

OPENING REMARKS

NANCY NEAMTAN

CHANTIER DE L'ÉCONOMIE SOCIALE, QUEBEC, CANADA

GLOBAL SOCIAL ECONOMY FORUM

SEOUL, NOVEMBER 17, 2014

Mr Won-soon Park, Honourable Mayor of Seoul,
Mr Kyong-yong Song, Chair of the Organizing Committee,
Distinguished participants,

It is a great honour and privilege to be invited to speak at this second Global Social Economy Forum at the invitation of Mayor Park. I had the same privilege last year at the first gathering here in Seoul and I returned home with renewed energy, inspired by the commitment and the enthusiasm that we had witnessed in the work being done in Seoul to advance the agenda of the social and solidarity economy both locally and internationally. I would like to express my deepest gratitude to the Mayor and to all those who have worked so hard to organise this event. Your efforts are an inspiration for so many of us who share your vision and your hope for the future of the social economy and more globally, for a more inclusive, democratic and sustainable economy across the world.

Last year, I had the opportunity to tell our story, the Quebec story, that demonstrated how we have built a strong social economy movement from the bottom up, entrenching the creation and expansion of our collective enterprises in processes of local development in communities across our nation. Today I have been asked to speak more generally on the role of local governments in the social economy and particularly the issue of good governance and best practices in this field. I will of course inspire myself in part from our own experience. But I will also draw on experiences that we have been studying in local governments across the world. This is a subject that has been a major focus for us in Quebec over the past few years, as more and more responsibilities are being transferred from central governments to local authorities. Social economy actors are thus turning to local governments to collaborate closely in creating favorable conditions for the development of social economy initiatives. Some of these shared best practices by local government have been documented through RELIESS, our web site in three languages that offers information on the evolution of public policy across the world in the field of the social economy. We invite you to visit the web site to learn more.

It is no accident that we in Quebec, as is the case for many social economy organisations across the world, have chosen to focus on the role of municipalities in our work in recent years. There are several reasons for this choice.

The first reason is of course a very pragmatic and quantifiable reason. Today over 50% of the world's inhabitants live in cities. In 2020 it will be 70% of the world's population who will be living in urban areas. This reality is inescapable and requires a rethinking of economic and social policies in many countries. It also means that local governments are faced with increasingly complex problems and challenges that require innovative approaches to development. The social economy movement has a unique capacity to react and adapt to this inescapable reality and thus has begun to play a strategic role in helping local governments respond to the new challenges that emerge from this accelerated process of urbanisation

Secondly, and more importantly, the central reason for social economy actors to focus on working hand in hand with local governments is that, fundamentally, local governments, and social economy actors, be they in urban or rural territories, share a common purpose. In fact, our very existence, whether we are social economy organisations or local authorities, is defined by the same cause: responding to the needs of our local populations and improving the quality of life in our communities. The specific mandates and responsibilities of local governments may differ from one country to the next but ultimately they must assure the existence and maintenance of the physical and human infrastructure that allow the inhabitants of our communities to live together in peace and harmony and to answer their basic material and non-material needs. Social economy organisations share the same goal of protecting the common good. In general, social economy initiatives are born as collective responses to the needs and aspirations of communities and are often concentrated in sectors that are under the responsibility of local governments such as housing, culture, leisure and recreation and access to certain other basic services. In many cities, issues such as food security, labour force integration and education are also local government responsibilities and once again, social economy organisations can play a major role in these fields.

A third factor that reinforces the links between social organisations and local governments is the rising demand for active citizen participation from growing numbers of citizens across the globe. For it is at a local level that many of the development dynamics that determine the quality of our everyday life, converge and where the sense of belonging and the impact of citizen participation are the most strongly felt. It is therefore at a local level that citizens chose to exercise an active citizenship and social economy organisations have become a strategic tool for their action. At the same time, more and more local governments are opening up to a process of participatory democracy based on community mobilisation and shared governance because they realise that they cannot succeed alone. Citizen participation and community partnerships are recognised as essential to build healthy communities.

The collaboration between social economy organisations and local governments is thus not a new phenomenon. Historically local governments in many countries have relied upon citizen

based organisations to develop initiatives in the field of sports and recreation and culture, for example. Only recently however have we understood that these organisations, that mobilise volunteer resources as well as professional employees and market resources, are part of what we now call the social economy. Over the decades, social economy organisations have also been supported by local governments to play a key role in responding to other types of social issues, be it working with disadvantaged youth, answering basic needs in the area of food security or support for the homeless.

