience, the EC decided to launch multiple actions to support the development of the social economy, summarized in its Social Economy Action Plan, published in December 2021.¹¹³ This initiative “seeks to boost the contribution of social economy organizations to a fair and sustainable growth. It will enhance social investment, support social economy actors to start up, scale up, innovate, and create jobs”.¹¹⁴



Governments should review tax frameworks historically reserved for non-profit organizations and apply them more broadly to organizations based on their purpose rather than their legal profit status.



Create incentives for funding, taxation and investment

To grow the sector, the social economy needs easier access to long-term investments and funds. Governments can support this by making grants and public-funded investments into the social economy, for example, by creating dedicated grant schemes for the social economy. Besides this, governments can encourage the participation of mainstream financial providers and social investors in financing the social economy. This can be done through offering fiscal incentives, alleviating regulatory barriers, leveraging public funds to de-risk private funding, and developing hybrid mechanisms that blend public and private investment.

Another important element of any policy redesign is to review tax frameworks historically reserved for non-profit organizations and apply them more broadly based on the purpose of an organization rather than on its legal profit status. Some countries already grant tax benefits to social enterprises such as for-profit cooperatives, but governments should offer similar benefits to other for-profit values-driven actors such as social entrepreneurs. Similarly, investors should be considered for tax benefits if they meet requirements that focus on impact and purpose.¹¹⁵

Policy implementation case – Singapore Centre for Social Enterprise

In 2015, the Government of Singapore set up the Singapore Centre for Social Enterprise (raiSE) to develop the country's social enterprise sector through a collaboration of public and private actors. The centre offers grants to Singapore-based social enterprises that are beginning or expanding operations with a clear social mission to address human-centred social gaps and needs.¹¹⁶

Expand education and research

For the social economy to be fully unlocked, governments can educate young people about the social economy in schools. This contributes to greater recognition of the social economy's impacts and can help identify untapped market opportunities for the social economy to explore. Governments should also provide finance for research on the social economy and social innovation.

Policy implementation case – Learning for Young People, Scotland

In 2007, Scotland launched a programme called Learning for Young People to increase the understanding of the social economy and social economy actors to promote awareness among students. The programme focuses on developing an understanding for social enterprise business models, providing hands-on experience in the social economy, and awareness-raising for teachers on how they can support their students.¹¹⁷



Make public and private procurement channels more inclusive

Access to public and private markets is a key policy lever for advancing the social economy. Through public procurement, the public sector can buy goods and services from social economy actors that deliver social and environmental value. In this way, public procurement becomes a vehicle to meet social, environmental and economic objectives, such as the reintegration of the long-term unemployed into labour markets, or social and work integration of people from vulnerable groups.

Government procurement has the capacity to unlock and create markets with a particular focus on the often-informal social economy, by reserving public contracts and inserting social and environmental criteria in all public procurement.¹¹⁸ Moreover, governments can create fiscal incentives for the private sector to procure from the social economy. Governments must place a higher emphasis on sharing procurement data openly and transparently to create a level playing field.

Policy implementation case – EU Public Procurement Rules

In 2016, European Union (EU) Member States adopted the EU Public Procurement Rules. Under the new regulations, the procurement process became simpler and more flexible, allowing for “environmental and social considerations, as well as innovation aspects to be taken into account when awarding public contracts”.¹¹⁹ The rules opened up new opportunities for small and medium-sized enterprises (SMEs) as well as social enterprises to bid for public contracts.¹²⁰



Collect, measure and visualize social impact data

To increase the visibility of the sector, governments are encouraged to collect statistics on the social economy which go beyond traditional indicators. Besides the contribution of the social economy to economic growth and job creation, governments should systematically measure and present the social and environmental impact of the social economy. To measure the social economy, it will be critical to employ a model that suits the nature of the sector, including metrics that go beyond simply capturing GDP growth.

number of supportive legislations, contribution to GDP etc.). The methodologies currently used to measure the size of the social economy can range from collecting feedback from stakeholders or measuring well-being to conducting impact evaluations of the sector’s activities or calculating the monetary value it creates.

Due to the diversity of methods, social economy actors have pushed for a standardization of metrics and measurements.¹²¹ Standardization, however, has proved difficult due to the lack of a clear definition of the social economy, as well as limited access to resources and the lack of priority placed on this by governments. Nevertheless, measuring the social economy is vital to be able to promote its practices and results, and to inform policy-makers around the right legislative choices for the social economy.¹²²

Today, most social impact measurements aim to assess social value and impact by an organizational unit or investment portfolio. However, there is a lack of frameworks to assess the potential of the social economy as a whole and a lack of consensus around which metrics to use (e.g. number of jobs,

There is a lack of frameworks to assess the potential of the social economy as a whole and a lack of consensus around which metrics to use

Policy implementation case – European Social Enterprise Monitor

An example of a structured framework to measure the social economy is the European Social Enterprise Monitor (ESEM), created and funded in 2020 by the European Commission. The ESEM collects insights from participants on social entrepreneurship and makes them available for different actors, such as decision-makers, government officials, investors and researchers. It makes the needs and interests of enterprises in the social and solidarity economy transparent, it informs decision-makers in government, civil society and the mainstream economy, and it closes the gap on social enterprise data.¹²³

3.6 Two policy priorities to recalibrate the mainstream economy

If structured in terms of the two identified shifts, the above five policy recommendations are best suited to advance the social economy, while the following two recommendations are more geared towards enabling the transformation and transition of the traditional economy.

Many governments, businesses, civil society organizations and multilateral institutions are dedicating efforts to recalibrate the mainstream

economy towards an inclusive and sustainable future. The social economy and governments can play a key role in realizing this transformation.

The two policy priorities to recalibrate the mainstream economy are:

- Accountability and taxonomy
- Innovation and participatory business models



Enhance accountability and adopt taxonomy

The accountability of business practices can be strengthened by legislation that requires companies to include non-financial statements as part of their annual public reporting obligations. These should include the impacts of companies and their value chains on the environment, their employees and broader society.

