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HOW THE SOCIAL AND SOLIDARITY ECONOMY CAN PROMOTE (THE RIGHT TO) SOCIAL PROTECTION

POLICY BRIEF

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Key Takeaways

- The Social and Solidarity Economy (SSE) helps extend social protection by combining economic activity with social and environmental goals.
- It fills protection gaps, empowers vulnerable groups, and drives collective action for policy change.
- Success depends on local trust, strong partnerships, and supportive legal frameworks, yet challenges such as weak regulation and limited capacity call for stronger public commitment and coordination.

This policy brief presents key insights of a study on how the social and solidarity economy can promote (the right to) social protection[1].

Why the Social and Solidarity Economy Matters

The social and solidarity economy (SSE) is increasingly promoted as a viable complement or even alternative development model, with high potential to balance economic, social, and environmental objectives and to advance the Sustainable Development Goals (SDGs). Research and practice suggest that the SSE can play an important role in promoting the right to social protection in the face of challenging trends in the world of work of today and tomorrow (ILO, 2022). There are however few systematic overviews of how the SSE can promote the right to social protection for different dimensions, systems, and forms of social protection. This policy brief summarizes the results of a study, commissioned under the KU Leuven Research Chair of Decent Work and the SDGs that aims to address this knowledge gap by providing an overview of the different roles of the SSE in promoting social protection through diverse mechanisms and over different time horizons.

Service delivery

In the short term, SSE entities can address gaps in formal systems by facilitating access to existing social protection schemes, providing services, and supporting informal safety nets. For example, cooperatives in Costa Rica and Bolivia have engaged in collective registration initiatives to integrate informal workers into national social protection systems. Similarly, mutual aid entities and savings cooperatives have demonstrated their potential to mobilize resources rapidly, providing critical support during emergencies, such as the COVID-19 pandemic.

SSE actors as intermediaries in social protection management. In certain cases one type of SSE actor may also take on specific administrative functions for other SSE entities providing social protection services. MUFEDE, a cooperative providing micro credits in Burkina Faso for instance works closely together with health mutuals. It sensitizes its members about the benefits of mutual health insurance and acts as a financial intermediary between health mutuals and its own members. MUFEDE collects

[1] Full report can be downloaded here

the health mutual contributions of its members, and transfers these to the accounts of the mutuals. Similarly other organisations, higher education institutions, social enterprises, private sector businesses or health centres transfer the health mutual contributions for their affiliated employees or members to the account of their health mutual at MUFEDE.

Empowerment and resilience building

In the medium term, the SSE can strengthen the capacities of individuals and communities to participate in contributory and informal social protection schemes. This is achieved by fostering secure livelihoods, building resilience, and promoting mutual support. By creating and sustaining decent work opportunities, SSE entities not only address immediate needs but also empower vulnerable groups, such as women and informal workers, to achieve greater financial independence. Case studies highlight examples such as the Gregoria Apaza Center in Bolivia, which supports women entrepreneurs through SSE initiatives, and the Front des Mouvements Populaires in Rwanda, which promotes cooperative development to secure livelihoods.

Gregoria Apaza – Empowering Women in Bolivia's Informal Economy

The Centre for the Promotion of Women Gregoria Apaza, based in El Alto, Bolivia, supports women in the informal economy through training, microcredit, and SSE initiatives.

Its programmes empower women to generate income independently, join mutual health schemes, and participate in advocacy on universal health insurance. By linking economic empowerment, social protection, and gender equality, Gregoria Apaza shows how the SSE can address structural barriers to inclusion.

Systemic transformation

In the long term, the SSE facilitates structural transformation by acting as an arena for worker organization, collective action, and advocacy. SSE entities advocate for stronger public social protection systems, often in partnership with trade unions and other civil society actors. In several countries, SSE actors participate directly in "social dialogue plus" mechanisms, institutionalised spaces that include not only governments, employers, and workers, but also cooperatives and community organisations. These platforms have enabled the SSE to influence policy debates and advocate for expanded coverage of social protection schemes, both vertically (improving benefit adequacy) and horizontally (extending coverage to excluded groups).

SSE–trade union alliances have been especially effective during crises. For example, the Self-Employed Women's Association (SEWA) in India successfully lobbied for income support measures during the COVID-19 pandemic, while UNISOL in Brazil, in collaboration with trade unions, mobilised a national solidarity campaign that resulted in emergency social assistance for informal workers.

The SSE often acts as a voice for workers in the informal economy who remain beyond the reach of traditional union structures. In Burkina Faso, the cooperative MUFEDE advocated for the reform of the National Social Security Fund (CNSS), enabling any income-earning citizen—not only formal employees—to enroll in contributory social protection schemes. Similarly, in Brazil, SSE–union collaboration led to the National Solid Waste Policy, extending social security coverage to waste pickers.

