Partnership and Co-construction and the Social and Solidarity Economy

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Abstract

This entry demonstrates how the social and solidarity economy (SSE) not only imposes a broader reflection on existing social, economic and political relationships bound by structures, norms and institutional culture but an even broader reflection on process, on how, where and by whom decisions are taken. It discusses how collaboration, partnership and co-construction, features of the SSE, must correspond with flexibility and openness in the public realm, calling for innovation in governance and policy formation. It describes how horizontal dialogue within government and the creation of multi-stakeholder spaces bringing non-governmental actors into the conversation calls for a discussion on democracy and governance. The entry introduces examples of co-construction within the SSE and between SSE and government in different parts of the world, including yet to be realized intentions to move in this direction. It also introduces the findings of several case studies of co-construction in public policy summarizing the criteria for effectiveness of this process.

Keywords

Introduction

The social and solidarity economy (SSE) imposes a broader reflection on existing social, economic and political relationships bound by structures, norms and institutional culture. It imposes an even broader reflection on process, on how, where and by whom decisions are taken. The SSE is committed to the intersecting goals of sustainable development, social justice and equity. Its contribution to local and regional development, job creation and the production of goods and services in the public interest in the Global North and South, is well documented. Indeed, the SSE is an economic actor in a plural economy made up of private, public and SSE actors. But limiting the SSE to its economic performance reinforces the separation of social, political, economic, and environmental goals embedded in the dominant market paradigm and in its failure to address today's complex societal challenges. Partnership is a relationship that exists within the SSE between actors, or between SSE actors and different levels of government, social movements and at times with the private sector. These are not necessarily bound by contract but rather rest on trust and proven benefits for all parties. Co-construction is a process; it is an ongoing dialogue between actors designing development tools for the SSE such as finance, labour market and business development, knowledge mobilization and transfer, access to markets, as well as a dialogue between government and the SSE in the design of enabling public policy measures

1. **Partnership and SSE**

A discussion on partnership and co-construction refers to two different and interrelated features of the SSE that can be distinguished as relational and process. In the first instance, partnership is most frequently a relationship that is not legally bound but rather rooted in advantageous arrangements between actors. In other words, it reflects a common awareness and appreciation of the benefit of collaboration, the term which better describes the reality of non-legal forms of partnership. This includes relationships between SSE entities within or across sectors, between the SSE and social movements (see the entry "Activism, social movement and SSE"), and at times, between SSEs and different levels of government. While these relationships are not static, they are often based on long standing relationships. Depending on how partnerships or collaboration emerge and evolve, they range from informal, to institutionalized or regulated, delineating roles and responsibilities of partners.

One example of a sectoral partnership with significant impact for the development of the SSE is the collaboration between SSE and social finance institutions to generate broad access to capital for SSE organizations and enterprises (SSEOEs)(see the entry "Finance sector and SSE"). The impact of this collaboration is positive for both the social financial institutions involved, or the supply side, and the SSEOEs in which they invest, the demand side. Pooling investments reduces the risk for individual financial partners allowing them to create a viable and growing social finance sector while simultaneously leveraging the ability of SSE entities to access additional investment and develop capacity. Partnerships between the SSE and social finance sector in the province of Quebec in Canada, for example, are at the heart of a SSE social finance ecosystem, a best practice frequently cited by other regions in many parts of the world, where access to capital for SSE entities remains a challenge (Mendell and Neamtan 2018).

Recently, social finance actors across Canada collaborated with the federal government to design a national social finance and social innovation strategy including a considerable investment by the government. This is an important illustration of how established

relationships galvanized social finance institutions across Canada to engage in a process of co-design of policy with the national government.

Other examples of collaboration include those between SSEOEs in many diverse sectors underpinning the formation of inter-sectoral networks with greater representational and political capacity. They also include collaboration between the SSE and divisions within government. This is certainly the case for ministries and departments responsible for the promotion of cooperatives in many regions. In recent years, mandates for cooperatives have widened to encompass the SSE more broadly in some parts of the world. In other regions, the responsibility for cooperatives and other SSE entities remains separate. Complicating this is the further fragmentation into sub-categories to distinguish social enterprise and non-profit organizations, in some cases (see the entry "Statistical measurement of the SSE"). Where there are more inclusive definitions and representations of the SSE while acknowledging its diversity, the impact of collaboration with government is far greater. How this occurs depends on the ability and willingness of government to participate in new processes of policy design. This is where collaboration and co-construction converge or where collaboration is a pre-condition for the co-construction of public policy for the SSE.