In Malaysia, for example, all listed companies are required to disclose a sustainability statement in their annual reports. In this statement, the company expresses its views on the economic, environmental and social risks as well as opportunities it may be facing. This provides a basis for potential investors to better understand the company's approach to ESG issues of concern.¹²⁴

Due to their local set-up, social economy actors are often in close proximity to their stakeholders and

have experience in creating a localized and transparent governance system. Governments can thus benefit from their insights when creating supportive accountability structures, while businesses can benefit from partnerships with social enterprises to achieve their own ESG targets. A wide range of efforts and networks can be seen around the globe, working on accounting for social and impact value.¹²⁵

Governments need to develop a supportive taxonomy system for sustainable and social activities. Such a taxonomy – or common classification system – would provide companies, investors and policy-makers with appropriate categories for defining which economic activities can be considered environmentally sustainable and socially responsible.



Support innovation and participatory business models

Governments are encouraged to create a supportive ecosystem to catalyse social innovation and inspire participatory business models. Collaboration between social economy actors and mainstream businesses can help create more innovative, purpose-led business models for those mainstream companies to adopt.

The governance structures and perspectives of business are evolving. Companies are increasingly committing to a long-term view, which in turn can be supported by a stakeholder-based approach.¹²⁶ Mainstream businesses can benefit from the experience of social economy actors in creating participatory practices and governance structures.

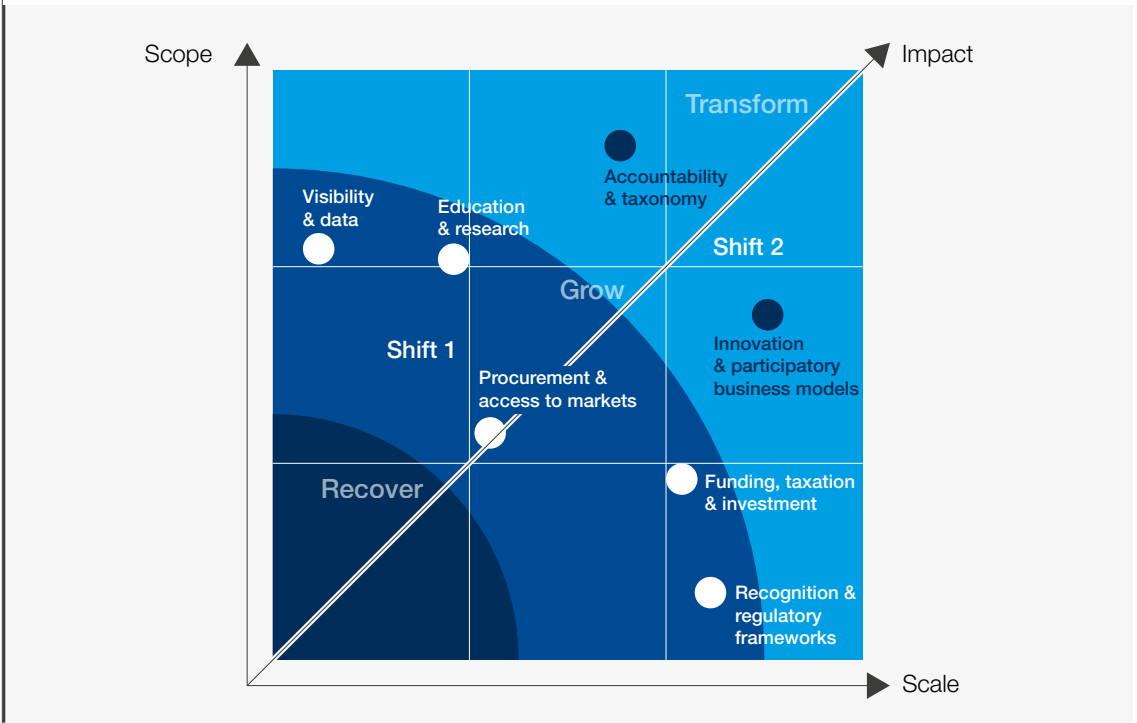
Conversely, social economy actors can benefit from the innovations of mainstream businesses.

A study from 2019 by The Social Good Accelerator (a European movement to accelerate the tech transition of EU non-profits) analysed the need for collaboration between social and technological innovators. The study found that 91% of social utility organizations across Europe expressed a need to upskill their technical capabilities. They also reported that their interaction with tech innovators resulted in a 78% increase in their social impact.¹²⁷

Collaboration between mainstream businesses and social economy actors can result in a range of outcomes, including the incubation of new social enterprises.¹²⁸ Governments can play a key role in facilitating these exchanges via platforms, networks and support systems with specific mandates to strengthen such collaboration.

European social enterprises that improved their technical capacities through interacting with tech innovators reported a 78% increase in their social impact

FIGURE 14: Policy priorities enabling the two shifts to mainstream the social economy



Guiding principles on implementing governance

When designing policies, governments will need to include measures to prevent corruption through “social washing”, given that some policy elements such as tax benefits can have adverse effects. For social economy and their legal forms, policy design needs to be flexible enough to account for those differences in business models. To enable this, policy-makers can utilize regulatory sandboxes – frameworks to test policies on a smaller scale before implementing them more broadly.¹²⁹

Co-creation of public policies is of great importance. Policies will prove successful if there is strong political ownership by stakeholders. Creating solutions together with key actors from the social economy will allow a valuable exchange of experiences and ideas.

Beyond policy design, governments are in a unique position to create supportive ecosystems for social economy actors, by sharing information and data, providing and demanding training to enhance the understanding of all actors about the needs of social economy actors and institutionalizing networks to scale-up the capacities needed to catalyse the social economy.¹³⁰

Figure 14 summarizes the different policy priorities that are required for both shifts to be realized. Five policy priorities will help deliver shift one: recognition and regulatory frameworks; funding, taxation and investment; education and research; procurement and access to markets; and visibility and data. Two policy priorities will help deliver shift two: accountability and taxonomy; and innovation and participatory business models.

4

Conclusion: the social economy unlocked

Unlocking the potential of the social economy can provide an inclusive, sustainable future for new generations.

Photo: Evandrorigon



The social economy encompasses a diverse set of actors operating across a wide range of industries and geographies. These actors share an ambition to drive positive societal impact and they govern themselves accordingly. They strive to build an economic sector which is inclusive, offering sustainable economic opportunities to marginalized communities and contributing to more equitable societies.

