

Presentation Script on the Social and Solidarity Economy

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Rev. Song, Kyong-yong (Co-chairperson, Global Social Economy Forum)

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1. Good morning, ladies and gentlemen. It is a great honor to meet you all, leaders and representatives of YMCA, who play the key role of social movement across the world. As a lifelong activist, I am privileged to be invited to this conference and to spend a few days with this group of leaders to discuss about social economy and our sustainable future. I am a priest of the Anglican Church of Korea and have worked with the poorest people in Korea for a long time. Also, I have helped many workers to create their own cooperatives and association. Throughout my journey, I have come to believe that Social and Solidarity Economy (SSE) is a form of economy where the sharing and cooperative nature of humankind can be fully vitalized and I would like to share my passion about the SSE today with all of you.
2. Then what is the social and solidarity economy really?
3. There are many terms used to explain the social economy. Oftentimes, it is called social and solidarity economy (SSE). It has different names like people-centred economy, economy for all, economy of cooperation, etc. It's also called as warm capitalism, or sustainable economy. In some countries, it is interestingly called as 'economy of strawberry fields'. Can you guess why it is called so? Strawberries grow low, stick to the ground, spread out in the field, and are all connected. As so, social economy, organizations are rooted in communities, and increase their impact by collaborating with each other. It is also called as the fourth sector, the new, alternative and complementary sector to the government, private sector, and civil society. In my talk today, I am going to use both terms - social economy, and social and solidarity economy.
4. Social economy has been defined in many different ways, mainly based on the context in which the term is used. Historical and social background of a society can also affect the definition. But all these definition share core meanings; and you can see them in a definition by the UN Task Force on SSE. The UN Inter-Agency Task Force on Social and Solidarity Economy (TFSSE) consists of 19 UN agencies which aims to raise the visibility of debates about Social and Solidarity Economy

(SSE) within the UN system and beyond. In this definition, they explain the purpose of SSE, its core values, and formats of social economy activities. SSE's purpose is a production of goods or services not only for monetary benefits, but also for social and environmental benefits. SSE is based on the fundamental value of cooperation, solidarity, and democracy. There are many forms of SSE organizations, which includes cooperatives, social enterprises, self-help groups, community based organizations, etc. Among various forms, I would like to highlight community-based organizations and service-provisioning NGOs, which are almost identical to YMCAs. I will discuss this in more details later.

5. You can see the core values of SSE organizations through the example of cooperatives. Cooperatives have well-known 7 principles guiding their activities and management. According to these principles, it should be open to anyone, which means that members of a cooperative should be freely gathered with their own will. It should be controlled by a democratic rule, and members should contribute their cooperatives economically. It values autonomy, independence, education, training, cooperation among cooperatives, and concern for communities. This is the point where SSE organizations are different from traditional economic organizations. It should be economically viable, but also must have social impact and care for others.
6. Now, I would like to explain a little bit of history to help you understand why SSE has emerged and functioned as an alternative way to the mainstream capitalist economy.
7. To understand the emergence of SSE, we need to go back to the early 19th Century. The industrial revolution, detachment of society from an economy by radically changing the means of production, in other words, the subjection of workers and labour into the accumulation of capital. In the process, values and traditions that we uphold for a long time were completely disregarded. During the period, for a family to survive, entire members had to work for a long hour and children were not exceptional, in fact most of the workers in the Britain were aged under 14. Suddenly, for most of ordinary families, the life became a matter of survival while a handful of people who owns a means of production (machines and factories) got richer and richer.
8. The side effects of the revolution brought various reactions of the society. We can categorize them into largely three groups. One was a group who wanted the society "as it is". They were mainly newly emerged capitalists, who had capitals and means of production. The second group wanted to have another revolution. Being mainly Marxists, they believed that social issues cannot be solved without revolution and rearrangement of power.

The third group, which was very relevant to us, was people who dreamed of a new, alternative way.

They were against to the both radical and material-centered approaches. They thought if we could develop a people-centered, self-governed cooperative economy, people could overcome the contemporary social issues for themselves.

