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# Fifty proposals for the alternative development affirming the centrality of the human being

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## **Jean-Guy HENCKEL – Directeur Réseau Cocagne**

### **Fifty proposals for the alternative development affirming the centrality of the human being**

From the work of LaboESS

## **2 Synthesis**

### **A) RISING UP OUT OF THE CRISIS, WITH THE HELP OF THE COMMITMENT OF THE CITIZENS**

**We are experiencing a civilization crisis that calls a civilization project.**

Although this idea is progressing and is gradually gaining ground in all fields, it is rarely acted on. The measures taken up do not measure up to the perils: 2.6 million<sup>1</sup> unemployed (650 000 more in 2009), creating in our country a situation which cannot last.

The return of growth, the State's focus point, does not guarantee a return of the jobs that were lost, made insecure or relocated. And neither will an uncontrolled growth avert the risks to the environment and our children's future.

Society is not satisfied with this prospect, it is calling for major changes<sup>2</sup>: faced with an economy locked up in a race for profit, boosted by globalization and trade financialization, it wishes for development respectful of the people and their environment.

**Hundreds of thousands of citizens**, hungry for real change, already act concretely at their level to reach this goal.

Employees, contractors, consumers, investors, volunteers, activists... hundreds of thousands of participants from "civil society", of all social classes, all fields of work and all ages, **working to build alternatives and answers to change the everyday world**. They work and experiment with new ways in business, internet, culture, environment and over the territory.

**Many of these individuals operate in the social and solidarity-based economy (SSE)**. This field, with deep historical roots as well as an ardent modernity, brings together a wide range of economic initiatives which are covered neither by capitalism nor the public sector *per se*.

These initiatives are paving new paths: they **seek to produce, consume and decide otherwise, more respectfully, of people, the environment and the territory**.

Responsible consumption and fair trade, farming and organic products, services to the elderly and small children, integration through economic activity, promotion of heritage, access to health, social housing and solidarity, complementary currencies and short circuits, eco-construction and housing cooperatives, international solidarity and fair tourism, savings and finance systems, activity and employment cooperatives, recycling plants and resourceries carpooling and mobility support, Internet cooperatives and free software, associations and cultural venues... are all examples of **activities developed throughout the territories** in the past years by participants in the SSE.

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<sup>1</sup> Much more if one considers the social welfare recipients, the unemployed who are not registered or who are removed from the employment centers or those who have a reduced or precarious activity.

<sup>2</sup> Three surveys among many others that point this out: 53% of French people want a radical reform of capitalism, 74% of French believe that the crisis calls into question their values and way of life (TNS Sofres / State Secretary of prospective, January 2009). 81% of French say they are equally or more concerned about the risks of environmental degradation than about risks related to the financial crisis (LH2 - Comité 21, February 2009). 1 out of 2 French wish for a profound (35%) or total (17%) transformation of the economic system. Ipsos survey – Macif, Sept. 2009.

## **B) THE SSE, A PLURAL REALITY, SIX SHARED BASES**

This **diversity** is primarily sectoral. Indeed, the SSE represents a different manner of undertaking found in all sectors. Those of services of general interest: health (healthcare insurance and pensions...), social (integration, neighborhood boards...), personal services (elderly, small children...), environment (renewable energy, eco-habitat, waste reprocessing...), culture (cultural cafes, open-air museums...), associative and solidarity-based tourism, education, sports, etc...

But also in more merchants sectors: banking and insurance (cooperative banks, mutual insurance...), construction (building cooperatives, green building...), agriculture (agricultural cooperatives, organic products, short circuits...), trade (fair trade, solidarity-based grocery stores...), etc...

Moreover, these initiatives take a variety of statutory forms (associations, cooperatives, foundations, SA, SARL, SAS...). Collaborative projects in essence, with the people winning over the capital, they nevertheless often emphasize the statute of association of persons (association, cooperative, mutual).