Social economy actors are adept at pioneering and co-developing innovative social and environmental solutions.¹³¹ They empower and support local communities to develop and advance by enhancing employment possibilities in local markets. They contribute to a sustainable transition towards the green economy through their values-based approach. Social economy actors are accelerating an inclusive digital transition by democratizing digital tools and increasing access to them. Those actors have also proven resilient during crises, cushioning negative impacts on communities.

To build a more resilient, inclusive and sustainable future, governments and business leaders around the world are looking for alternatives to the economy of today. They are seeking sustainable solutions to interconnected socio-economic inequalities and global economic, environmental, technological and geopolitical risks. Social economy actors serve as a source of inspiration for governments and the private sector alike to demonstrate how economies and business practices can become more inclusive and sustainable.

Governments and business leaders can follow one of two paths, each leading to different outcomes. Either the social economy can be strengthened and its values employed to recalibrate the mainstream economy towards greater purpose, inclusion and resilience. Or the mainstream economy keeps prioritizing profits before people and purpose, focuses on GDP and remains brittle in the face of future shocks. If the shifts described in this report are implemented successfully, a scenario for a future global economy can be envisioned along the lines proposed in the box below.

A vision of a new global economy in 2030

It is 2030. The social economy has successfully broadened its impact and role in the green and digital transitions, shaping technological developments in new and inclusive ways. Social collectives and enterprises have benefitted society by mitigating the unintended adverse consequences of change and maximizing positive social and environmental benefits.

Universities have created new courses to inspire clearer insights into the social economy. In turn, this has generated new taxonomies, a more optimized policy environment and a better public understanding of values-driven organizations. This growth in awareness has attracted and shaped young, new leaders with skills to grow the social economy.

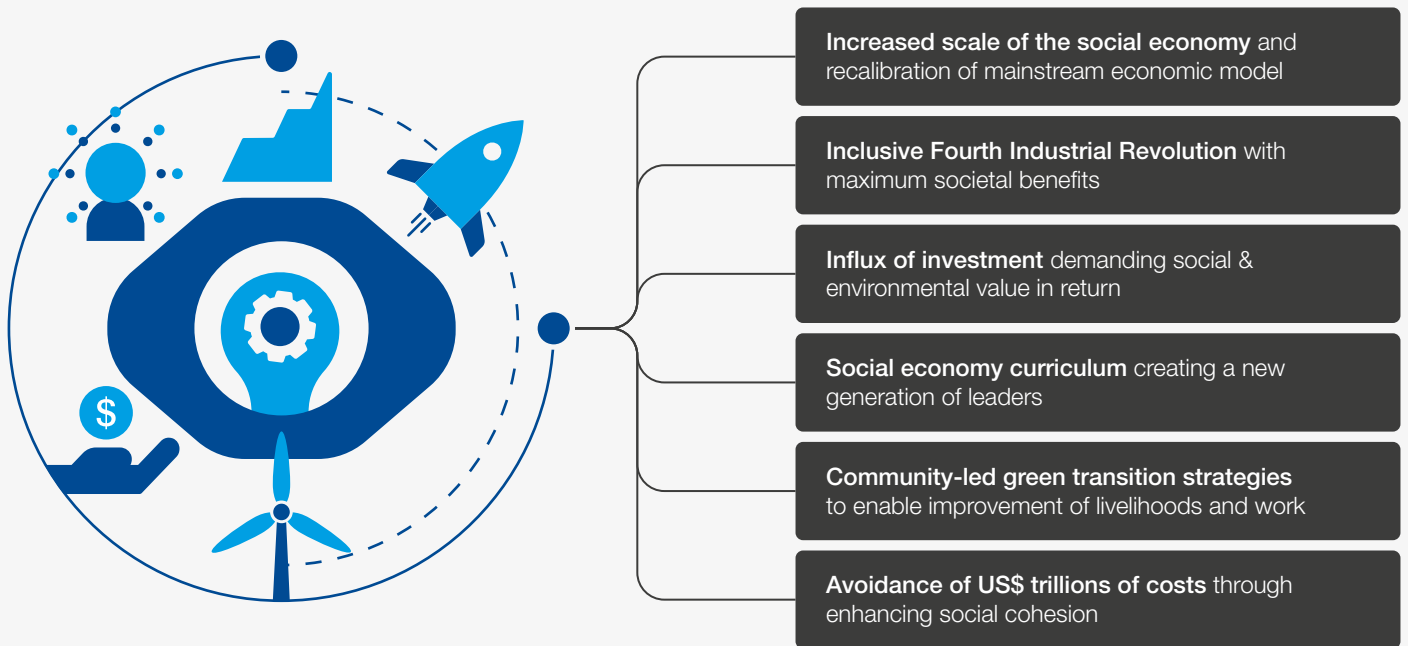
By strengthening their social economies, countries have avoided trillions of dollars in cost, through greater social cohesion and mitigating some of the impacts of climate change. The global shift to a green economy has created millions of new jobs and livelihoods around the world. The social economy has played a key role in driving a just, green transition through supporting community-led strategies based around social dialogue that have accelerated the creation of inclusive employment. This has enabled the large-scale reskilling of people to lead the digital transformation of economies and to prepare for the changing demands of new work opportunities around the globe.

A ripple effect induced by strong social economy actors and greater progress towards delivering the SDGs has led to an influx of impact investment capital, creating a trillion-dollar market that demands of enterprises to put people, planet and purpose before profit. As the scale of the social economy grows, its impact on recalibrating mainstream business models continues to deepen.

“ As social entrepreneurial models continue to be successful both from an impact and profit perspective, the private sector has increasingly started to integrate impact into their operating models, whilst still remaining profitable. As this happens, the lines between purely social enterprises and traditional enterprises that also create a social benefit are increasingly blurring, which is a good thing.

– Sharon Thorne, Global Chair, Deloitte

FIGURE 15: | The social economy unlocked



The time to steer our economies towards such a scenario is now. It will take an enormous effort to make such a transition happen, but the two shifts described in this report show the way forwards. Fuelling this transition will require substantial amounts of impact investment, visionary innovation and leadership. The reward for this effort will be to unlock the social economy to realize its full potential (see Figure 15).

Policy-makers play a vital role in creating a supportive policy environment to unleash this potential and to realize both shifts. Key policy areas for the first shift include: building recognition and a regulatory framework to support social economy actors; enhancing access to finance and investment; investing in education and research; targeting the social economy via procurement regulations; and supporting the sector with visibility and data.