2. Co-construction

Co-construction is a process; it is an ongoing dialogue between actors designing development tools for the SSE such as finance, labour market and business development, knowledge mobilization and transfer, access to markets, as well as a dialogue between government and the SSE in the design of enabling public policy measures (see the entry "Public policy and SSE"). Where co-construction of public policy in the SSE exists, it demonstrates an openness on the part of government otherwise constrained by structures and mandates with little room for flexibility or innovation. The co-construction of public policy describes a multi-stakeholder process of policy design to enable the development of the SSE. It is not a linear process. Co-construction is a dynamic and circular flow of knowledge and information, involving many actors. It is distinct from co-production that refers to collaborative forms of programme delivery between government and service providers.

Even though many regions around the world are committed to policy innovation, they confront impermeable barriers. Ironically, many governments support and promote innovation, including social innovation, but are unable to introduce institutional innovation within government itself, with some important exceptions. Co-construction challenges traditional policy formation, breaking down institutional boundaries within government as well as between government and socio-economic actors. To meet the intersecting and multi-layered objectives of the SSE, boundaries within government have to be crossed, including institutional culture, often the most difficult obstacle to overcome.

Administrative architecture in the public sector is dominated by structures and norms; it is not conducive to flows. The SSE requires institutional flexibility, fluidity and collaboration across ministerial or departmental silos within government and a willingness to engage with stakeholders in the co-design of new or adapted policy measures. The need for more horizontal dialogue within government and the creation of multi-stakeholder spaces bringing non-governmental actors into the conversation is increasingly acknowledged. While this openness to innovation is positive and has resulted in some important changes in policy formation, research reveals that unless it is

institutionalized, it is unlikely to go beyond ad hoc pragmatic responses to short term, complex challenges.

Any discussion of co-construction must include not only illustrations of why, how, where and with whom this exists to demonstrate its effectiveness, but a broader conversation about different conceptions of democracy which support such a process (see the entry "Participation, governance, collective action, democracy and SSE"). Discussions about democracy have been subordinated to the predominance of intransigent processes of governance and decision making for the most part. Discussion, persuasion, debate and consultation are vital to democratic decision making. (Dewey 1935) Co-construction is distinguished from periodic public consultations, forums, ad hoc committees including non-governmental members, commissions of inquiry, and so on. Rarely do these disrupt the status quo, as once information is gathered and analyzed, it generally lands squarely inside existing structures and processes of decision making.

Democracy is experimental, a process to question and challenge the established order. It cannot be considered exclusively as a form of government; it is embedded in social relationships. The fragility of a static form of democracy and its institutional architecture has been demonstrated time and again. Co-construction responds to the need for deepening democracy, for the democratization of democracy. Dialogic cooperation between individuals, organizations, divisions within government and between government and SSE stakeholders underly co-construction. But cooperation has to be fostered. Cultural barriers are deep; long established norms and ways of working are not easily transformed.

Many ways to exercise democracy has not been part of a debate within the public domain wedded to existing rules and procedures for governance and policy formation. Where there are different, more open and inclusive approaches to decision making, these are either ignored as considered as marginal or tangential. In many parts of the world the SSE has imposed the need for more reflexive governance to meet complex, inseparable challenges, as is occurring in environmental and public health policy in many countries and promoted by international organizations such as the WHO, for example (Feindt and Weiland 2018). Spaces for social conversation or discursive democracy, collective intelligence, social learning are needed. Where they exist, they effectively challenge democratic governance as commonly practiced (Sennett 2012). Disciplinary boundaries must also come down to learn from innovative practices in other fields with possible replicability or adaptability to public policy. Design driven innovation theory in which a diversity of actors participate in a process of co-creation, for example, provides a powerful conceptual framework for how to democratize processes of policy formation (Manzini 2015). The effectiveness of polycentricity or multiple sites of stakeholder decision making has also been extensively documented and is receiving much attention. It resonates with the needs for public policy enabling the SSE to be both situated, or place based corresponding with its territorial roots as well as coordinated with higher levels of government for policy coherence (McGinnis and Ostrom 2011). But the challenge is not only to maintain flexibility and fluidity including recombinant linkages between all levels of government (Fung and Wright 2011), but to institutionalize these processes. Calling for the institutionalization of flexibility is not contradictory; it is essential.

New public management was widely accepted as an alternative to the post war welfare state model of public administration, as it conformed with an ideological shift in the size and role of government (see the entry "Social policy and SSE"). That this implied less capacity to represent the needs and desires of citizens and a threat to democracy was not

questioned. While co-construction also questions the existing framework of governance, it does not argue for less government. Co-construction offers an alternative to the pendulum swing of more government or less government, associated with market imperatives. Its steadfast commitment to the values of the welfare state is foundational. Co-construction presents a more democratic and effective means to embrace these values, reconfiguring relations between government and social actors to instill a discursive culture.

