

▶ Mapping the Social and Solidarity Economy in Asia

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▶ Basic Information on Research

Structure

- ▶ ILO Cooperatives Unit, project operating agency
- ▶ Korea Social Enterprise Promotion Agency (KoSEA), project implementing agency
- ▶ Center for Social Innovation Education and Research, Seoul National University, South Korea, research implementing agency
- ▶ Eight researchers (five from northeast Asia, three from Southeast Asia)

Purpose

- ▶ To understand the current status of the SSE in Asian countries in terms of their organizational landscape
- ▶ To suggest intuitional strategies for strengthening the SSE and improving decent work in Asia.

Focus

- ▶ Six Asian countries: China, Japan and S. Korea, Indonesia, Malaysia and the Philippines

► Basic Information on Research

Analytical Perspective: An Eco-systemic View of Organizations and the SSE Embedded

- We see the SSE organizations as **hybrid organizations**. The relevance and role of certain organization to the SSE can be understood in terms of **a level and patterns of institutional hybridity**. An ideal SSE organization has a high-level of hybridity.
- The core features of the SSE include **social, economic and democratic elements**, which major existing literature studies have reached a consensus on. However, the detailed sub-conditions of each element have been treated differently. The institutional hybridity concerns both the core features and sub-conditions and how they are connected. This perspective premises that there are **various patterns in hybrid originations in the organizational landscape of each country and that their relevance to the SSE may also differ**.

Main Questions

- What are the main characteristics of the organizational landscape of each country?
- What are common characteristics among the six countries in terms of the organizational aspect of the SSE?
- Why and How did these characteristics emerged?
- What kind of organizational and institutional strategies should be taken for strengthening SSE in Asia?

Analytical Framework



- Evaluation criteria: three core features and six sub-conditions

Economic Features		Democratic Features		Social Features	
For-profit Productive/ Service Activity	Non-profit Productive/ Service Activity	Democratic Governance	Free Establishment	Pursuit of Public Interest	Solution for Social Problem

→ Each sub-condition has a detailed evaluation criteria.

→ Researcher, country expert, evaluates YES or NO of sub-conditions in terms of the governing law of each organizational institution.

Analytical Framework



- Categorization: three types of organizations in terms of a level of hybridity

Category	Conditions
SSEOs (Social and Solidarity Economy Organizations)	Institutions evaluated as “YES” in at least one sub-conditions in the three domains respectively belong to this category. They have a high level of organizational hybridity and are thus regarded as leading organizations of the SSE in each country. Their relevance to the SSE is both high and direct.
PHOs (Partial Hybrid Organizations)	Institutions evaluated as “YES” in sub-conditions across any two domains belong to this category. They have an intermediate level of hybridity and their relevance to the SSE is determined on a case-by-case basis.
Other Organizations	Institutions that do not satisfy all of the above conditions, belong to this category. The level of organizational hybridity is minimal, and they are not regarded as SSE entities in general. However, they may have their own specific functions that can contribute to the SSE.