To leverage the social economy and multiply its impact on recalibrating the existing economic system, policy-makers need to encourage innovation while strengthening accountability and governance in support of purpose-led business models. Enabling both shifts will allow policymakers to move beyond immediate crisis-response towards creating a more resilient and inclusive socio-economic system of the future.

The suggested framework enables policy designers, governments, civil society and social economy actors to work in tandem to advance the social economy. The report hopes to serve as a starting point to address regional, national and actor-specific challenges in local dialogues around the world. Our ambition must be to drive action by raising awareness and actively discussing policy globally, regionally and locally in order to reduce common barriers that keep the social economy from reaching its potential.

Contributors

World Economic Forum

François Bonnici, Director, Schwab Foundation for Social Entrepreneurship; Head, Social Innovation

Carolien de Bruin, Head, COVID Response Alliance for Social Entrepreneurs

Ida Jeng Christensen, Head, Business Engagement and Development, Centre for the New Economy and Society

Katerina Hoskova, Project Fellow, COVID Response Alliance for Social Entrepreneurs

Veerle Klijn, Lead Consultant, Schwab Foundation for Social Entrepreneurship; Head, Policy, Euclid Network

Till Leopold, Head, Frontier Solutions Practice, Centre for the New Economy and Society

Pavitra Raja, Programme and Engagement Lead, Schwab Foundation for Social Entrepreneurship

Editing and Design

Jonathan Walter, Editor

Jean-Philippe Stanway, Designer

Deloitte

Julius Hill, Managing Partner, International Development Organizations

Pablo Mandelz, Senior Manager, Government and Public Services

Clara Büchi, Consultant, Government and Public Services

Acknowledgments

Working Group on Unlocking the Social Economy

Members

Rodrigo Baggio, President and Founder, RECODE

Rowan Barnett, Director, Google.org

Esme Berkhout, Chief Human Economist,
Oxfam Novib

Jeroo Billimoria, Founder, One Family Foundation

Neelam Chhiber, Founder, Industree Foundation

Gerry Higgins, Managing Director, Social
Enterprise World Forum

Shiv Kumar, Co-Founder, Catalyst Group

Johanna Mair, Professor of Organization, Strategy
and Leadership, Hertie School, Stanford University

Geoff Mulgan, Professor of Collective Intelligence,
Public Policy and Social Innovation, University
College London

Antonella Noya, Head, Social Economy and
Innovation Unit, Organisation for Economic Co-
operation and Development (OECD)

Kanika Pal, South Asia Head, Community
Investments & Sustainability Programmes, Unilever

Luvuyo Rani, Chief Executive Officer, Silulo Ulutho

Krisztina Tora, Chief Market Development Officer,
Global Steering Group for Impact Investment

Len Verwey, Head, Research, Motsepe Foundation

Vic van Vuuren, Director, Enterprises Department,
International Labour Organization

Hina West, Director, Nature Pays, WWF

Suzanne Wisse-Huiskes, Chief Executive, Euclid
Network

Jonathan Tsuen Yip Wong, Chief of Technology
and Innovation, United Nations Economic and
Social Commission for Asia and the Pacific
(UNESCAP)

Paula Woodman, Global Head, Social Enterprise,
British Council

Partners:

- Catalyst 2030
- Euclid Network
- Deloitte
- Motsepe Foundation

Endnotes

- 1 United Nations, *Cooperatives in social development: report of the Secretary-General*, 2017, <https://digitallibrary.un.org/record/1298696?ln=en>.
- 2 Organisation for Economic Co-operation and Development (OECD), *Social economy and the COVID-19 crisis: current and future roles*, 2020, https://read.oecd-ilibrary.org/view/?ref=135_135367-031kjiq7v4&title=Social-economy-and-the-COVID-19-crisis-current-and-future-roles.
- 3 European Commission, *Building an economy that works for people: an action plan for the social economy*, 2021, <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=10117&furtherNews=yes#navItem-1>.
- 4 Ibid.
- 5 European Parliament, *Social Economy*, 2016, [https://www.europarl.europa.eu/RegData/etudes/STUD/2016/578969/IPOL_STU\(2016\)578969_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2016/578969/IPOL_STU(2016)578969_EN.pdf).
- 6 Organisation for Economic Co-operation and Development (OECD), *Clarifying Social and Solidarity Economy Concepts for a Global Understanding*, 2022, forthcoming.
- 7 European Commission, "Associations and foundations", 2021, https://ec.europa.eu/growth/sectors/social-economy-eu/associations-and-foundations_en.
- 8 International Labour Organization, "Cooperatives", 2021.
- 9 European Commission, "Associations and foundations", 2021, https://ec.europa.eu/growth/sectors/social-economy-eu/associations-and-foundations_en.
- 10 Ibid.
- 11 European Commission, "Mutual societies", 2021, https://ec.europa.eu/growth/sectors/social-economy-eu/mutual-societies_en.
- 12 Ibid.
- 13 Fritz, Joanne, "Limited Liability Companies (LLCs) vs. Nonprofits", *The Balance Small Business*, 1 February 2021, <https://www.thebalancesmb.com/are-llcs-different-than-nonprofits-4590145>.
- 14 Ibid.
- 15 European Commission, "Social enterprises", 2021, https://ec.europa.eu/growth/sectors/social-economy-eu/social-enterprises_en.
- 16 Davoudi, L., McKenna, C. & Olegario, R., (2018), "The historical role of the corporation in society", *Journal of the British Academy*, 2018, 6(s1): 17–47, <https://doi.org/10.5871/jba/006s1.017>.
- 17 Ibid.
- 18 World Economic Forum, *Measuring Stakeholder Capitalism Towards Common Metrics and Consistent Reporting of Sustainable Value Creation*, 2020, <https://www.weforum.org/reports/measuring-stakeholder-capitalism-towards-common-metrics-and-consistent-reporting-of-sustainable-value-creation>.
- 19 CDP et al., *Statement of Intent to Work Together Towards Comprehensive Corporate Reporting*, 2020, <https://www.globalreporting.org/media/bixjk1ud/statement-of-intent-to-work-together-towards-comprehensive-corporate-reporting.pdf>.
- 20 Banks, Nicola and Hulme, David, *The Role of NGOs and Civil Society in Development and Poverty Reduction*, Brooks World Poverty Institute, University of Manchester, 2012, <https://ssrn.com/abstract=2072157>.
- 21 World Economic Forum, *COVID-19 Action Agenda, Leaders on the Front Line: Why Social Entrepreneurs Are Needed Now More than Ever*, 2020, https://www3.weforum.org/docs/COVID19_SocEnt_Alliance_Report_2020.pdf.
- 22 The Global Impact Investing Network (GIIN) updated its impact investment market sizing estimate to \$715 billion in 2019, with a compounded annual growth rate estimated at 9%. Source: Global Impact Investing Network, *Annual Impact Investor Survey 2020*, 2020, <https://thegiin.org/research/publication/impinv-survey-2020>.
- 23 Ibid.
- 24 Johnson, P., *Global Philanthropy Report: Perspectives on the global foundation sector*, John F. Kennedy School of Government, Harvard University, 2018, https://cpl.hks.harvard.edu/files/cpl/files/global_philanthropy_report_final_april_2018.pdf?m=1524750312.
- 25 Marchant, Natalie, "Foreign aid hit a record high last year. Here's what it means for the global recovery from COVID", World Economic Forum, 23 April 2021, <https://www.weforum.org/agenda/2021/04/foreign-aid-2020-covid-19-oecd/>.
- 26 Global Steering Group for Impact Investment (GSG) and United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), *Towards an Enabling Policy Environment for Impact Investment in Asia and the Pacific*, 2020, <https://gsgii.org/reports/gsg-unescap-report-towards-an-enabling-policy-environment-for-impact-investment-in-asia-and-the-pacific/>.
- 27 British Council and United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), *The state of social enterprise in South East Asia*, 2021, https://www.britishcouncil.org/sites/default/files/the_state_of_social_enterprise_in_south_east_asia_0.pdf.

