



**Social Good Accelerator**  
European Network for People, Planet and Social Tech

***Making the Social Economy  
a collaborative digital ecosystem creating "commons"***

**Brussels, May 2021**

Authors: Social Good Accelerator Public Affairs Team and Working Group, non-profit association representing a network of citizens and organizations of the Social Economy committed to the development and recognition of Social Tech in Europe, registered with the European Transparency Register

**Abstract:**

The issue of the digital "commons" was little discussed a few years ago, yet it seems to generate great economic, social and political value. Increasingly recognized as an innovative model for the development of digital resources, this model of the "commons" gains from being shared, because this sharing directly increases the use value of the digital resource. Now, fundamental for our society, digital technology must benefit everyone, and respond to social economy models. With this paper, we wish to bring our analysis - carried by our Public Affairs working group and our partners, including Social Economy Europe, Bayes Impact, Ensie, Blockchain for Good, the P2P Foundation and MakeSense - on the fundamental question of digital technology adapted to the issue of the social economy. We wish to highlight the importance that digital technology must take in the SSE and the place of tech models in the SSE, and to propose a few avenues of analysis and concrete actions to be implemented to develop this virtuous model, and to promote the development of joint work between the Tech and SSE sectors.

## Introduction

At the European Union level, in 2017, the social economy represents 13.6 million salaried jobs or 6.3% of the European wage bill in nearly 2.8 million organizations, but also 82.8 million volunteers<sup>1</sup>. Disparities are noticeable within this union, with national legislations more or less advanced. The concept of social economy is especially widely recognized and developed in Belgium, Spain, France, Luxembourg and Portugal<sup>2</sup>. It is therefore in the EU 15, which includes mostly countries in the West and South of the continent, that we find  $\frac{2}{3}$  of the population invested in a social economy organization. In total, 232 million Europeans are thus members of cooperatives, mutuals<sup>3</sup> or similar structures. In support of public actors, who have a key role in the full recognition of the role of the social economy, private organizations initiated by citizens, employees and committed entrepreneurs offer "[services of general interest](#)"<sup>4</sup>. This is one of the pillars of the European social model and the social market economy. Beyond that, they propose today solutions to concretely converge towards the 17 objectives of sustainable development decreed by the UN, a sine qua non condition to maintain our economies, our democracies and our social cohesion by 2030.

**The Social Economy, a heterogeneous sector but united by common values and models, is a potential lever for European recovery and societal transition.**

In the social economy, as in other sectors, the digital transformation of our society and economy has created a small, two-speed revolution. Some organizations have created or seized new opportunities offered by technological innovation, and have created true alternative digital ecosystems, based on "commons" or "[digital cooperative platform](#)" models.

Communauté productive	Linux	Mozilla	GNU	Wikipédia	Wordpress
Coalition entrepreneuriale	Ex. : Linux Professional Institute, Canonical	Ex. : Mozilla Corporation	Ex. : Red Hat, Endless, SUSE	Ex. : Wikia Company	Ex. : Automatic Company
Association à bénéfice social	Linux Foundation	Mozilla Foundation	Free Software Foundation	Wikimedia Foundation	Wordpress Foundation

These ecosystems have consciously adopted non-lucrative models that Michel Bauwens and Vasilis Kostakis<sup>5</sup> call "associations with social benefit" (this is the case of foundations like Mozilla, Wikipedia, or the Peer2Peer Foundation, or associations that manage citizen databases such as OpenStreetMap or OpenFoodFact) or with limited profitability (this is the case of [Licoornes](#), digital cooperatives that offer responsible digital services with a citizen co-financing model and/or self-management of activities on the platform).

Others, more numerous, have come up against almost insurmountable walls, even though they serve every day the public that is furthest from employment, education, the fight against inequality, etc., thus guaranteeing the founding principles of solidarity and social cohesion of the European Union. The traditional "SMEs" of the Social Economy have received very little support in terms of digital transition (upgrading their management tools, for example) and the digital transformation of their models, which is similar to what is known as "digital social innovation", and which consists of rethinking its modes of production, service design, or organization in the light of digital opportunities, both in terms of

<sup>1</sup> *Recent Evolutions of the Social Economy in the European*, European Economic and Social Committee, 2017.

<sup>2</sup> Ibid.