In recent years, however, the interest shown by local governments for stronger and more sophisticated partnerships with social economy organisations has increased with a growing need to innovate in a response to complex problems in a more and more complex world. The flexibility and the capacity for social innovation that the social economy movement has displayed have led to more active collaboration between local governments and social economy organisations. On every continent we have witnessed the strengthening of a process by which more and more social economy organisations intervene with local authorities through the creation of innovative strategic partnerships.

This morning I would like to briefly share with you some of the ways that local governments are supporting the development of the social economy and try to draw a few lessons for the future, based partially on what we have observed throughout the world but also, of course, from my own experience in Montreal.

As I mentioned earlier, local governments play different roles depending on the political system in each country and the role and responsibilities that are allocated to this level of government. However the principal form of partnerships between local governments and social economy organisations is based on the production of goods and services by social economy organisations through contractual agreements. In Montreal, for example, municipal authorities rely on social economy enterprises in many fields: affordable housing through the creation of housing cooperatives and non-profit associations, sports, recreation, access to culture, management of certain green spaces and community centres, recycling and waste management activities, food services and real estate development.

In recent years, municipalities have developed more pro-active measures to reinforce their engagement with social economy organisations in the procurement of goods and services. In 2012 the city of Montreal, along with many other local governments in Quebec, signed a public commitment to purchase more goods and services from social economy enterprises and since then a systematic process has begun to assure that this takes place, including the upcoming introduction of social clauses in procurement policy.

We were not the first to develop social purchasing practices in local procurement. In fact, mechanisms that integrate social and environmental concerns in the awarding of contracts have been increasingly deployed at the municipal level in many countries. The European Union has recognised the relevance of social clauses, by which governments impose social criteria in the

choice of suppliers, and produced a guide, *Buying social, a guide to taking account of social considerations in public procurement*, to enable their members to apply them. In North America, other types of policies have been favoured, including targeting businesses owned by disadvantaged groups, introducing the notion of 'community benefit' in calls for proposals or simply reserving certain markets or a percentage of procurement for social economy enterprises

In the past few years, some interesting initiatives have developed in several American cities around the notion of anchor institutions. In Cleveland, for example, in 2010 the construction of a new hospital was the beginning of a process by which the municipal government, this major non-profit institution and labour unions began to work together to assure that a 1.2 billion dollar investment had the maximum impact on job creation for the disadvantaged and strengthening community or worker owned businesses.

In Brazil, under the presidency of Lula, a law obliged all schools to purchase at least 30% of their food for school meals from local family agriculture or solidarity economy organisations, particularly among indigenous people. In 2012, a new online platform, Rural Brazil was created involving the Brazilian Solidarity Economy Forum with support from the Ministry of Agriculture,. It has allowed over 1600 social economy organisations to sell their produce to institutions and other consumers across the country.

Another way that local governments have supported the social economy has been through sector-based strategies and policies. For example, in 1998 the city of Cuenca, Ecuador established an urban agricultural program to revive cultural traditions and reduce food insecurity caused by the economic crisis. Under this program, a network of organisations worked together on sustainable production and commercialisation of vegetables, fruits, grains and other produce in urban areas. Searching to improve citizen participation, environmental management and food security, the initiative has since been incorporated into urban planning processes and urban legislation.

Local governments have also been involved in investment in the social economy. In Great Britain, the City of London has established a 20 million pound fund to invest in activities that generate social and financial return. Their goal is also to contribute to developing the social finance market in London. In Canada, in 2008 the city of Edmonton partnered with a private foundation to create the Edmonton Loan Fund, a \$12 million fund dedicated to social enterprises.

Local governments are also partnering with social economy organisations to support certain marginalised groups. Bologna has been a model for this type of action for many years through its support for social cooperatives. Social clauses in procurement policies that have developed in France and other European countries have also focussed primarily on job creation or work place integration for certain target groups, including youth, people living with disabilities and the long term unemployed.

I strongly feel that we are only at the beginning of new and innovative policies that open the door to stronger partnerships between social economy organisations and local governments.

This is why the initiative to bring together local governments with social economy stakeholders and other partners at an international level at this Global Social Economy Forum, is a such positive step

However, an important question remains as we see all these exciting developments unfold around the world. Are these initiatives a reflection of a new fashion or trend that will only be a passing phenomenon? Or do these partnerships between local governments and social economy actors represent a step forward in the transformation of a model of development that is in urgent need of renewal? Conscious of the pressing need for a more inclusive and sustainable economic model, how can we, as social economy actors, work with local governments on a long term basis to achieve transformative change?