- 28 Global Steering Group for Impact Investment (GSG) and United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), *Towards an Enabling Policy Environment for Impact Investment in Asia and the Pacific*, 2020, <https://gsgii.org/reports/gsg-unescap-report-towards-an-enabling-policy-environment-for-impact-investment-in-asia-and-the-pacific/>.
- 29 United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), *Policies to enable business innovation for inclusive and sustainable development*, 2020, https://www.unescap.org/sites/default/files/CICTSTI_5_item%205b%20business%20innovation.pdf.
- 30 International Labour Organization, *Women and Men in the Informal Economy: A Statistical Picture, Third Edition*, 2018, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_626831.pdf.
- 31 British Council and United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), *The state of social enterprise in South East Asia*, 2021, https://www.britishcouncil.org/sites/default/files/the_state_of_social_enterprise_in_south_east_asia_0.pdf.
- 32 British Council, *Think Global, Trade Social*, 2015, https://www.britishcouncil.org/sites/default/files/seuk_british_council_think_global_report.pdf.
- 33 British Council, *Social enterprise and job creation in Sub-Saharan Africa*, 2020, https://www.britishcouncil.org/sites/default/files/social_enterprise_and_job_creation_in_sub-saharan_africa_final_singlepages.pdf.
- 34 Bosma, Niels et al., *Special Topic Report – Social Entrepreneurship*, Global Entrepreneurship Monitor, 2016, <http://www.gem-spain.com/wp-content/uploads/2015/03/gem-2015-special-report-on-social-entrepreneurship.pdf>.
- 35 Ministry of Trade and Industry, *Ghana, Ghana Social Enterprise Policy*, [Draft], 2017, <https://seghana.net/wp-content/uploads/2021/08/SE-Ghana-Policy-Draft-1.pdf#:~:text=The%20development%20of%20the%20Ghana%20Social%20Enterprise%20Policy,to%20the%20growth%20and%20development%20of%20the%20country>.
- 36 International Labour Organization, “Development of a Social Economy Policy in South Africa (Government of Flanders & National Economic Development Department of South Africa)”, 2021, https://www.ilo.org/global/topics/cooperatives/projects/WCMS_501549/lang--en/index.htm.
- 37 British Council, *Social enterprise and job creation in Sub-Saharan Africa*, 2020, https://www.britishcouncil.org/sites/default/files/social_enterprise_and_job_creation_in_sub-saharan_africa_final_singlepages.pdf.
- 38 The Department of Trade, Industry and Competition (DTIC), Government of South Africa, “Green Paper on the Social and Solidarity Economy”, 2021, <https://www.socialeconomypolicy.org/paper/green-paper-on-the-social-and-solidarity-economy/view/social-economy-measurement-size>.
- 39 Organisation for Economic Co-operation and Development (OECD), *Social economy and the COVID-19 crisis: current and future roles*, 2020, https://read.oecd-ilibrary.org/view/?ref=135_135367-031kjiq7v4&title=Social-economy-and-the-COVID-19-crisis-current-and-future-roles.
- 40 European Economic and Social Committee, *Recent Evolutions of the Social Economy in the European Union*, 2017, <https://www.eesc.europa.eu/sites/default/files/files/qe-04-17-876-en-n.pdf>.
- 41 European Parliament, *What future for the social economy?*, 2020, [https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/659336/EPRS_BRI\(2020\)659336_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/659336/EPRS_BRI(2020)659336_EN.pdf).
- 42 European Commission, *Social Enterprises and their Eco-systems: Developments in Europe*, 2016, <https://ec.europa.eu/social/BlobServlet?docId=16376&langId=en>.
- 43 British Council, *Social enterprise landscape in Morocco*, 2020, https://www.britishcouncil.org/sites/default/files/social_enterprise_landscape_in_morocco.pdf.
- 44 British Council, *The state of social enterprise in Sudan*, 2020, https://www.britishcouncil.org/sites/default/files/state_of_social_enterprise_in_sudan.pdf.
- 45 International Labour Organization, *Social and Solidarity Economy and South-South and Triangular Cooperation in Latin America and the Caribbean: Contributions to Inclusive Sustainable Development*, 2014, https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_546401.pdf.
- 46 International Labour Organization, *Public Policies for Social and Solidarity Economy: Assessing Progress in Seven Countries*, 2017, https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_582778.pdf.
- 47 Organisation for Economic Co-operation and Development (OECD), *Chile: Policy Priorities for Stronger and More Equitable Growth*, 2015, <https://www.oecd.org/chile/chile-policy-priorities-for-stronger-and-more-equitable-growth.pdf>.
- 48 International Labour Organization, *Public Policies for Social and Solidarity Economy: Assessing Progress in Seven Countries*, 2017, https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_582778.pdf.
- 49 Restakis, J., “Public policy for a social economy”, *Journal of Peer Production*, 2015, <https://base.socioeco.org/docs/policy-for-a-social-economy.pdf>.
- 50 Supersolidaria, *Superintendente de la Economía Solidaria habló sobre el presente y futuro del sector solidario*, 2017, <http://www.supersolidaria.gov.co/es/sala-de-prensa/noticia/superintendente-de-la-economia-solidaria-hablo-sobre-el-presente-y-futuro-del#:~:text=La%20econom%C3%ADa%20solidaria%20representa%20cerca,detr%C3%A1s%20C%20como%20Colanta%20C%20Coopidrogas>.
- 51 Thomson Reuters Foundation, “The best countries to be a social entrepreneur 2019”, 2019, <https://poll2019.trust.org/>.