Their employees, their directors, their volunteers also have very diverse profiles: ex-social workers, union activists, corporate executives, young graduates, retirees...

Some of these SSEs are 100% trade, others use mainly non-market and non-monetary economic resources. Some have several thousand employees, others none. Some are very recent (eg Scic, created in 2002), others are very old (such as pioneers of cooperatives and mutuals in the 19th century).

**However diverse in their realities, these companies share essential characteristics:**

- **an economic project to serve a socially useful purpose.**
- **implementation of the project based on democratic governance and ethical management.**
- **development dynamics based on a territorial anchoring and citizen mobilization.**

**Social utility** is thus central to the SSE's initiative projects. In recent years, ESS companies have developed themselves in services of general interest that an economy engaged in the excessive pursuit of profit ignores due to their lack of profitability: firms adapted to the disabled, homes for the excluded, services for the elderly, young children, adult education, artistic and cultural initiatives...

In an economy that, even before the crisis, destroyed or delocalized millions of jobs to gain in efficiency, they also work to provide access to employment to hundreds of thousands of people considered unable or obsolete that the crisis affected most. For this purpose, they develop original methods of coaching, training and work organization, which are likely to set an example.

This service of general interest also includes an ecological dimension, thus contributing to sustainable development. They are for example pioneers of recycling (paper, textiles, electronic waste...) and of production and distribution of a more environmentally-friendly agricultural (organic farming...).

The social utility purpose of SSE initiatives is embodied in an **economic project** in itself, that is to say continuous activity of production and exchange of goods and services, a viable economic model, creating wealth<sup>3</sup>. The economic resources it employs are **plural**: commercial and noncommercial, merchant and non-monetary, public and private, in order to cope with the dually economic and solidarity-based mission.

In addition, social usefulness involves **ethical corporate management**, based on operating rules and mechanisms for ad hoc decision (in the statutes, for example) but also a respect for others and a different look at oneself.

In companies of the SSE, return on capital is limited or absent, avoiding the diktat of maximal financial performance. The salary scale is often framed. The surplus earnings are partially placed in indivisible reserves, promoting sustainability and a long-term vision of the company. For companies of the SSE, profit is not an end in itself but a means to serve social solidarity and the people who contribute to it.

Beyond pay, the humanistic values of SSE are found in the **exercise of power based on democratic principles**. For example, in companies of the SSE as SCOP (production cooperative society), those

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<sup>3</sup> Number of goods and services produced today are useless or harmful. The SSE contributes to their transfer toward a production more concerned with employment, quality of life, the environment and thus better able to prepare for the future.

who decide are those who work: employees take all major decisions, according to the principle of "one person - one vote": choice of leadership, strategic direction, profit allocation.

Those in the form of SCIC (cooperative interest society), the multisocietariat enables the democratic organization of governance around the various stakeholders of the business: employees, beneficiaries, funders, local authorities, etc...

In addition, the SSE **develops with and for the territories**. Outreach initiatives to non-delocalizable jobs, SSE companies are characterized by an ability to mobilize and bring together a wide variety of local actors (users, businesses, communities ...). They maintain a supply of goods and services in fragile or landlocked territories and contribute to their sustainable development and their attractiveness. As such, their relationship with the local authorities is narrow and multiple (financial, commercial, entrepreneurial...).

SSE initiatives emerge and develop only through the active **participation of citizens**. It is necessary to consider each person as inseparable, in his dual capacity of contributor and beneficiary of economic, social and ecological progress. The person as fully-fledged player in the economy, and the economy fully to the service of the people. The SSE is a economy of citizens' initiative, claiming its autonomy vis-à-vis the government.

These six basic characteristics are manifested in different ways, more or less intense, more or less visible. But belong to the SSE means to be an **explicit and measurable** expression of them.