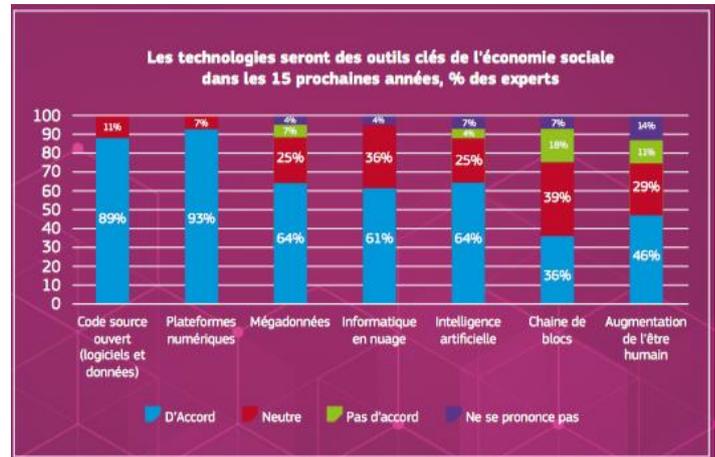
<sup>3</sup> José Luis Monzón, Rafael Chaves (eds). *Recent developments in the social economy in the European Union*, CIRIEC, 2016. CES/CSS/12/2016/23406.

<sup>4</sup> Union European Economic and Social Committee: Services of general interest (SGI) are one of the pillars of the European social model and a social market economy. They include areas such as housing, water and energy supply, waste and sewage disposal, transport, health, social services, youth and family, culture and communication within society, in particular broadcasting, internet and telephony. GIS enable citizens to lead a dignified life and guarantee the right of every person to access essential goods and services. As guarantors of justice, social cohesion and social integration, they contribute to the equal treatment of all citizens of the Union.

<sup>5</sup> Michel Bauwens, Vasilis Kostakis. *Manifesto for a true collaborative economy: towards a society of the commons*, Charles Leopold Mayer Foundation, 2017, 112 pp.

economic model and final benefit for the user. <sup>6</sup>But they carry within them the seeds of the emergence of a new social, digital and collaborative economy. Their heritage already includes democratic conditions and the culture of value sharing. They still lack, most of the time, the digital culture and skills of the 21st century.

The study *EASME/COSME/024/2017 "New technologies and digitization: opportunities and challenges for the social economy and social enterprises"* <sup>7</sup>, cited in the European Commission's consultation on the roadmap, provides a good overview of the challenges and opportunities that new technologies represent for SSE organizations. It focuses on the study of 26 social economy organizations that are effectively using innovative digital technologies. It discusses the benefits in terms of organizational efficiency through the automation of internal and external functions, an issue reinforced by the comparative weakness of their human and financial resources compared to traditional companies. In particular, it highlights the opportunities represented by tool platforms that promote the networking and cooperation that characterize the Social Economy models.



By seizing its new tools, the Social Economy would be consolidated. In terms of the economy and the regulation of platforms (an important dimension of the European Digital Services Act), the organizations of the Social Economy - and in particular the cooperative platform model - would have a real role to play as a counterweight by proposing alternative models that respect individual and worker rights. From this study, it appears that the two most popular technologies are free software and digital platforms.

In 2018, the [Social Good Accelerator EU](#), also conducted a study, not cited by the European Commission although it was presented to them in January 2020, interviewing leaders of Small and Medium sized organizations in the Social Economy. This approach is complementary and focused not on the "best in class" of the digital social economy but on the needs and expectations of grassroots organizations, which make up the bulk of the European social economy. The methodology consisted of a robust literature review on the needs and barriers of these organizations regarding their digital transformation.

We were thus able to establish many convergences with the issues of the TPOs of the traditional economy, but we highlighted three specific and additional obstacles for the TPOs of the social economy, which converge for the 218 organizations surveyed in 12 countries:

- a) **A problem of means and unequal access to public aid and private financing.** The economic models of the social economy rarely allow for the surpluses needed for structural investment and support for change. At the same time, public policies to support VSEs and SMEs in their digital transformation or public aid for digital innovation are not "designed" for Social Economy organizations. This is both a problem of vocabulary (public actors speak of