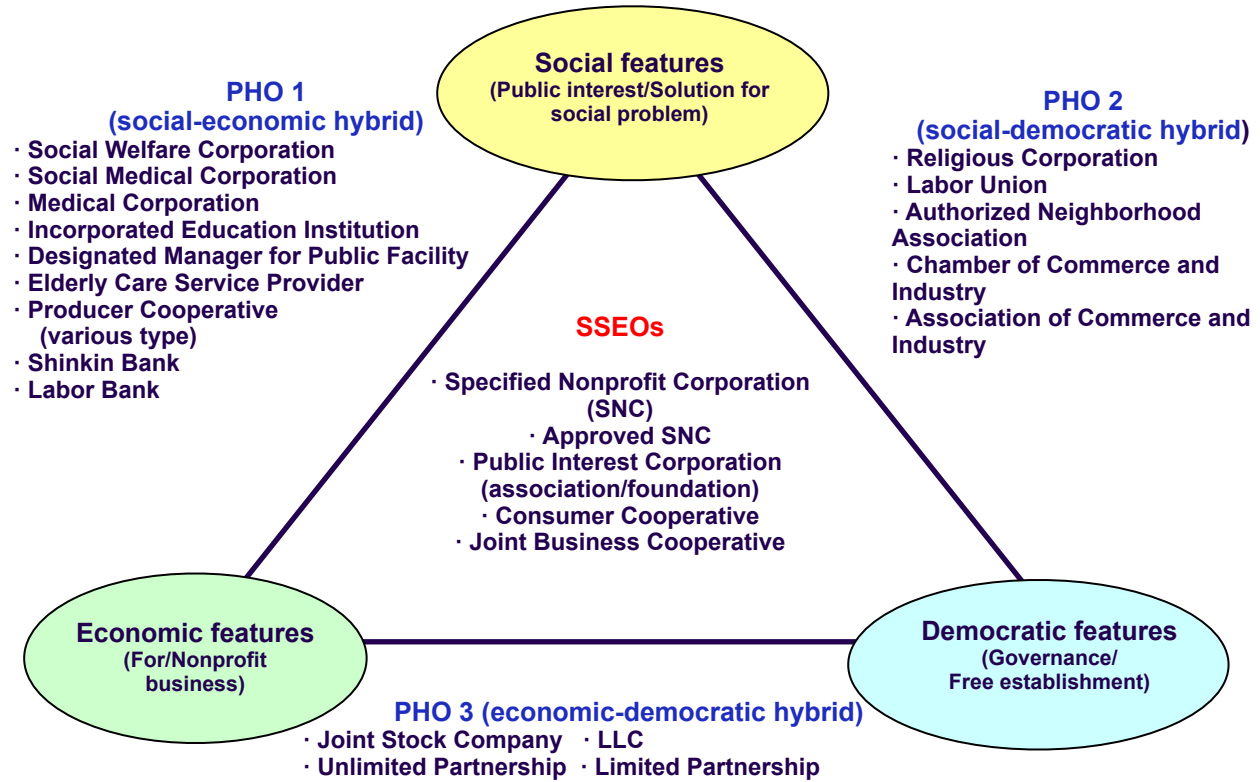
▶ Research Results and Policy Implications