- 52 | Légis Québec, *Social Economy Act*, 2021, <http://legisquebec.gouv.qc.ca/en/document/cs/E-1.1.1>.
- 53 | Benefit Corporation, "Why Pass Benefit Corporation Legislation", 2022, <https://benefitcorp.net/policymakers/why-pass-benefit-corporation-legislation>.
- 54 | World Economic Forum, *The Global Risks Report 2021*, 16th Edition, 2021, https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2021.pdf.
- 55 | United Nations Department of Economic and Social Affairs (UNDESA), *World Social Report 2020*, 2020, <https://www.un.org/development/desa/dspd/world-social-report/2020-2.html>.
- 56 | Price, C. & Edwards K., *Trends in Income From 1975 to 2018*, RAND Corporation, 2020, <https://doi.org/10.7249/WRA516-1>.
- 57 | Ferreira, F., "Inequality in the time of COVID-19", *International Monetary Fund*, 2021, <https://www.imf.org/external/pubs/ft/fandd/2021/06/inequality-and-covid-19-ferreira.htm>.
- 58 | Oxfam, *Inequality Kills: The unparalleled action needed to combat unprecedented inequality in the wake of COVID-19*, 2022, <https://policy-practice.oxfam.org/resources/inequality-kills-the-unparalleled-action-needed-to-combat-unprecedented-inequal-621341/>.
- 59 | International Labour Organization, *Social and Solidarity Economy in Asia: A South-South and triangular cooperation perspective*, 2015, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---exrel/documents/publication/wcms_366029.pdf.
- 60 | Catalyst 2030 et al., *New allies: How governments can unlock the potential of social entrepreneurs for the common good*, 2021, https://catalyst2030.net/wp-content/uploads/2021_New-Allies_How-governments-can-unlock-the-potential-of-social-entrepreneurs-for-the-common-good_vpublish.pdf.
- 61 | European Commission, *Building an economy that works for people: an action plan for the social economy*, 2021, <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=10117&furtherNews=yes#navItem-1>.
- 62 | Organisation for Economic Co-operation and Development (OECD), *Social economy and the COVID-19 crisis: current and future roles*, 2020, https://read.oecd-ilibrary.org/view/?ref=135_135367-031kjq7v4&title=Social-economy-and-the-COVID-19-crisis-current-and-future-roles.
- 63 | British Council, *Social enterprise and job creation in Sub-Saharan Africa*, 2020, https://www.britishcouncil.org/sites/default/files/social_enterprise_and_job_creation_in_sub-saharan_africa_final_singlepages.pdf.
- 64 | International Labour Organization, *The Contribution of the Social and Solidarity Economy and Social Finance to the Future of Work*, 2019, https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_739377.pdf.
- 65 | Organisation for Economic Co-operation and Development (OECD), *Women and the Social Economy (provisional title)*, 2022, forthcoming.
- 66 | European Commission, *Social Enterprises and their Eco-systems: Developments in Europe*, 2016, <https://ec.europa.eu/social/BlobServlet?docId=16376&langId=en>.
- 67 | Bosma, Niels et al., *Special Topic Report – Social Entrepreneurship*, Global Entrepreneurship Monitor, 2016, <http://www.gem-spain.com/wp-content/uploads/2015/03/gem-2015-special-report-on-social-entrepreneurship.pdf>.
- 68 | EnAble India, [Website], 2021, <http://www.enableindia.org/>.
- 69 | World Economic Forum, *The Global Risks Report 2021*, 16th Edition, 2021, https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2021.pdf.
- 70 | Organisation for Economic Co-operation and Development (OECD), *Policy Brief on Making the Most of the Social Economy's Contribution to the Circular Economy*, 2022, <https://www.oecd.org/publications/policy-brief-on-making-the-most-of-the-social-economy-s-contribution-to-the-circular-economy-e9eea313-en.htm>.
- 71 | Buratti, T. and Warnier, T., *Green Deal and Social Economy: Issues and perspectives*, Pour la Solidarité, 2020, https://www.ess-europe.eu/sites/default/files/cck-news-files/green_deal_and_social_economy_issues_and_perspectives_-_policy_paper.pdf.
- 72 | Independent Commission for Sustainable Equality (ICSE), *The Great Shift: From a broken world to sustainable well-being*, 2021, https://www.socialistsanddemocrats.eu/sites/default/files/2021-10/progressive_society-icse_report_2021_final.pdf.
- 73 | Mkwala, M., "Young people's role in building back better", *World Bank Blogs*, 3 September 2021, <https://blogs.worldbank.org/youth-transforming-africa/young-peoples-role-building-back-better>.
- 74 | Katingan Mentaya Project, [website], 2021, <https://www.katinganproject.com/>.
- 75 | World Economic Forum, *The Future of Jobs Report 2020*, 2020, https://www3.weforum.org/docs/WEF_Future_of_Jobs_2020.pdf.
- 76 | World Economic Forum, *The Global Risks Report 2021*, 16th Edition, 2021, https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2021.pdf.
- 77 | Learning and Work Institute, *Facing the future: Employment prospects for young people after Coronavirus*, 2021, <https://www.princes-trust.org.uk/about-the-trust/news-views/2021-learning-and-work-research-launch-with-hsbc>.
- 78 | Polish Economic Institute, *Corona Generation: Growing Up in a Pandemic*, 2021, <https://pie.net.pl/wp-content/uploads/2021/03/PIE-Corona-Generation.pdf>.
- 79 | Mair, J., "Scaling innovative ideas to create inclusive labour markets", *Nature Human Behaviour*, 2, 884, 2018, <https://doi.org/10.1038/s41562-018-0352-1>.