<sup>6</sup> See the 6 innovation categories of the French Public Innovation Bank, which includes social innovation, The New Generation Innovation, BPI France, 2014: <https://www.bpifrance.fr/content/download/16655/216799/file/innovation%20nouvelle%20g%C3%A9n%C3%A9ration.pdf>

<sup>7</sup> European Economic and Social Council. *New technologies and challenges for the social economy and social enterprise*. Retrieved May 5, 2020 from <https://www.eesc.europa.eu/fr/agenda/our-events/events/nouvelles-technologies-et-numerisation-opportunités-et-défis-pour-leconomie-sociale-et-lentreprise-sociale#downloads>

"companies" while many Social Economy organizations have other statuses) and a problem of inadequacy of public solutions to the specific economic models of these organizations (non-profit or limited profit-making).

- b) **A cultural problem coupled with a supply problem.** Social economy organizations are very much rooted in the values and human-centered models that motivate them. These values sometimes seem incompatible with those of the producers of products and services in the digital economy. There is therefore a very strong "cultural" barrier, coupled with a "generational" barrier, which can be explained in part by "prejudices", in part by the lack of clarity about the offer of alternative products and services that are compatible with the values of the organizations (free, open, truly collaborative) and truly accessible to neophytes (following the example of the new "No code" market).
- c) **A problem of access to appropriate basic and professional skills.** To date, digital technology represents a real opportunity for Social Economy organizations, as well as for their volunteers and beneficiaries, particularly in the context of the recovery plans following the health crisis. At the time of our study, the public budgets or public orders allocated to Social Economy organizations to a) increase the digital literacy skills of their managers, employees and volunteers b) integrate new digital professions into their organizations c) offer programs to reintegrate people into the workforce through training in digital professions (upskilling) were largely insufficient compared to the stakes. The European Commission's Pact for Skills is a great opportunity to promote lifelong learning for everyone and to anticipate the skills needed in the labor market. Moreover, micro-qualifications, on which the European institutions are currently working with stakeholders, can be an effective response to the lack of harmonization at European level of the qualifications acquired.

### **For a "digital permaculture" (generative ecosystem based on the Social and Digital Economy): consolidate and deploy "Social Tech".**

The [Social Good Accelerator](#) proposes to strengthen and disseminate the concept of Social Tech, at the crossroads of the librist models (citizen tech) and the economic and democratic models of the Social Economy.

Social Tech, according to the journalist Chrystèle Bazin<sup>8</sup>, is the use of technology to serve social, societal and citizen action, such as: acting on inequalities, weaving new solidarities, or producing social innovation. By mobilizing technological capacities, social tech promises everyone the ability to act in the service of the general interest.

Social Tech is therefore made up of technological models that rely on the stakeholders and infrastructures of the social and solidarity economy to propose systems with a high social and environmental impact. The pooling of infrastructures allows for a reduction in operating costs, the value generated is redistributed equitably to stakeholders and the infrastructure is governed democratically. Models have multiplied in Europe and around the world and are ready to scale up.

The Social and Solidarity Economy must move into the digital age: it is a question of preserving our intangible social heritage, at the heart of the European model and cohesion, but also of accelerating the social and ecological transition. The fashion of "social business" would tend to let the "natural" process of Schumpeterian destruction-creation take place, where organizations left on the side of the road of digital transformation would be replaced "naturally" by new "social start-ups" with a hybrid economic model. But another way is possible and would allow us to preserve the jobs and know-how of social action: that of the digital "upcycling" of the social economy, which we consider essential to

---

<sup>8</sup> "Social-tech": digital for social innovation - Digital Society Forum" [archive], on *Digital Society Forum* (accessed 22 August 2017)

the survival of the European social and solidarity ecosystem. Like all economic actors, SSE actors must lead a profound change in their organization, integrate a culture of innovation at all levels, and upgrade their teams. But they must be given the means to do so. It is time for SSE to embrace Tech not as an end in itself, but as a means to improve, perpetuate and strengthen its models, its jobs, its influence and its impact on its final beneficiaries.

In order to "encapacitate" the social and solidarity economy on the digital, it is necessary to draw the knowledge from the technological market models, to share it, to digest it and finally to transform it into commons oriented towards the social and environmental impact.