Map of Hybrid Organizations in Six Countries



S. Korean SSEOs and PHOs

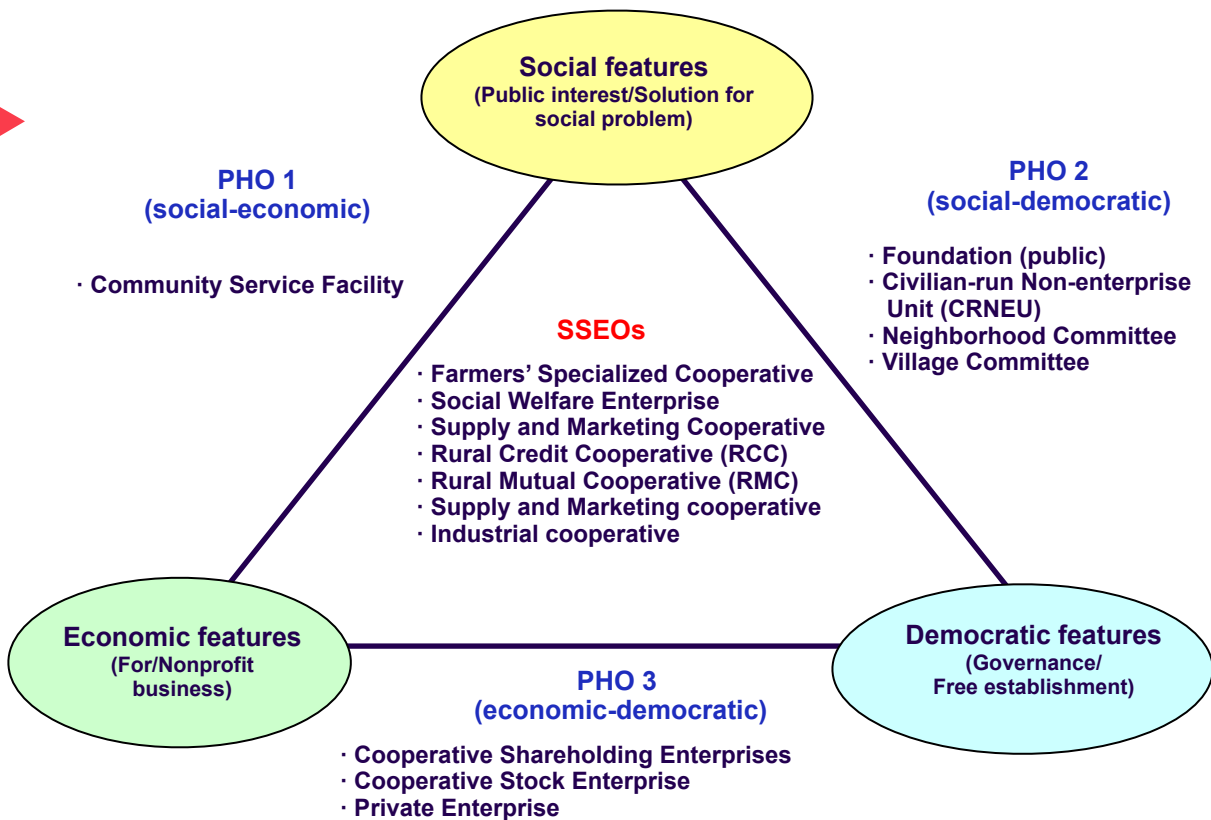
- ✓ Strong presence of the SSEOs and a potential of their effective collaboration for various social values



Japanese SSEOs and PHOs

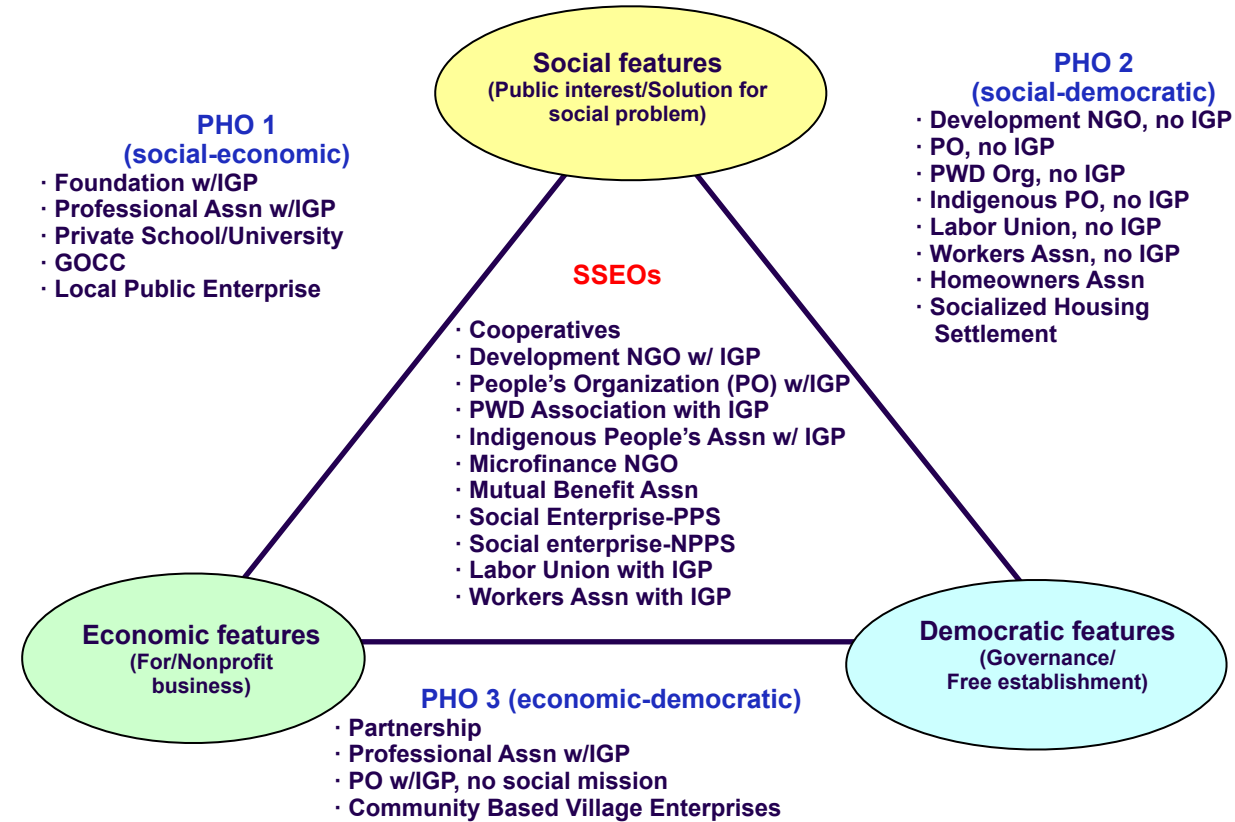
- ✓ Balanced and detailed institutional design, searching for collaboration by all sectors (civil society, for-profit business and community-building organizations)