The answer to that is in our hands and in those of us across the world who share this common vision. And the central issue that must be addressed in this context is the issue of governance and, more precisely, the challenge of creating forms of governance that reflect the values and vision of the social economy.

The centrality of the issue of shared governance and the importance of collaborative relationships between governments and civil society in relation to the social economy must be considered from short, medium and long term perspectives..

In the short term, shared governance is important to produce short term results and efficient use of the limited resources at hand. As we all know, social economy enterprises are built in response to needs and aspirations of communities. They are the result of collective initiatives that rely on collective intelligence and action. They cannot be dictated or managed in a top down fashion. And they must have the autonomy necessary to innovate and to adjust to the complexities of producing goods and services in an efficient way for community benefit. Local governments cannot do this on their own, no matter how much they try and no matter how strong their support for the social economy. Their collaboration and support is essential but ultimately good results will be produced by social economy organisations. Through ongoing collaboration and coordination, by working together, practical solutions can be implemented producing short term positive social impact in our communities.

In the medium term, shared governance and collaborative approaches are essential to the creation of intelligent and productive public policy. For good public policy can only be produced based on a deep understanding of the economic, social and cultural realities of a given territory. Local government, is, of course, the level of government that is the closest to people and thus are well positioned to understand the needs and aspirations of its constituency. But as history has shown us, social economy initiatives emerge generally through innovative actions by civil society. It is in the meeting between these two dynamics that good public policy has been produced, or 'co-produced', allowing innovations by social economy actors to be systematised and codified into public policy, allowing a broader application of these innovations within communities. In Quebec, where I come from, almost every piece of public policy in support of

the social economy has been the result of proposals from civil society and ongoing interactions with government. It is no accident that in countries where there has been framework legislation adopted, partnership has often been at the origin of these laws and most of them have created permanent collaborative structures to follow up on their implementation.

The final and perhaps most important reason for collaborative governance that I would like to underline before closing is related to the long term vision at the heart of the social economy movement. For the goal of the growing social and solidarity economy movement is not simply a question of job creation, social integration, service delivery or reducing poverty. We have not worked this hard and invested so much effort simply to pick up the pieces or clean up the mess of an economic system that is not working for the vast majority of the world's population. Social economy actors aspire to a new way of doing things, a new economic development model that repositions the economy at the service of citizens and not citizens at the service of the economy.

The changes required to build an inclusive economy and a sustainable development model are profound. They require redefining the relationships between society and the economy and between the market, government and civil society. They require rethinking how to do business, how to govern, how to invest in order to embed our economic model in an inclusive social fabric and assure that the economic decisions that are being made today are sustainable and inclusive. These changes cannot be the exclusive jurisdiction of elected officials, no matter how good their intentions and how strong their popular support. For they require new ways of doing things at all levels of society, including within our public institutions. This is why partnerships and collaborative governance is essential.

Social transformation has never been and will never be the role and responsibility of a small group of leaders, be they elected officials or civil society leaders. Social transformation, including the transformation of our economy into a more inclusive and democratic economy, can only be achieved by citizen mobilisation within the economy, and by ongoing collaboration and strategic alliances between a wide variety of stakeholders. At a community level, governance models that include a variety of stakeholders have produced good results for communities, mobilising a wide variety of resources and creating synergies between various stakeholders for the benefit of the community. At a local government level, strategic partnerships and collaborative structures are essential to assure good policy and enable citizens and communities to work together with the right tools and the proper support. At a national level, this same approach applies. Even internationally, with the creation of the UN Task Force, there is a strong recognition of the need for collaboration between public institutions and civil society actors at an international level. The intercontinental network to which we belong, RIPESS, has been working actively within this context to represent the voice of grassroots social economy networks across the world. These diverse forms of collaborative reflection and governance are the key to fostering the emergence of the new development model that is so necessary for our planet.

And this is why this Global Social Economy Forum in Seoul is so important. By building an inclusive structure together, focussed on advancing the social economy agenda within local governments internationally, we are adding a new piece to the puzzle which, once completed, will represent a new international ecosystem for the social economy.

I would like to close by thanking all those who have contributed to the success of this event. We are confident that we are the beginning of an exciting and dynamic process. I am pleased to announce that, at the initiative of the Mayor of Montreal, we will be presenting our proposal to host the next Global Forum in Montreal in 2016. It is an illustration of the commitment and the determination of our city, our citizens and the organisation I represent, the Chantier de l'économie sociale, to work with others around the world who share a common purpose: that of building more enterprises, more economic activity and in the long term a new economic model based on solidarity, democracy and inclusive and sustainable development.

Thank you.