

**MEXICO CITY 2021**
GLOBAL SOCIAL
ECONOMY FORUM

GLOBAL SOCIAL ECONOMY FORUM GSEF2021

Local Governments and Social Economy: co-creation of paths for a green and inclusive economy

Mexico City
October 4 to 8, 2021

Sub-theme 4. Promote diverse and innovative mechanisms of social finance

October 7th, 2021

09:00 h (Mexico Central Time)

Summary

Today more than ever, financial innovation faces the challenge of seeking to incorporate the human dimension into the field of finance, prioritizing criteria that seek the redistribution of economic resources, innovation, and digital transformation in its services. With the emergence of innovative projects with the vision of the Social and Solidarity Economy (SSE), social finance should guarantee financial inclusion, promote, and democratize access to these services in order to make viable productive initiatives that contribute to well-being.

Concept note

Social and solidarity finance arises as a response to conventional finance, which captures resources from many to produce a growing concentration and centralization among the few, while leaving a large part of the population rationed of basic financial services, especially in the Global South, and of the associative, cooperative, mutual, community, popular, indigenous and other practices that put life at the center and that need finance for their development and consolidation as any other economic initiative.

Within these alternative finances we find diverse modalities. Some are loosely structured, such as popular finance; the ancestral practices of community finance; microfinance that manages to move away from commercial or poverty alleviation approaches and align itself with the objectives of transformative economies; cooperative and mutual finance more traditionally linked to the social economy from which, in turn, much of ethical

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finance emerged; impact finance, which transcends fashions beyond the slogans of the conventional financial world; development finance, which has learned over the decades to face the challenges of the Global South; while others are considering the creation and management of complementary currencies that are articulated with proximity, fair and solidarity markets and/or the activation of local economies.

In essence, these modalities are based on innovative mechanisms that aim to democratize monetary and financial resources according to the needs of the people and their organizations. This implies other criteria for managing money, other ways of evaluating projects and, in particular, ex-ante and ex-post risks, encouraging the involvement of lenders in investments, the joint treatment of monetary, financial and non-financial instruments and, above all, respect for the socio-economic specificities of each initiative.

Objectives

1. To recognize the diversity and importance of social and solidarity finance practices, with special attention to possible synergies from different territories.
2. To provide spaces and opportunities of knowledge and experience sharing and learning of innovative monetary and financial instruments and mechanisms responding to various types of needs
3. To propose SSE issues from the perspective of monetary and financial mechanisms, considering the specific role of the main stakeholders at all levels of the system.
4. Facilitate the formation of networks of social and solidarity finance at the national and regional levels.

Main question

What should be the actions or strategies of individuals, governments, groups, societies, countries, to achieve a better and more inclusive world? What key actions should be promoted from the local level?

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Guiding questions

Round 1

1. What kind of innovative monetary and financial mechanisms did you develop or utilize in/for your SSE projects? How have you organized yourselves since your formation as a collective? How do you sustain your principles in daily practice in the face of the challenges of today's capitalism?
2. How have your practices been affected in the context of Covid-19? How do you think that conventional economies, society in general and States (at all levels) can learn from your experiences as a possible way to overcome in this context?
3. Under which condition do you think your collective practices can be enhanced for greater synergy, scalability and replicability?

Round 2

1. Let us identify the main stakeholders at the micro, meso, macro and systemic levels and ask ourselves the following question: What is the main role of each one to achieve the financial resources and mechanisms we need?
2. What are the guiding elements that must be present in the future we envision in terms of social and solidarity finance?
3. How can we transform the current reality of conventional finance mechanisms based on speculations and far away from the needs of people, in order to build finance mechanisms based on SSE principles?