These perspectives mainly came from those who had Christian beliefs: many of them could not stand unethical practice of capitalism such as child labor. They thought we could make a better world by following God's message – more equitable and sustainable a society. So some of them started a new cooperative movement. Back then, they were criticized as dreamers, or socialists, but they proved that their model could become a solution by creating a new form of economic organization.

9. And not surprisingly, Christianity has played crucial roles in the early formation of SSE across the globe. From Spain Basque region, Italy, Emilia-Romagna to Far East Asian countries, all highly regarded SSE models in different continents indeed started by devoted and passionate Christians.
10. Let's start with the Mondragon, a small city in Basque Country, Spain. In 1950s, people in the area were suffering aftermath of Spanish civil war; poverty, hunger, and tension. Father Arizmendiarieta started skill training for young people and established the first co-operative with his five students. This co-operative, ULGOR, was the seed that has grown to a huge group of more than 200 cooperatives – literally cooperative conglomerates called “Mondragon Cooperative Group(Corporation).” Now the area has higher income and lower unemployment rate compared to other areas of Spain, thanks to the presence of MCC. The Mondragon Cooperatives Corporation became 7th largest conglomerate in Spain, and now has 84,000 employees, who are the owners of the corporation at the same time.
11. In Italy, socialist and Catholic movements played a significant role in the formation of early Italian cooperatives. In the late 19th century, Italy was severely suffering from poor harvest and economic recession. And it was Catholics who stand up to protect poor people in the rural parts of Italy. In 1854 the first Torino workers' cooperative was set up also farmers' banks in 1892. And today, Italy, especially Emilia Romagna a home of myriads cooperatives, is one of the most praised region in the world in terms of its low unemployment and strong economic performance that is based on SMEs and cooperatives. In fact, today, 8,000 cooperatives account 30% its economy and the GDP is two times more than average Italy.
12. When it comes to Asia, it was Pastor Kagawa Toyohiko who is a father of Japanese consumer cooperatives. Pastor Toyohiko devoted his entire life to serve some of the poorest and vulnerable people in Japanese war-torn society in the aftermath of the world war. One of his noble solutions

for empowering poor people was setting up co-operatives. He established the first consumer cooperative in Japan in Kobe and Nada and these cooperatives are now having more than 1.3 million cooperative members. Not only consumer cooperatives, Japan has now unrivalled cooperative members in the world in different sectors such as agriculture, consumer and mutual which are all greatly empowering Japanese civil society.

13. In Korea, the country where I came from, it was Sister Mary Gabriella, who was initiated the first credit-union in Korea to help poor farmers in post-war time under the military dictatorship. Her first credit-union started in Busan, Korea in 1960 which later grew over 64 credit unions across the country by 1964. And now it boasts 1,027 credit unions with 5.2 million members. When it comes to cooperatives, it was YMCA, which led the Christian cooperative movements in Korea in the early 20th century. Thanks to the efforts of the YMCA and other Christians' efforts of empowering civil society of Korea for the poor and the youth, Korea has now vibrant civil society and rapidly developing social economy movements in the world. The movements are now backed up by the central government by prioritizing the social economy as a main driver for achieving inclusive economic development of Korea.
14. It is not easy to measure the size of SSE in the world, mainly because the definition of SSE and statistics vary from country to country, with the different criteria. We can roughly estimate, however, through cooperatives, a major part of SSE organizations, as we can have some data through their international association, ICA. According to the ICA's report, cooperative employment makes up to 12% of total employment within G20 countries. Its turnover reached to 2.2 trillion USD in 2012, and one seventh of the total human population are members of cooperatives.
15. So far, you've heard that how the social economy has emerged and developed throughout time in different countries. Then it would be interesting to see why this discussion is viable and attracting people's attention in the contemporary world again.
16. People in the 21st Century are still facing many crises, including income polarization, unemployment, poverty, etc. Through the international financial crisis, the myth of market we have believed in for about a century has lost its power. People had to witness the failure of the market, which could not fairly distribute resources and wealth as many had believed it would. Also environmental degradation is threatening the whole planet through climate change, including rising temperatures and frequent natural disasters. The human rights of many people are still violated in various forms across the world. Therefore, these issues require us to think about new forms of

development.