Map of Hybrid Organizations in Six Countries



Chinese SSEOs and PHOs

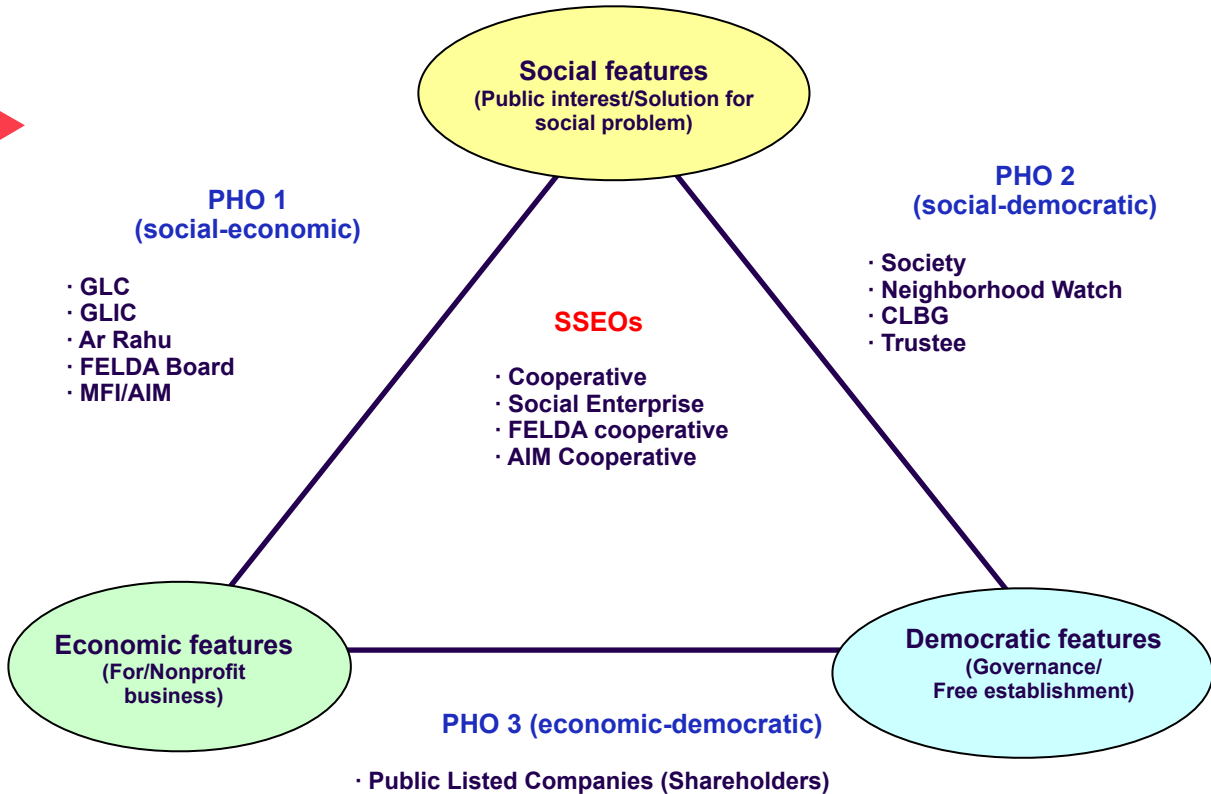
- ✓ Dual structure of rural (various cooperatives) and urban (Foundation, CRNEU, Community Service Facility etc.) SSE. Both are rapidly growing.