The SSE is in fact present everywhere where common good is promoted. In the broadest sense, it represents **200,000 companies** and over **2 million workers** or nearly 10% of employment in France. Between 2005 and 2006, nearly one in five jobs was created by companies of the SSE, in particular in education, health, welfare, trade and business services. Far from being a French exception, the ESS is found and developed across Europe but also in Quebec, Latin America...

By its reactivity and the solidarity that it implements, the ESS is an immediate **response** to important consequences of the crisis. But beyond a necessary quantitative and qualitative expansion of the SSE, its values and practices can positively **inspire** the necessary reforms of economic regulations and encourage governments, businesses and citizens to change their behavior, to move towards a more inclusive, equitable and accountable economy.

Neither a repair economy dedicated solely to overcome the deficiencies of the state and the market, nor a Great Alternative ready to replace capitalism, the ESS, an economic and social force, **opens by example and contagion, the way to another type of development**.

Local authorities have already understood this and support it more and more, having realized its interest in sustainable local development.

## **C) AN ALTERNATIVE MODE OF DEVELOPMENT**

We have identified **five key issues** that shape another project of society, **in which SSE has practical value, and answers to bring.**

### **1) Investing in public interest to create meaningful activities and quality jobs**

It is important to invest heavily in services of general interest (childcare, home help, education and training, environmental protection, culture, support and employability, etc.), much of which is implemented by ESS. Public power must change its point of view on these services, no longer considering them as a cost which must be minimized, but as socially, environmentally and economically very profitable for the community, in the medium and long term.

To achieve this, improving the quality of employment is the prerequisite for better service quality and attractiveness of these jobs but also the reduction of wage instability which is now one of main factors of income inequality.

### **2) Removing the excessiveness: setting limits to the market and accumulation, and reducing inequalities**

The economy has taken a disproportionate place in our lives at the expense of other human dimensions (social, political, cultural, artistic, spiritual ...). The challenge is simple: give the economy its place, but nothing more than its place.

The challenge is not technical, it is more profound: philosophical, moral and even anthropologic. The pursuit of profit is based on excessive use of advertising and marketing, on ideological incitement of consumption, a consumption which is most often beyond the reach of the poorest and that subjects and alienates others ( by frustration, credit, dependence ...) by pushing them towards sophisticated goods and services, often unnecessary and sometimes even harmful. In contrast, the ESS aims for a development more restrained, but which creates more relational and well-being activities.

### **3) Integrating social issues in sustainable development**

In public debates, sustainable development is too often limited to “reconciling economic performance and environmental friendliness”, forgetting the social aspect and the need for more democratic governance.

This is symbolically reflected in the distinct organization of the Grenelle-Environment, central and high-profile, and the much less visible Grenelle-Social Inclusion. However, the vulnerable are always the first victims of the degradation of the planet, both North and South.

In addition, progress of the Grenelle-Environment on the environmental aspects (environmental labeling of products, corporate environmental reporting, for example) is not followed by the same progress in the social component. With the risk of limiting oneself to making the environment the new fuel for global growth, without socially questioning the modes of production and consumption, and then falling back into the excesses of the past (excessive profits, debt, bubbles, crises). We must reconnect social and environmental issues, and reincarnate them to the serving of an ambition to transform society.

### **4) Restoring economic power to the citizens: for an economic democracy**

One of the greatest evils afflicting society today is the feeling of helplessness felt at the individual and collective level, exacerbated by the crisis: the leeway seems more tenuous, external constraints seem stronger, the scope of Possible appears smaller.

This feeling of powerlessness is exacerbated particularly in the economic field, where “economic abstinence” prevails: the average citizen has little sense of participation in the economic system, he often sees himself only as a cog in a machine which exceeds him and which he does not think much he can do much about, other than try to live with it as best he can... And contrarily to political abstinence, economic withholding is generally suffered and not chosen.

This is a crucial issue: to give a majority of people the desire and the possibility to directly and positively get involved in the economic game, make them “economic citizens” in their own right - finding room for maneuvers and economic free will, particular on three issues: consumption

(responsible), the role of the employee-citizen (corporate democracy) in the company and savings (solidarity-based).