17. Now we realize that an old approach did not work. We need more sustainable, and inclusive development model from which more people can nourish their lives in the safe environment. All these issues are even more serious in Asia than other parts of the world. In recent decades, natural disasters have happened in Asia more frequently due to the climate change. The gap between the rich and the poor is growing wider and wider. In countries like Japan and Korea, aging population has become a social problem. The unemployment of the youth is one of the most serious threats in many Asian countries. That is why we need an alternative and sustainable development model, and the UN has also set it as an important goal.
18. At this point, I am very confident to say that social economy can be the powerful and effective approach to achieve our sustainable development goals. Why? It's because the SSE has shown its strength in building resilience of the society and in including all people of the community in a development process and economic growth. A good example of this inclusiveness is Mondragon we covered in the earlier slides. In 2008, when the global financial crisis struck hard many countries, the Mondragon group made an agreement among workers to share jobs and cut their salaries by 20%. This made no lay-off possible in MCC in spite of the international economic crisis. The core value of SSE organizations allows the democratic decision-making process which does not leave anyone behind. Since SSE organizations are more value-oriented and considerate of their social and environmental impact, they try hard not to do any damage to the society or the environment through their operation. SSE organizations promote employment of the vulnerable people, ethical consumption for the environment, fair trade for producers in developing countries, revitalization of communities using resources from the area. These all can be considered as action plans to achieve the Sustainable Development Goals.
19. Particularly after the financial crisis in 2008, many International Organizations are advocating and promoting SSE to minimize negative impacts of unregulated capitalism and achieve more inclusive development. For example, ILO, OECD and European Union all emphasize the role of cooperatives and social enterprises in realizing SDGs agenda 2030 and they even formed the inter-agency task force within the UN to the more systemic promotion of SSE particularly for localizing the SDGs in the city and community level through SSE.
20. Now, we should explore more about real stories of social economy organizations. And I will focus on cases that are initiated by the youth and most of these cases are from the stories we got to know through the Global Social Economy Forum SSE Youth Camp we hosted last summer in Korea.

21. I would like to start with the story of social housing in Korea that I have worked directly for many years. As the rapid urbanization is progressed in most part of the world, especially in Asia, the issue of land and housing gained a lot of attention. Especially for those who are in a weak position to have resources to keep their place to live, the quality of life is being threatened by the lack of affordable and decent housing. Social Housing is emerged to solve these problems. It is the affordable and long-term stable housing for those people-for example, youth, the elderly, people with disabilities, families of low-income, immigrants, etc. provided by the public sector. It is not for profit, but takes a business model that creates a rolling fund for its sustainability and expandability.

What I did in Korea started from making a seed fund for constructing or renovating houses. A social enterprise specialized in the construction and interior design joined and did the actual construction work. Then government offered the administrative support from giving subsidy to regulatory adaptation for the social housing. Sometimes they offer public real estate for the project. Once the residents start to live in those houses, they started to pay rent, which is about 40~70% of average rent with similar condition. Then the seed fund is gradually recovered for the next investment for another housing project.

22. Here are some pictures of those social housing projects.

23. One of the very good examples of social housing for youth is from Korea. There is a youth group called Minsnail Union, a social housing cooperative. The union is trying to resolve unaffordable housing price for youth in metropolitan Seoul and revive community spirits. By forming a cooperative, it rent or innovate a house for its members and provide an alternative form of housing which has more community elements with a significantly low price. It now operates in 10 districts in Seoul and the union is also actively advocating youth rights to housing in the metropolitan area by involving in policy making processes.

24. The next case is from Co-Ground a youth led community social enterprise in Australia. We were fortunate to have Co-Ground during the SSE youth camp in Korea by the recommendation from YMCA Australia and I would like to show my appreciation again. Co-ground is a youth led community social enterprise, it operates coffee shop and organize various cultural events in the Melbourne area and the 100% its profits goes to support vulnerable communities in the Asia-Pacific region. Particularly disaster affected Vanuatu, Co-ground assisted many villages and communities by building schools and libraries.