Advocacy for Universal Social Security in Burkina Faso

In response to demands from its agricultural worker members, the MUFEDE cooperative in Burkina Faso led a sustained campaign for universal access to the National Social Security Fund (CNSS). Previously limited to public and private employees, the CNSS has now been reformed to allow any income-earning citizen to contribute and benefit. MUFEDE's action demonstrates how an SSE actor can leverage its grassroots networks to influence national policy, ensuring that informal and rural workers are not left behind in contributory social protection systems.

What Works and Why

The effectiveness of social and solidarity economy (SSE) initiatives in promoting social protection depends on several interrelated factors. Together, these factors explain why SSE models work best when they combine solidarity-based values with professional management and institutional partnerships, ensuring both community trust and systemic impact.

- **Local embeddedness and trust:** SSE actors are rooted in their communities, allowing them to reach vulnerable groups, understand local needs, and deliver tailored, trusted solutions.
- **Partnerships and coordination:** Strong collaboration with government institutions, trade unions, and other SSE organizations enhances reach, legitimacy, and alignment with national social protection frameworks.
- **Integrated and holistic approaches:** Combining economic empowerment, social protection, and advocacy ensures that interventions address both immediate vulnerabilities and structural

barriers.

- **Democratic and participatory governance:** Inclusive decision-making within SSE organizations strengthens ownership, accountability, and sustainability.
- **Capacity development**: Investing in management, financial, and advocacy capacities allows SSE actors to engage effectively in policy processes and manage schemes responsibly.
- **Policy and legal recognition:** Supportive legal frameworks and public financing mechanisms enable SSE entities to scale their contributions while maintaining autonomy.
- **Long-term engagement and adaptability:** Sustained partnerships and flexible strategies allow SSE initiatives to evolve with changing contexts, crises, and member needs.

Challenges and Risks

While the Social and Solidarity Economy (SSE) can have an important role in extending social protection and advancing inclusive development, it faces several persistent challenges that constrain its scale, sustainability, and transformative potential.

- **Weak policy and legal frameworks**

A key limitation remains the absence or weak implementation of comprehensive legal and policy frameworks that can support SSE entities' access to markets, finance, and state support. Efforts to develop such frameworks often face political resistance, fragmentation across legal regimes, or lack of enforcement.

- **Internal capacity and financial constraints**

Internally, many SSE entities struggle with limited management skills, financial fragility, and difficulties in accessing sustainable financing. Their grassroots and survivalist nature often leads them to prioritise short-term livelihood needs over longer-term goals such as formalisation or access to contributory social protection schemes. In some cases, the SSE risks capture by political or economic elites, or misuse to circumvent labour rights and employer obligations.

- **Tensions with labour movements and barriers to scaling up**

Tensions also arise between the SSE's focus on livelihood creation and trade unions' emphasis on decent work standards and collective rights. Scaling up remains difficult due to high levels of informality and heavy tax burdens, though successful advocacy examples—such as the two-year tax grace period in Rwanda—show pathways for reform.

- **Risks of exclusion and inequality**

The SSE's reliance on voluntary participation also risks excluding the poorest and most marginalised, particularly women and informal workers. Democratic governance within SSE entities is not always guaranteed, and internal inequalities may replicate broader societal discrimination.

Policy Directions and Recommendations

- **Create an Enabling Environment**

To strengthen the Social and Solidarity Economy's (SSE) contribution to social protection, governments should establish coherent legal and policy frameworks that recognise and support SSE actors. Favourable fiscal measures, access to solidarity-based financing, and inclusion in socially responsible procurement can help create sustainable conditions for the SSE to thrive.

- **Strengthen partnerships for impact**

Collaboration between the SSE, trade unions, and public social protection actors has potential to expand coverage and improve governance. Strategic alliances can help mitigate risks such as policy fragmentation or elite capture, while improving policy coherence. Similarly, stronger partnerships between SSE entities and local governments can enhance the delivery of social protection services and ensure that local realities and needs inform policy design. However, such partnerships require adequate decentralised resources, strengthened local capacities, and safeguards to maintain the SSE's autonomy and values.

- **Support inclusive growth and good governance**

Scaling the SSE, both horizontally across sectors and vertically through stronger institutional recognition, must go hand in hand with maintaining its core principles of democracy, solidarity, and inclusiveness. Strengthening the internal governance, management capacities, and financial sustainability of SSE entities is crucial to achieve this balance. Training and exchange on both technical and value-based dimensions of the SSE can build stronger, more resilient organisations.

- **Promote co-creation and policy Dialogue**

Involving SSE actors in policy design and social dialogue can make social protection systems more inclusive and effective. SSE participation in policy forums and social dialogue "plus" mechanisms allows them to contribute their practical experience and local knowledge. Strengthening coalitions and networks, both within the SSE and with other actors, can increase their collective influence and ensure that innovations in social protection remain grounded in democratic and rights-based principles.