The Philippines' SSEOs and PHOs

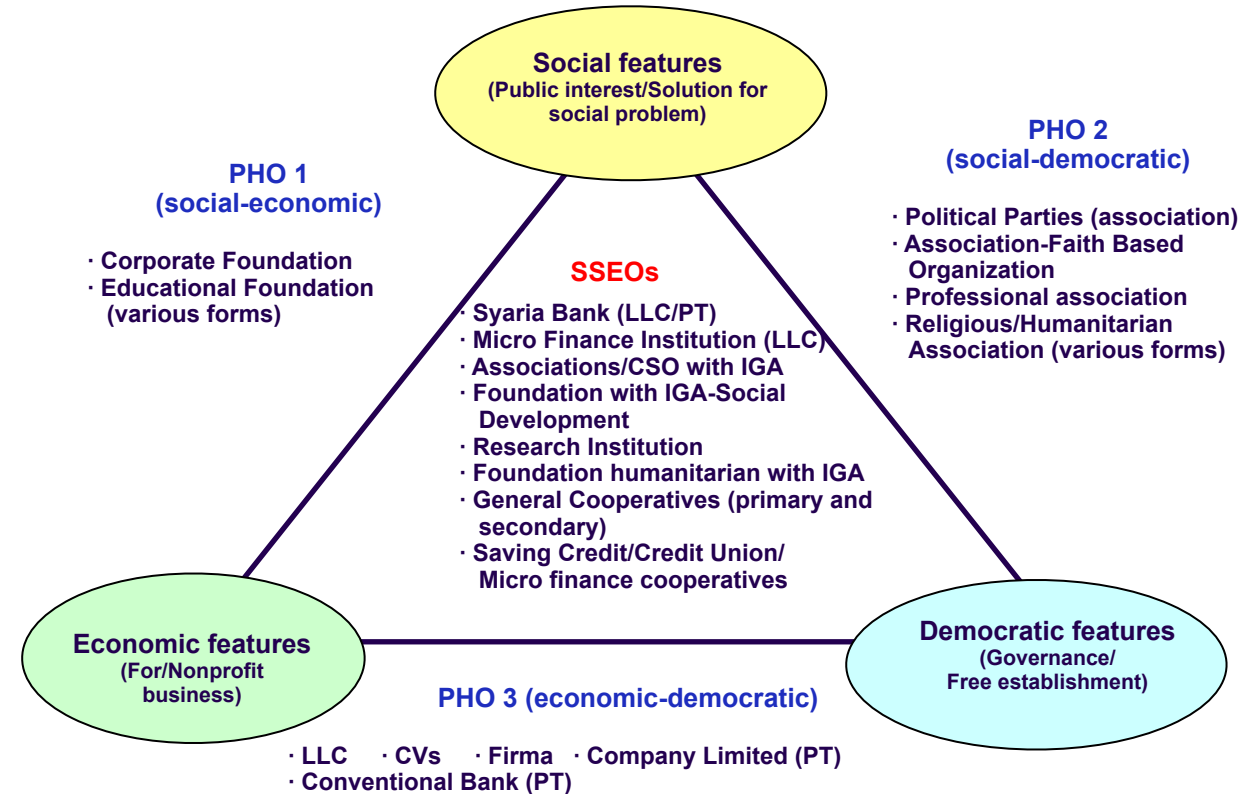
- ✓ Systematic, inclusive and flexible legal framework in which creative and effective business models can emerge in every sector.