### **5) Making the heart of the territory the real economy**

Faced with an economy characterized as “virtual”, more concerned with financial investments than with the actual needs of individuals and the public interest, the territory's economy reflects the daily struggles of women and men, their aspirations for a better life, their interest in a more welcoming environment, a better social cohesion.

The lesson of this crisis shows that the sustainability of the territories in globalization and their long-term development partake of their resilience against external shocks. The crisis in the global economy will give a boost to local economy: transportation costs will rise and the proportion of major groups in national employment will continue to decline while demand from European countries will turn even more to relationship-oriented and general interest services (health, home care, recreation, etc...) and to energy saving.

The local roots of initiatives and enterprises of the SSE appear at this level as a major asset of a economic biodiversity based on living activities with multiple forms, public and private, and non-market, monetary and nonmonetary.

**To extend this method of development to a large scale, to change our benchmarks and change course, we wish for a double dynamic:**

- An internal dynamic** of mobilization of the actors in the SSE (see next page)
- An external dynamic**, mobilization of the SSE and all other actors of civil society around strong policy proposals, immediately operational able to initiate a change of course (see page 16).

## **D) MESSAGES TO THE ATTENTION OF ESS ACTORS**

### **1) Develop a language of proof**

The language of recognition (values, history, statutory) currently means a language of proof ... We must develop and disseminate it. Amid the proliferation of labels, certifications and social or environmental standards, the SSE must have the tools to assert its identity, showing that "it works", account for its weight and its economic efficiency, the quality of its jobs, its social utility, its ecological impact, especially across territories and channels.

A status is not sufficient to characterize the SSE. Membership of the SSE must be demonstrated, through solidarity, democratic practices and measurable results.

This language of proof refers to the need for example. Before giving lessons to others, we must learn them ourselves and fight against its own excesses.

### **2) Develop mutualisations and economic cooperation between companies of the SSE**

Let's emphasize this paradox: SSE embodies the values of cooperation and solidarity, yet the tools and experiences of cooperation and sharing between SSE companies, transverse to the business and the bylaws (eg scale territories), are still few.

In a context of crisis and of public policy change (government reform in 2009, LOLF, RGPP...), strengthening of partnerships between companies of the SSE is nevertheless an important issue for the future of the sector:

- firstly, to break the isolation, promote the construction of a shared direction, strengthen the feeling of belonging to the same open and offensive community;

- secondly, to reach a critical size, establishing itself as inescapable spatial contact, be able to respond to calls to offers of significant size and / or requiring fast turnaround, diversify and strengthen economic models and resist the arrival of private profit or regulatory changes.

This desire for sharing and cooperation can be shown in different ways, from more flexible to more integrated: the establishment of meeting and exchange places by territories or industries, the creation of economic tools and financial sharing, the establishment of mutualisation systems, the creation and development of integrated SSE business groups, etc..

### **3) Position yourself as the spearhead of a solidarity-based, sustainable territorial economy**

By its local roots, the SSE can make a major contribution to employment, to living together and to the sustainability of river life on a human scale. Position the SSE as a driver of another territorial development invites however to avoid several pitfalls:

- i)** The confinement in a narrow localism. Another local development calls for structural policies for access to land redistribution and equalization tax, environmental standards, retraining and social investment policies depend in part on international, European and national politics.

- ii)** The reduction of the contribution of the SSE in the territories to the only social remedy through the creation of subsidiary activities to market and disconnected from the engines of the global economy. The SSE may then be seen as just producing activities to maintaining services and jobs in disadvantaged areas, the integration of populations in difficulty, the production of social ties and local solidarity.