- 80 United Nations Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSSE), *Platform Cooperatives: The Social and Solidarity Economy and the Future of Work*, 2018, https://knowledgehub.unsse.org/wp-content/uploads/2019/06/Saner_Platform-Cooperatives_En.pdf.
- 81 Sama, [website], 2021, <https://www.sama.com/>.
- 82 The Economist, "What is the economic cost of covid-19?", 9 January 2021, <https://www.economist.com/finance-and-economics/2021/01/09/what-is-the-economic-cost-of-covid-19>.
- 83 Cutler D. M. and Summers L.H., "The COVID-19 Pandemic and the \$16 Trillion Virus", *JAMA*, 324 (15): 1495-1496, 2020, <https://jamanetwork.com/journals/jama/fullarticle/2771764>.
- 84 United Nations, *The Sustainable Development Goals Report 2021*, 2021, <https://unstats.un.org/sdgs/report/2021/The-Sustainable-Development-Goals-Report-2021.pdf>.
- 85 Ibid.
- 86 Schneiberg, M., "Organizational Infrastructures for Economic Resilience: Alternatives to Shareholder Value-oriented Corporations and Unemployment Trajectories in the US During the Great Recession", in *Organizational Imaginaries: Tempering Capitalism and Tending to Communities through Cooperatives and Collectivist Democracy (Research in the Sociology of Organizations, Vol. 72)*, edited by Chen, K.K. and Chen, V.T., pp. 187-228, Emerald Publishing Limited, 2021, <https://doi.org/10.1108/S0733-558X20210000072008>.
- 87 Ibid.
- 88 Ibid.
- 89 Organisation for Economic Co-operation and Development (OECD), *Social economy and the COVID-19 crisis: current and future roles*, 2020, https://read.oecd-ilibrary.org/view/?ref=135_135367-031kjiq7v4&title=Social-economy-and-the-COVID-19-crisis-current-and-future-roles.
- 90 United Nations Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSSE), 2020.
- 91 Schneiberg, M., "Organizational Infrastructures for Economic Resilience: Alternatives to Shareholder Value-oriented Corporations and Unemployment Trajectories in the US During the Great Recession", in *Organizational Imaginaries: Tempering Capitalism and Tending to Communities through Cooperatives and Collectivist Democracy (Research in the Sociology of Organizations, Vol. 72)*, edited by Chen, K.K. and Chen, V.T., pp. 187-228, Emerald Publishing Limited, 2021, <https://doi.org/10.1108/S0733-558X20210000072008>.
- 92 World Economic Forum, *UPLINK: Impact Report 2020-2021*, 2021, https://www3.weforum.org/docs/WEF_UpLink_2021_Impact_Report.pdf.
- 93 Global Steering Group for Impact Investment (GSG) and United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), *Towards an Enabling Policy Environment for Impact Investment in Asia and the Pacific*, 2020, <https://gsgii.org/reports/gsg-unescap-report-towards-an-enabling-policy-environment-for-impact-investment-in-asia-and-the-pacific/>.
- 94 Editora Mol, [website], 2021, <https://editoramol.com.br/english>.
- 95 European Investment Fund, 2021, https://www.eif.org/what_we_do/microfinance/easi/easi-guarantee-instrument/index.htm.
- 96 Esoko, [website], 2021, <https://esoko.com/>.
- 97 Impact Management Project, "How enterprises manage impact", 2021, <https://impactmanagementproject.com/impact-management/how-enterprises-manage-impact/>.
- 98 The British Academy, *Principles for Purposeful Business*, 2020, <https://www.thebritishacademy.ac.uk/documents/224/future-of-the-corporation-principles-purposeful-business.pdf>.
- 99 Schwab, K. and Vanham, P., *Stakeholder Capitalism: A Global Economy that Works for Progress, People and Planet*, 2021, Wiley, <https://www.wiley.com/en-us/Stakeholder+Capitalism%3A+A+Global+Economy+that+Works+for+Progress%2C+People+and+Planet-p-9781119756132>.
- 100 Independent Commission for Sustainable Equality (ICSE), *The Great Shift: From a broken world to sustainable well-being*, 2021, https://www.socialistsanddemocrats.eu/sites/default/files/2021-10/progressive_society-icse_report_2021_final.pdf.
- 101 World Economic Forum, *Measuring Stakeholder Capitalism Towards Common Metrics and Consistent Reporting of Sustainable Value Creation*, 2020, <https://www.weforum.org/reports/measuring-stakeholder-capitalism-towards-common-metrics-and-consistent-reporting-of-sustainable-value-creation>.
- 102 Catalyst 2030 et al., *New allies: How governments can unlock the potential of social entrepreneurs for the common good*, 2021, https://catalyst2030.net/wp-content/uploads/2021_New-Allies_How-governments-can-unlock-the-potential-of-social-entrepreneurs-for-the-common-good_vpublish.pdf.
- 103 Tony's Open Chain, [website], 2021, <https://www.tonysopenchain.com/>.
- 104 Organisation for Economic Co-operation and Development (OECD), *Social economy and the COVID-19 crisis: current and future roles*, 2020, https://read.oecd-ilibrary.org/view/?ref=135_135367-031kjiq7v4&title=Social-economy-and-the-COVID-19-crisis-current-and-future-roles.
- 105 Van Dijk, S. et al., *Social Enterprises as Influencers of the Broader Business Community*, Social Enterprise NL, 2020, https://www.social-enterprise.nl/application/files/4116/0499/5322/Social_Enterprises_as_influencers.pdf.
- 106 Hindustan Unilever Limited, "Prabhat - Developing Sustainable and Inclusive Communities", 2021, <https://www.hul.co.in/planet-and-society/case-studies/prabhat-developing-sustainable-and-inclusive-communities/>.