25. The next case is from Phare Performing Social Enterprise from Cambodia. It is a youth led art

performing social enterprise. It was an effort of rebuilding the community in the aftermath of Cambodian Civil War, it educated young people in Cambodia through art and circus performance through its own education institution. The Phare performance now attracting people from all around the world and it is greatly empowering young people in their local communities.

26. The next case is from Nepal, a sustainable tourism social enterprise called 3 Sisters Adventures Trekking. It is a first tourism social enterprise in Nepal that hired women as trekkers. In the early nineties, no one would have dreamed of a Nepalese woman guiding a trekking as in Nepalese society a woman is expected to stay at home and was not allowed or encouraged to work outside. But 3 sisters trained local women to be trekkers and they collectively came up with sustainable tourism programmes that are carefully designed its impacts on the local community and environment of Nepal.
27. The next case is from Costa Rica Fairtrade cooperative called Coopetarrazu, which I was fortunate to pay a visit last year and witnessed its impacts on the rural and remote communities in Costa Rica. Coopetarrazu is a Fairtrade coffee cooperative of more than 3,000 small farmers. The cooperative enables farmers to economically sustain while developing their community. 75% of the cooperative's profit goes to farmers directly without middleman or corporate involvements and the rest is invested into the community development. The cooperative not only help farmers economically, but also helps community to be more democratic through its embedded 1 person 1 vote collective decision-making structure.
28. The next case is from Korea, the project initiated by KT a telecommunication company in Korea. KT embarked on a project called GIGA Story, which essentially using its ICT resources and specialty to help the rural communities and farmers who are not covered well by the benefits of Korea's advanced ICT. It provides various ICT solutions such as mobile medical diagnostic services and smart farming technology. They are expanding its projects not only in Korea, but also in another country, notably Bangladesh by training marginalized groups IT skills so they can make positive changes in their society through the skills they acquire.
29. The next case is a youth led rural cooperative based in Bhutan called Happy Green Coop. It focuses on the Gross National Happiness (GNH), preserving traditional community values and opportunities for the youth rather than conventional growth oriented development. 18 farming households are members of cooperative and they make niche agricultural products 'happy coop potato chips' to increase the profits of farmers while organizing farmers bank for the community and support the youth which account more than 50% of the entire population in Bhutan.

30. The last case is from India, also youth led social enterprise called Gramoorja. Basically, it installs micro power grids in remote rural areas in India that has limited accessibility to electricity, and other form of energy. With the assistance from private firms and municipalities, Gramoorja installs power grids and once installed, these grids are operated by the local community themselves. Also profits are managed by a community trust. Providing energy can significantly impact on other social factors such as women empowerment for example by greatly reducing their time spending on housework without electricity.
31. Having witnessed these innovative approaches across the world and more impressively initiated by the youth, I have come to the conclusion that we could do together to make our sustainable and inclusive development using long-lasting and powerful tool of SSE. I would like to suggest to talk about practically, how we can dream together to make in Polanyi's term 'the great transformation'.
32. I would like to show you two short video clips for the conclusion.
33. Did you enjoy them? After the age of Les Miserables, how far have we come? How much have we changed the world? How much freedom have we earned? How equal have we become? How much are we in solidarity with neighbors and how much are we responsible for each other? I would like to insist, let's keep dreaming and continue to imagine together. Until our dreams come true.
34. And Lastly, there are people who dream together: it's called Global Social Economy Forum. It is a global network of local governments and civil society networks to promote SSE. It started in 2014 in by pioneering cities and civil societies who foresaw the necessity of global cooperation to promote the social and solidarity economy as an alternative to the global issues. And in 2016 we continued our momentum in Montreal.
35. Our next edition of the forum will be taking place in Bilbao this October the central theme of the GSEF2018 is values and competitiveness for an inclusive and sustainable local development and I hope we will all meet again in Bilbao. For more information, please visit this website and ask us. Hope you all enjoyed my presentation. Thank you very much again for having me here and giving me a chance to talk about the social economy.