- iii)** Going beyond the institutional innovation that constitute the territorial politics of the SSE. If the consolidation of this new field of public action is essential, it is equally necessary to make these specific policy dedicated to the SSE (promotion and understanding, call for projects, support to networks) a step towards regulating a plural economy that addresses all the economic and social actors (responsible public order, cooperation clusters, aid conditionalities in economic development, etc..). The SSE can and should be producing territory, in the sense of an ability to build local systems of new actors around projects of sustainability and solidarity.

### **4) Make Movement around a double entrepreneurship and business policy**

Alongside an institutional logic of the SSE, which is essential for its recognition, we call for the development of a logic of movement, based primarily on adherence to a project, specific practices and current input or society potential.

For this, it should no longer oppose the ideas of social economy, solidarity economy, social enterprise... but rather to enhance complementarities. The social economy emphasizes the consistency of the legal, non-profit making and democratic governance, the economy on the social utility, citizen mobilization and the political project, social entrepreneurship on the entrepreneurial dimension, innovative and evaluating the impact and actual practices.

At a time of deep crisis of capitalism that has shaken even the most liberal, we can and must move out of the side and go to the center, to weigh in and be assertive in public debate, to switch the scale.

This implies, firstly, developing a sense of belonging still unevenly present in the structures supposed to belong to the SSE, and secondly, to bear a double entrepreneurship and political project.

The conjunction of both dimensions is essential. Without an entrepreneurial project, the proposed political project will not be heard and understood beyond believers (danger of "marginalization"). Without a political project, the entrepreneurial project is likely to be recovered and phagocytosed by capitalism (the risk of "trivializing"). There is a necessary tension and fruitful cooperation between the two.

The project also needs to power the three roles of the SSE and show their complementarity: a buffering role of social and environmental emergencies; a regulatory role of a plural economy, a transformative role in society.

The ESS should basically be defined primarily by what it does and where it wants to go. It must now be involved in the crisis and the building of a vision and a project for France and for Europe for the next 10 years.

##### **5) Build new alliances around a project of society, with all the agents of change**

The SSE can not and must not remain in isolation. To fully play its role, finding its place in a **plural economy**, it must forge new alliances with all actors of change, elected officials, unions, NGOs, social movements, consumers, socially responsible entrepreneurs, etc...

Some of these relationships are dynamic and developed (particularly with communities). Others are developing but are subject to debate (with socially responsible conventional firms). Some are invented (with NGOs, consumer movements). Other need reinventing (with unions, employers organizations, social movements).

A SSE, with a reaffirmed, strong identity, and a renewed purpose, has no need to fear of these relationships and of the alliances that can result. These partnerships help design a SSE without shores. These alliances must be built around a civilization project for which we have outlined some initial guidelines on pages 12 and 13. The ESS can and should be the pivotal role of economic and social change.



## **E) PROPOSALS FOR THE ATTENTION OF POLICY MAKERS**

In the next fifteen years the economy must profoundly change course, benchmarks, values. It must put people at the heart of the system, respect and preserve the environment, anchored in the territories. The SSE is a laboratory for doing so.

Here are **15 examples of propositions** (detailed in the report), in this perspective, immediately feasible proposals that we put into debate.

### **1) Develop a framework law to invest in services of general interest**

To recover from a purely short-term and counter-cyclical public support, investing in the social and the environment is a major issue in escape the crisis. Establish a policy of quality of life means to enrich the growth in sustainable products and relational services, proximity quality jobs, more environmentally sober and socially responsible.

Making a framework law for the development of services of general interest setting the objectives, procedures and funding, as part of the law to fight against exclusion, is now essential while the contours of interest general are being undermined in many sectors of the future. This law will target priority areas (early childhood, helping seniors, integration through the economy, cultural and environmental) of this social investment in order to fix the limits to the commodification of social services under criteria such as access for all and of the fragile public to services, customizing the coaching, the quality and anchoring of local jobs

Either service development is considered one of low productivity jobs, poorly paid and whose funding induces an increase in income inequality and a growing commercialization. Or one considers that under the collective benefits they generate in terms of learning and skills, prevention of social risks in reconciling work and family life, environmental preservation, these jobs of general interest are the heart of a socially investing State.