Map of Hybrid Organizations in Six Countries



Malaysian SSEOs and PHOs

- ✓ Clear division of the roles and functions of basic forms of the SSE organizations. Social Enterprise is emerging as a new innovative leader.



Indonesian SSEOs and PHOs

- ✓ Innovation and synergy led by conventional SSE organizations (foundation, cooperative, association etc.), supported by various community-level organizations (categorized as other organizations)

▶ Common Characteristics

Plurality and Complexity of Hybrid Organizations

- ▶ Many hybrid organizations have been institutionalized in six countries, extending from 14 in Malaysia to 27 in S. Korea. However, the legal status and characteristics of sub-category, in other words, a way of institutionalization, considerably differs by countries as well as by cases. The substantial legal design is more important than the number of organizational institutions.
- ▶ Asia has **rich and broad SSEO sector**, composed of various SSEOs in this research, which were relatively overlooked in the existing studies. However, regarding the patterns of hybridity in its inside and the relations with its periphery, that is, PHOs, organizational landscape in Asia is **fundamentally plural and complex**. The SSE is embedded in such institutional condition.

Gradual Evolution of the Organizational Landscape

- ▶ Though the **concept of a SSE is relatively new** for all Asian countries, **many hybrid organizations or their prototypes have traditionally existed**, diffused, and institutionally upgraded since the initial nation-building or development stage in the middle 20th century in all six countries.
- ▶ **The contemporary organizational landscape of the SSE has gradually evolved through a mixed driver** of exogenous factors such as global economic impact and prevailing innovative ideas and endogenous factors such as indigenous civil society movement and national-level learning and legislation effort.

▶ Common Characteristics

There is No Perfect Hybrid Organization

- ▶ The Patterns of hybridity are diverse, however, **there is no dominant pattern**. It is also important to note that there is **no institution that satisfies all six conditions**. That is, all SSEOs have different characteristics as well as a certain weak point regarding the ideal of SSE.
- ▶ This implies that the institutionalization of SSE organization in reality inevitably faces some **internal limitations** and that the continuous **institutional innovation and collaboration are always necessary**.

Some Missing Links and Common Weak Points

- ▶ Many SSEOs are institutionalized as a **multi-purpose and complex resource model**. (i.e. center of the matrix)
- ▶ As mentioned above, specific links are missing in PHOs, which are, however, complemented by some SSEOs. (thus, total organizational eco-system is important for the dynamic realization of the 6 conditions or core values of the SEE)
- ▶ Regarding the organizational landscape, **democratic governance in monetary-based organizations** remains as a common weak point for all countries.
- ▶ This is a basic challenge of the SSE –how to transform the institutional or operational nature of **major commercial entities into more democratically-governed and normatively-oriented one**.

► Policy Suggestion 1: Mainstreaming Strategy for SSEOs

Strategy

- Introducing a certain SSEO, which have a representative or symbolic nature of SSE in country's organizational landscape, can be an effective strategy for the overall development of SSE and advancing the national-level consensus on its significance.
- Strengthening a **centripetal institution** among SSEOs for promoting the **multiple aspects and Spill-over effects** of SSE
- Symbolic role and centripetal force to raise, diffuse and deepen the public awareness and understanding of SSE and its embedded core values.