3. Broadening the Process of Policy Formation

There are numerous examples of governments and institutions around the world that recognize the need to broaden the process of policy formation. In 2010, the European Commission stated that the 2020 ten year goal to achieve smart, sustainable and inclusive growth could only be met with a coordinated European response that included social partners and civil society. The European Commission's Social Economy Action Plan released in January 2022, while salutary as it places the social economy firmly among the objectives of the European Commission, did not move beyond extensive consultations with numerous SSE networks and organizations to engage them in a process of co-construction in drafting the final Action Plan. This is an example of the resistance to open social conversation, in this case perceived as too unwieldy involving too many actors, thereby justifying the absence of representatives of the SSE in the drafting process.

Where is co-construction more feasible? Is it at the national or regional or local level? Of course the answer depends on institutional context as juridical divisions of power vary considerably across nations, determining the roles and responsibilities of different levels of government. Increasingly, co-creation or co-design of public policy occurs most frequently at local and regional levels. Two questions go begging. The first concerns the need for institutionalizing processes of co-construction without which it risks being put into action in response to specific challenges with little impact on established forms of governance or policy formation. It is also vulnerable to electoral politics if newly elected parties do not share the same commitment to institutional innovation. The second question concerns the necessity for harmonization between different levels of government to ensure policy coherence.

In response to the first question, SSE framework legislation in some regions includes clauses inscribing processes of co-construction in law. Quebec and France are two examples where horizontality within government and stakeholder participation is bound by SSE framework legislation. Recent reform of Italian Law has established a new Code for the third sector, the term used in Italy to refer to the SSE, binding government to practice "shared administration" with non-profit organizations, to co-create enabling policy measures for the third sector. This legal reform has institutionalized dialogue or co-construction between government and a plurality of actors (Salvatore 2022).

Several cities have created stakeholder spaces of co-construction to develop the SSE. Examples include the city of Bilbao and its Ekonpolo platform, the main instrument of the Bilbao City Council to support the SSE in Bilbao and in the region. The City Council recognizes the contribution of the SSE to urban economic development, quality of life and welfare of the city and its capacity to meet the SDGs. It also acknowledges that the transformative capacity of the SSE requires collaboration between the administration, universities, companies, civil society and SSE networks in Bilbao and across Spain to co-construct enabling policy measures.

The City of Montreal established a Secretariat for the Social Economy and in 2009 signed a Social Economy Partnership for Community-Based and Sustainable Development with representatives of the social economy, local development intermediaries and researchers creating a space for dialogue on municipal policy for the SSE in Montreal. This conversation continues within very tight juridical limitations imposed by the Canadian Constitution on the autonomy of municipal governments. Still, within these limitations, an ongoing process of dialogue and co-construction has generated innovative urban policy measures and broad support for the SSE (Mendell and Neamtan 2021).

These examples as well as many case studies of co-construction of public policy for the SSE over several years in the Global North and South, produced the following findings. They may be summarized as follows (Mendell and Alain 2015):

Co-construction and ongoing dialogue with SSE actors and networks:
- allows the SSE to realize its potential;
- reduces information asymmetry and transactions costs for government;
- ensures policy effectiveness by developing more innovative, adapted and effective policy measures and programmes than those designed or implemented unilaterally by government.

These case studies also confirmed that SSE networks are necessary for effective co-construction of enabling public policy. These are present in several regions around the world including France, Spain, Quebec, Brazil, to name a few. They include local, regional and national networks that engage with all levels of government, corresponding to juridical divisions of power with possibilities to scale with higher levels of government as needed. The case studies concluded that where individual sector networks participated in this process on their own, they created tension or rivalry within the SSE. Co-construction is most effective with broad integrated SSE representation. However, while integrated SSE networks mediate between the SSE and government, they must not crowd out or conflate the diversity of constituent organizations, enterprises and sectoral associations.

Conclusion

Governments are faced with intersecting problems that cannot be addressed in silos. Governing in complexity requires policy innovation. (Christiansen and Bunt 2012). The Covid pandemic has called upon central governments to intervene in ways that have not been seen since the mid-1970's. But it has also imposed more flexibility on governments around the world to transcend the limitations of existing institutional architecture and the difficulty of working outside relatively rigid mandates imposed on ministries and departments. Until recently, working horizontally across these boundaries has been exceptional. The pandemic has also raised the need for more comprehensive and integrated approaches to public policy formation and for greater collaboration with social actors. Will the demonstrated benefit of collaboration during a global health crisis provide important lessons for the future? Paradoxically actions currently taken mirror innovative processes of co-construction of public policy with SSE practitioners and networks already in place in numerous regions around the world.

Engaging directly with SSE actors increases the transformational capacity of government. The ability of the SSE to transmit useful knowledge by identifying SSE needs and how best to respond, transforms traditional top-down policy formation. Policy measures are co-designed drawing upon collective intelligence in a new public and dialogical space.

This is key to the development of the SSE and where it occurs, it is foreshadowing a new paradigm of public governance.

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