### **2) Provide a legal basis for the partnership agreement of general interest to secure government partnerships – SSE of general interest outside the market (Grant).**

Between the competition and public service delegation, alternative supported by the European context, it is necessary to able to recognize and describe as of general interest an economic regulation based on non-market cooperation between governments and civil society. Today there are modalities of partnerships between government and SSE, multiyear objectives agreements (CPO), contractual arrangements, subsidies and amenities to be preserved as a prerequisite to the exercise of public action.

Legally securing conditions of contracts and financing between the state and SSE (including associations of social utility, structures promoting integration through economic activity ...) in multi-year agreements specifying goals, means and evaluation procedures today proves essential to provide a legal alternative to the increasing commodification of services of general interest.

### **3) Systematize the social and environmental clauses in public procurement.**

The social and environmental clauses in public procurement are increasingly put forward by the state and local governments as a tool of a responsible public order. Elected officials and players in the SSE are often the source of these approaches that are still too rare.

It is hence necessary to make social and environmental clauses standard in procurement (120 billion euros per year) and not the exception in reversing the burden of proof in order to secure the choice of elected officials and local authorities and prevent their introduction from being seen as an insurmountable legal and political risk.

This requires an annual commitment of state and local authorities on the conversion of a significant percentage (20%) of their public procurement. This also requires political support of elected officials, technicians and businesses to facilitate integration of social and environmental requirements in these practices.

### **4) Integrate a significant SSE component in the State – Regions conventions (or other collectives)**

Development policies of local authorities are supported and valued as part of state-region agreement. But these only too rarely include political development of the SSE. Drawing inspiration from arrangements initiated in some regions (Rhône-Alps, for example), the impulse of shared diagnostic and signatures of territorial or sectoral agreement between the state and local authorities on action taken in favor of SSE would consolidate the framework of multi-level governance in this area.

These conventions could be tested in 2 or 3 pilot regions, and eventually lead to a national conference on the subject.

#### **5) Establish 100 territorial cooperation poles in the service of local solidarity-based and sustainable development**

As with clusters, we propose to set up 100 territorial cooperation centers on the basis of criteria such as the roots of local economic activities, the social utility of production, low delocalisable character of the employment, training of local skills, cooperation and economic synergies between local businesses, etc...

The objective is to collect on a given territory, SSE companies, conventional SME / SOHO, collectives, laboratories and training institutions to develop partnerships and cooperation in the service of sustainable local development.

These poles do not aim solely to inform, support and pool of resources between actors and networks but also to support economic experiments, recoveries of SMBs in difficulty and enhance the skills of entrepreneurs and employees in the territory.

This is not to propose a single model but rather a regulatory framework and fiscal incentive for their creation. The Caisse des Dépôts could play a central role in the development of these poles. Based in Romans (Drôme), the Archer Group is a pioneer of these clusters of territorial cooperation.

#### **6) Experiment with the issuance of new local services of general interest through collective investment in social enterprises (eg SCIC).**

The attractiveness of regions and social cohesion depend on the quality of local public services and services for residents. New forms of mixed economies offered by the SSE (as cooperative societies of collective interest) is a testing ground for new forms of agreements and contracts, with the shared goal to fully satisfy the needs of citizens, leave no territory without local public services while providing guarantees of non-profit or private appropriation of public funds.

#### **7) Modulate state aid to companies based on social and ecological criteria.**

The unprecedented financial support of public power to banks and certain sectors (automotive, food...) presented in the public debate the issue of compensatory social and environmental assistance to companies.

Public money is scarce, and public deficits are widening. We must therefore use it reasonably, serving the future generations who will bear the burden of debt. That is to say investing in a perspective of sustainable development, based on economic, social, ecological and democratic criteria. State aid to companies (65 billion euros per year) should be reconsidered in this light.