Eventually, to be able to generate all the value resulting from the intersection between the Social Economy and the digital economy, and to encourage its bootstrapping, it is necessary to reconsider the production of value not only economically but also socially and environmentally (measured in terms of collective savings) in order to be able to set up a system of remuneration of citizen value. This is a necessary condition for "trans investment" (D. Kleiner and B. Gottlieb, 2016). This means rethinking national accounting systems to include this value. Civil society would become productive through the participation of citizens in the collaborative creation of collective value. Before we can generalize this new accounting and these "commons", we need to be able to prototype them at the European level, by creating competitive clusters around Services of General Interest (SGI) and the Commons (water management, sustainable food, energy, digital, postal and telecom networks...).

To this end, we support the proposals of Michel Bauwens and Vassilis Kostakis in their "*Manifesto for a True Collaborative Economy*" (2018). As they recommend, in order to move from a "micro-economic" existence to a "macro-economic" assertion, the prototyping of citizen and generative solutions of the collaborative economy requires an "institutionalization" (both in terms of relaxing or opening up regulatory frameworks to allow experimentation and in terms of financial guarantee) of three categories of systems, whose co-dependence and identification constitute the conditions for scaling up:

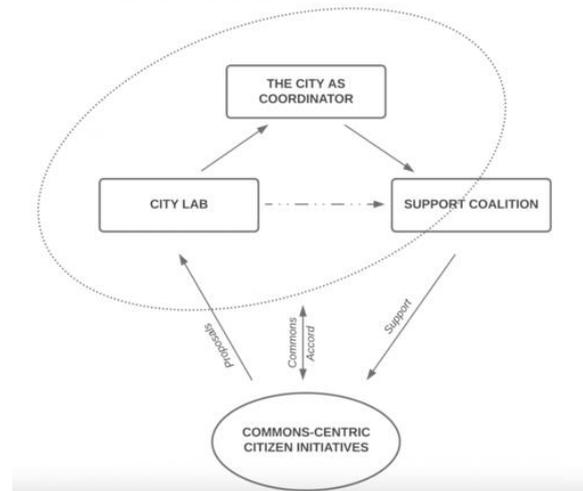
- A "**productive community**", including non-personal data providers, to organize the generation of products, services and knowledge (civil society): we already find these models in Wikipedia, Openstreetmap, Open Food facts in terms of data generation and moderation of this data
- An "**entrepreneurial coalition**": **managing and valuing professionals**, who generate profits and paid value (generative production) to create and manage value (workers) on a cooperative and solidarity-based model for the allocation of financial and physical resources. An ecosystem of start-ups that would redistribute to the common and to the infrastructure a part of the generated value under a cooperative mode would constitute a virtuous economic model.
- **Finally, we need a legal infrastructure, the "social benefit association"** to protect and govern the commons in a democratic way and in a logic of limited lucrateness or non-lucrateness, supported by a "State" partner

Figure 5: The relation between state, economy and civil society under a P2P model.



[Link to Paper wiki P2P Foundation \(Urban provisioning Systems\)](#)

Figure 3: Public-commons cooperation protocols. Source: Bauwens & Onzia (2017)



[Link to Paper wiki P2P Foundation \(Bologna model\)](#)

Thus, we would find in the technological sector a diversity of actors and modalities of mutualization and partnerships for the common good around digital services of general interest. This sub-sector would function according to the well-tried rules of the Social and Solidarity Economy:

- primacy of the person and the corporate purpose over the capital,
- voluntary and open membership,
- democratic control by the members
- defense and application of the principles of solidarity and responsibility,
- management autonomy and independence from public authorities,
- allocate the majority of the surplus to the realization of objectives that promote sustainable development and serve the interests of the members and the general public.

To make this digital Social Solidarity Economy in Europe a leading sector for the ecological and societal transition of the Union, its digital transformation must be considerably accelerated in the coming years, by acting on three aspects:

- 1. Resources & infrastructure: building capacity and cooperation for a digital and collaborative social economy**
- 2. Supply and socio-economic models: valuation and development of new models of "common" at the heart of the recovery plan**
- 3. Skills: digital acculturation and new social and solidarity digital professions in Europe**

We have submitted a Policy Paper detailing our recommendations and recommendations, co-written with our partners in the framework of an open consultation of the European Commission. Thus, we are convinced that it is possible to make the social and solidarity economy sector a leading sector in terms of sustainable and responsible digital, and that its tech models can and must emerge to serve the general utility.