Examples and Best Practice

- S. Korea's Certified and Pre-certified Social Enterprise
- Malaysia's Social Enterprise Accreditation System by MaGIC
- Philippines' Social Enterprise (PPS and NPPS) and PRESENT Coalition
- Village Owned Enterprise in Indonesia (*localized mainstreaming strategy)

► Policy Suggestion 2: Transformative Strategy for PHOs and SSEOs

Strategy

- Active, positive, and innovative role PHOs have tremendous potentials on the development of national SSE because of its **diversity and the total size in organizational ecosystem**. PHOs may be more flexible and effective to tackle with certain aspects or stages of social problems. SSEOs can learn effective models from PHOs.
- Promoting **transformative organizational operation of PHOs and inclusive partnership between PHOs and SSEOs** are necessary and important to scale-up the SSE and reshape and upgrade the organizational landscape.
- Specifically, unit-level strategy (innovative operation of a unit organization can generate a gradual change in its sector in general) and partnership strategy (PHOs and SSEOs work together and complement each other) are realistic and effective.
- SSEOs can also make use of the advantage of PHOs to improve their activities.

Examples and Best Practice

- Innovative and strategic operation of large company in S. Korea
- Multipurpose Worker Cooperative in the Philippines
- Islamic Financial Cooperative Serving the Poor in Malaysia
- FELDA and FELDA Cooperatives in Malaysia
- Transformative and Hybrid Foundation in Indonesia
- Multi-layered co-production systems and PPP projects in Japan

► Policy Suggestion 3: Community and Local SSE Strategy

Strategy

- Business model of the **SSE can be effectively applied to community development projects**. These practices, in return, can enlarge and enhance the field and significance of the SSE.
- Building and diffusing vibrant community economy and promoting decent work through the SSE
- **Inter-community learning and regional support system** can be an effective tool for strengthening the community-based local SSE.
- Fundamental and sustainable promotion of core values of the SSE such as solidarity, human dignity, active citizenship. Community is a base of human livelihood and social relations.

Examples and Best Practice

- Local Food Cooperative and Community Partnership in Wanju, S. Korea
- Farmers' Specialized Cooperatives in China
- Municipal Fisherfolk Associations in the Philippines
- Community Development Cooperative in the Philippines
- Preserving Nature Through Community Empowerment in Indonesia
- System of Designated Manager for Public Facility in Japan (*community-level transformative strategy)

► Policy Suggestion 4: Civil Society and Service Innovation Strategy

Strategy

- Specific business models of SSE such as income generating project or PPP can be effectively applied to the operation of CSO working in different fields. These practices, in return, can enlarge and enhance the field and significance of the SSE, too.
- Civil society and service innovation through the SSE for responding to people's various needs and social diversity
- CSOs, non-profit organizations, social cooperatives can produce a unique service innovation model that cannot be realized by conventional for-profit enterprises or social enterprises.
- CSOs are especially important to realize and promote democratic governance and active citizenship.

Examples and Best Practice

- Social entrepreneurial activity of Consumer Cooperative in S. Korea and Japan
- Japan's Specified Non-profit Corporation System
- Philippines' multidimensional NGO and PO System with Income Generating Projects
- China's Civilian-run Non-enterprise Unit (CRNEU) system and social service innovation
- "The Partnership for Governance Reform" (KEMITRAAN) in Indonesia

Balanced Approach and Capacity-building for Strengthening the SSE

Two Types of Balanced Thinking and Effort Are Important

- ▶ **Balanced pursuit of the four institutional strategies.**
- ▶ **Balanced pursuit of the institutional and non-institutional (human and cultural) strategies.**
- ▶ **Suggested strategies and challenges are *too broad and complex* for a certain sector to deal with. *Empowerment and solidarity of grassroots practitioners, policy-makers and specialists are required* to effectively tackle with the complex challenges to the SSE.**