Especially since no thorough and comprehensive assessment of the actual impact and effectiveness of that aid has actually been conducted. It is time to put flat this system and adopt a simple principle of no-claims bonus, depending on economic, social and environmental behavior of the businesses.

#### **8) Establish a CRA (Community Reinvestment Act) like in France.**

Facing the confidence crisis of citizens vis-à-vis the banking system, using their savings, the conditions for granting loans, it is urgent to establish missions of general interest to commercial banks.

Inspired by the American legislative system introduced in 1977 and has since proven its worth, a "French-style CRA" would aim to get banks to lend and invest responsibly and sustainably (profitable) in disadvantaged areas, serving businesses and individuals often excluded from the banking system and to develop and financially support the activities of players in the SSE (associations, foundations, NGOs, socially responsible funds, banks, social, etc.)..

#### **9) Orient a small share (1-5%) of the Pension Reserve Fund on solidarity finance**

The Pension Reserve Fund (FRR), founded in 2000, has about 30 billion € in assets in 2008 (150 billion expected by 2020). Its goal: to support some of the costs of the basic plans of the private sector in 2020, at the moment of the full impact of the demographic shock.

Three reasons can justify the orientation of a small part of the FRR on the financing of the SSE. First, commitment to social and environmental responsibility of the FRR included in the statutes and orientation as “long-term public investor”. Secondly, its multi-stakeholders governance (social partners, ministries, parliamentarians, etc.) keen on collective interest. Finally, the SSE, by creating employment especially for those excluded from the labor market, increases the number of contributors to the pensions of the future: it is therefore of direct interest that the FRR invest in the SSE.

Reflections of this type are also considered abroad (Norway, Holland ...) with funds similar to the FRR.

### **10) Create a public / private investment fund on Social Innovation, of 100 M € over 3 years.**

This fund would have two missions:

- supporting emerging innovations with high-impact potential in the form of repayable advances. These innovations are still poorly supported by existing devices.
- help initiatives and innovative social and solidarity-based enterprises that already exist, with high development potential, to grow and change of scale, either through loans or through the supply of equity (or quasi-equity).

It would invest 5 to 10% of its sum on the development of indicators to reflect the impact of social innovation. Initiated by the State, for example in the case of a large loan, the fund would be supported by the Caisse des Depots, local authorities and foundations, and piloted in partnership with financial players of the SSE such as France Active or Ides. It would help to disseminate initiatives that induce lasting changes in behavior.

Based on the best foreign experiences (for example, Obama has created such a social innovation fund of \$ 50 million to accelerate the scaling of high-impact social innovation and diffusion potential), this FIIS could be the start of a revolution in the field of innovation and significant first brick of an ambitious policy of France on the subject.

### **11) Develop the SOL currency in 100 interdependent territories with 10 000 partner companies and 100 000 Solists.**

The Sol has plans to broadcast in the form of a smart card, a complementary currency operating as “reward points”, but to facilitate the sale of solidarity-based products, access to services of general interest from local authorities and volunteer trade between individuals. It relies on the SOL network, all firms and partners who share the same currency.

Piloted in five French regions (Alsace, Bretagne, Ile de France, Nord Pas de Calais and Rhone Alps), the proposal seeks to deploy the SOL project to many territories with the aim of developing cooperation between businesses of the SSE and citizens, promote mutual assistance activities between people and provide access to goods and services to people in need.

### **12) Introduce awareness and training modules for SSE in all secondary and higher education**

One of the obstacles to the development of SSE is its disregard by both economic and political decision makers and the general public. Marginalized or absent from most programs of secondary education and above, the SSE can hardly become a repository of shared economic development and social action.