- 107 1. Organisation for Economic Co-operation and Development (OECD), “Local Employment and Economic Development (LEED Programme)”, 2021, <https://www.oecd.org/employment/leed/>.
2. Lee, Kwang Taek, “Social Enterprise Promotion Act: The Case of South Korea”, *Asian Dialogue on Economy*, 2010, http://www.socioeco.org/bdf_fiche-document-815_en.html.
3. Central Institute of Economic Management (CIEM), *Social Enterprise in Vietnam: Concept, Context and Policies*, 2012, <https://www.britishcouncil.vn/sites/default/files/social-enterprise-in-vietnam-concept-context-policies.pdf>.
4. International Labour Organization, “The Tunisian Parliament adopts a bill on the social and solidarity economy”, 24 June 2020, https://www.ilo.org/global/topics/cooperatives/news/WCMS_749012/lang--en/index.htm.
- 108 European Commission, “Commission presents Action Plan to boost the social economy and create jobs”, 9 December 2021, <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&furtherNews=yes&newsId=10117>.
- 109 Association of Southeast Asian Nations (ASEAN), *ASEAN Socio-Cultural Community Blueprint 2025*, 2016, <https://www.asean.org/wp-content/uploads/2016/04/8.-March-2016-ASCC-Blueprint-2025.pdf>.
- 110 Catalyst 2030 et al., *New allies: How governments can unlock the potential of social entrepreneurs for the common good*, 2021, https://catalyst2030.net/wp-content/uploads/2021_New-Allies_How-governments-can-unlock-the-potential-of-social-entrepreneurs-for-the-common-good_vpublish.pdf.
- 111 Independent Commission for Sustainable Equality (ICSE), *The Great Shift: From a broken world to sustainable well-being*, 2021, https://www.socialistsanddemocrats.eu/sites/default/files/2021-10/progressive_society-icse_report_2021_final.pdf.
- 112 Lex Mundi Pro Bono Foundation, Morrison & Foerster LLP, *Legal reform as a catalyst for social enterprise: An international social enterprise law & policy report*, 2022, <https://www.lexmundiprobono.org/social-enterprise-report/>
- 113 European Commission, “Social Economy Action Plan”, 2021, <https://ec.europa.eu/social/main.jsp?catId=1537&langId=en>.
- 114 European Commission, “EU action plan for social economy: About this initiative”, 2021, https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12743-EU-action-plan-for-social-economy_en.
- 115 Lex Mundi Pro Bono Foundation, Morrison & Foerster LLP, *Legal reform as a catalyst for social enterprise: An international social enterprise law & policy report*, 2022, <https://www.lexmundiprobono.org/social-enterprise-report/>
- 116 raISE Singapore Centre for Social Enterprise, [website], 2021, <https://www.raise.sg/>.
- 117 Social Enterprise Academy, “Social Enterprise Schools”, 2021, <https://www.socialenterprise.academy/scot/social-enterprise-schools>.
- 118 Organisation for Economic Co-operation and Development (OECD), *Social Procurement for the Social and Solidarity Economy (provisional title)*, 2022, forthcoming.
- 119 European Commission, “Legal rules and implementation”, 2021, https://ec.europa.eu/growth/single-market/public-procurement/legal-rules-and-implementation_en.
- 120 European Parliament, *What future for the social economy?*, 2020, [https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/659336/EPRS_BRI\(2020\)659336_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/659336/EPRS_BRI(2020)659336_EN.pdf).
- 121 Organisation for Economic Co-operation and Development (OECD), “Local Employment and Economic Development (LEED Programme)”, 2021, <https://www.oecd.org/employment/leed/>.
- 122 The VISES Project, “Evaluating social impact: Why? How?”, 2021, <http://www.projetvisesproject.eu/EVALUATING-SOCIAL-IMPACT-WHY-HOW?lang=en>.
- 123 Euclid Network, “European Social Enterprise Monitor (ESEM): Closing the gap between social enterprises and EU decision-makers”, 2021, <https://euclidnetwork.eu/portfolio-posts/european-social-enterprise-monitor-esem/#:~:text=Closing%20the%20gap%20between%20social%20enterprises%20and%20EU,society%20and%20the%20economy.%20Take%20the%20ESEM%20Survey>.
- 124 Lex Mundi Pro Bono Foundation, Morrison & Foerster LLP, *Legal reform as a catalyst for social enterprise: An international social enterprise law & policy report*, 2022, <https://www.lexmundiprobono.org/social-enterprise-report/>
- 125 <https://www.socialvalueint.org/>, <https://www.socialprogress.org/europe>
- 126 McKinsey & Company, “The case for stakeholder capitalism”, 12 November 2020, <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/the-case-for-stakeholder-capitalism>.
- 127 The Social Good Accelerator, *The cooperation between social utility and technology organisations in Europe: issues, impacts, obstacles and catalysts*, 2019, <https://socialgoodaccelerator.eu/wp-content/uploads/2019/11/Exec-sum-En-BD-corr.pdf>.
- 128 European Parliament, *What future for the social economy?*, 2020, [https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/659336/EPRS_BRI\(2020\)659336_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/659336/EPRS_BRI(2020)659336_EN.pdf).
- 129 Lex Mundi Pro Bono Foundation, Morrison & Foerster LLP, *Legal reform as a catalyst for social enterprise: An international social enterprise law & policy report*, 2022, <https://www.lexmundiprobono.org/social-enterprise-report/>
- 130 Catalyst 2030 et al., *New allies: How governments can unlock the potential of social entrepreneurs for the common good*, 2021, https://catalyst2030.net/wp-content/uploads/2021_New-Allies_How-governments-can-unlock-the-potential-of-social-entrepreneurs-for-the-common-good_vpublish.pdf.
- 131 European Commission, “Social Economy Action Plan - Staff working document on the transition pathway” 2021



COMMITTED TO
IMPROVING THE STATE
OF THE WORLD

The World Economic Forum, committed to improving the state of the world, is the International Organization for Public-Private Cooperation.

The Forum engages the foremost political, business and other leaders of society to shape global, regional and industry agendas.

World Economic Forum
91–93 route de la Capite
CH-1223 Cologny/Geneva
Switzerland

Tel.: +41 (0) 22 869 1212
Fax: +41 (0) 22 786 2744
contact@weforum.org
www.weforum.org