Several guidelines are a priority: an introduction to SSE in secondary education, which presupposes its insertion into the programs of economics and social sciences; consolidation of the Bachelors and Masters in SSE which have been able to develop in the past ten years based largely on the local SSE; the introduction of modules dedicated to “doing business differently” in business schools and management university; integration of SSE training, especially among senior officers and territorial governments, HRD and social workers; and finally the recognition of civic and people's universities and other places of public education to promote citizens' expertise in economics.

### **13) Strengthen the participation of employees and their representatives in corporate governance and primarily those within the SSE**

The necessary paradigm shift on business involves challenging the exclusive property right of shareholders on the company (more specifically the allocation of profits, leadership selection and strategic orientation) and to recognize the legitimacy of other stakeholders to influence management decisions and to hold it accountable - including a central party for employees.

The aim is to have them be recognized in their role as co-producer of the wealth of the company and to counterbalance the power of shareholders. This requires generalizing the presence of a “critical mass” of employee directors on boards of supervision. This is not to argue for co-management and a blurring of roles, but for the right to intervene and control the strategic decisions of the company, executive compensation, the use of profits.

Another complementary path: establish a right of activity recovery by employees as a cooperative (or mutual), in the event of layoffs, site closure, relocation or transformation or creation of new activities. This right can be truly effective only if accompanied by an ad hoc financial support for buyer employees.

#### **14) Build a repository of social utility, guaranteed by the government and co-built with players in the SSE**

Many initiatives (tools, testing ...) have been conducted in recent years to evaluate the social utility companies of the SSE, generally or across a territory or a field.

But these complex approaches remain confined to a minority of specialists and insiders. There is a need for further work to move towards operational tools, appropriate for large-scale, by all SSE firms and their environment, including public authorities.

In this perspective, the aim is to build a real frame of reference of social utility, guaranteed by the public and co-constructed with the SSE players, which would establish sets of indicators per sectors and levels of social utility. Some players of financial solidarity such as France Active are beginning to use this type of ratings for SSE-funded companies.

Such a frame of reference would better measure the impact of SSE companies, compare them among themselves and with mainstream companies. It would give more visibility and legibility to the SSE. It would attract more investors who could base their strategy on better information and a true assessment of social “return on investment”. It would finally allow the authorities to implement regional or sectoral policies that foster the development of SSE businesses on the basis of social and ecological criteria.

#### **15) Establish a forum such as Grenelle to build, with actors from the SSE, state, local and civil society organizations, a plan of action to develop the SSE and make it a lever to end the crisis positively.**

The aim is to co-construct a common vision and strategy to tackle the crisis: how can the SSE and governments work together to build a common project and meet the challenges of post-crisis France in the coming 10 years (environment, social inclusion, aging, de-industrialization, education, utilities, citizenship, suburbs, debt...)? How to support and develop the SSE in this perspective?

This would involve collaboration of all local and national stakeholders (government, decentralized services, local authorities, ESS movements, ESS employers, unions, NGOs and consumers...). It would lead to major strategic orientations and an action plan to develop the SSE, in a similar manner to the English OTS (Office of Third Sector) did.

At its inception in 2006, the OTS has launched a major consultation on “the Future Role of the Third Sector in Social and economic regeneration”. The point was for the state to work with the third sector to develop a long-term vision and mark a new phase in the third sector - government relationship. The consultation consisted of events (90 regional events, more than 2,000 individuals representing over 1,000 organizations), work seminars on the major routes highlighted, studies based on questionnaires, etc. This work has resulted in a seminal report which formed the basis for the OTS’ 2008-1011 action plan (500 million pounds).<sup>4</sup>

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[http://www.cabinetoffice.gov.uk/media/cabinetoffice/third\\_sector/assets/the\\_future\\_role\\_of\\_the\\_third\\_sector\\_in\\_economic\\_and\\_social\\_regeneration.pdf](http://www.cabinetoffice.gov.uk/media/cabinetoffice/third_sector/assets/the_future_role_of_the_third_sector_in_economic_and_social_regeneration.pdf)