

**REGULATION AND PUBLIC POLICIES OF SOCIAL AND SOLIDARITY ECONOMY**  
**REGULAÇÃO E POLÍTICAS PÚBLICAS DE ECONOMIA SOCIAL E SOLIDÁRIA**  
**REGULACIÓN Y POLÍTICAS PÚBLICAS DE LA ECONOMÍA SOCIAL Y SOLIDARIA**



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**ABSTRACT**

The present study aims to investigate the regulation process of Social and Solidarity Economy in Brazil, primarily from the perspective of public policies. In this sense, the aim was to demonstrate that the regulation of Social and Solidarity Economy through public policies is a sociopolitical process resulting from the constant interaction, within public spaces, between civil society actors and the State. The current institutional context in Brazil indicates a still fragile and nascent regulation, largely attributed to the inherent weaknesses in the modus operandi of Solidarity Economic Enterprises. It has been shown that a viable alternative to addressing these weaknesses is the strengthening of an entrepreneurial ecosystem for SSE. Furthermore, efforts were made to delineate some international experiences in favor of regulating Social and Solidarity Economy, which certainly can provide elements for the Brazilian regulatory journey. In conclusion, it is evident that the process of regulating Social and Solidarity Economy needs to advance in Brazil, particularly through the implementation of coherent and robust public policies, to give substance to the principles of social justice that characterize Social and Solidarity Economy.

**Keywords:** Social Solidarity Economy. Regulation. Public Policies.

**RESUMO**

O presente trabalho visa a estudar o processo de regulação da Economia Social e Solidária no Brasil, principalmente a partir da perspectiva das políticas públicas. Nesse sentido, buscou-se demonstrar que a regulação da Economia Social e Solidária via políticas públicas é um processo sociopolítico resultante da constante interação, no âmbito dos espaços públicos, entre atores da sociedade civil e do Estado. A atual conjuntura institucional no Brasil aponta para uma regulamentação ainda frágil e incipiente, o que pode ser atribuído em grande parte às fragilidades inerentes ao modus operandi dos Empreendimentos Econômicos Solidários. Demonstrou-se que uma alternativa viável ao enfrentamento dessas fragilidades é o fortalecimento de um ecossistema empreendedor para a ESS. Buscou-se, ainda, delimitar algumas experiências internacionais em prol da regulamentação da Economia Social e Solidária, que certamente podem fornecer elementos para a jornada de

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regulamentação brasileira. Conclui-se, por fim, que o processo de regulação da Economia Social e Solidária precisa avançar no Brasil, em especial a partir da implementação das políticas públicas coerentes e robustas, para dar concretude aos ditames de justiça social que caracterizam a Economia Social e Solidária.

**Palavras-chave:** Economia Social e Solidária. Regulação. Políticas Públicas.

## **RESUMEN**

Este estudio busca examinar el proceso regulatorio de la Economía Social y Solidaria en Brasil, principalmente desde la perspectiva de las políticas públicas. En este sentido, busca demostrar que la regulación de la Economía Social y Solidaria a través de políticas públicas es un proceso sociopolítico resultante de la interacción constante, en los espacios públicos, entre actores de la sociedad civil y el Estado. El contexto institucional actual en Brasil apunta a una regulación aún frágil e incipiente, que puede atribuirse en gran medida a las debilidades inherentes al modus operandi de las Empresas Económicas Solidarias. Se demuestra que una alternativa viable para abordar estas debilidades es el fortalecimiento de un ecosistema emprendedor para la ESS. Además, se describen algunas experiencias internacionales a favor de la regulación de la Economía Social y Solidaria, que sin duda pueden aportar elementos al proceso regulatorio brasileño. En conclusión, el proceso de regulación de la Economía Social y Solidaria debe avanzar en Brasil, especialmente mediante la implementación de políticas públicas coerentes y sólidas, para concretar los dictados de justicia social que caracterizan a la Economía Social y Solidaria.

**Palabras clave:** Economía Social y Solidaria. Regulación. Políticas Públicas.

## 1 INTRODUCTION

The Social and Solidarity Economy (SSE) plays a key role in promoting a fairer and more inclusive economy, offering sustainable alternatives to traditional economic models.

SSE covers a wide range of entities and activities, including cooperatives, associations, social enterprises, third sector organisations and self-management initiatives. However, the absence of a clear definition and a specific normative framework for SSE in the country has generated significant challenges for its development and recognition.

The understanding of SSE is particularly complex due to the diversity of organisational forms and the different interpretations of its principles and values.

While some definitions emphasize the priority of people over capital and democratic management, others focus on generating employment and income, especially for those excluded from traditional forms of economic organization. This diversity reflects the richness and complexity of the field, but it also highlights the need for clearer and more cohesive understanding.

The lack of consensus on the definition of SSE is closely linked to a normative vacuum. Different sectors of society and government have proposed various legislation and policies to regulate and support SSE, but to date there is no comprehensive and consolidated regulation. This regulatory vacuum creates uncertainty and limits the growth potential of SSE entities, making it difficult to access financing, tax incentives, and other forms of institutional support.

In addition, the lack of organization in a structural way seems to reveal not only the lack of interest of the Government, but also entails a real impediment to the promotion and development of public policies as a means for the consolidation of this economic organization.

Analysis of the existing literature on ESS reveals that the criteria for identifying and categorizing entities in the sector vary widely. Some approaches focus on the principles and values that guide entities, while others focus on their socio-economic practices and impacts. This multiplicity of criteria reflects the different visions and priorities of the various actors involved in the field of SSE.

This article seeks to explore the various definitions and criteria used to understand SSE, especially in Brazil, as well as the challenges and opportunities associated with this lack of consensus. In addition, the normative vacuum and its implications for the development of SSE are analyzed.

The work was developed through a bibliographic research, with consultation with renowned doctrinaires, legislation applicable to the matter, as well as academic works and scientific articles.

The development of the work will begin with the approach of the importance of networks and SSE as a social movement. Next, we move on to a more in-depth analysis of the solidarity enterprise, its characteristics and actors.

The theme in SSE in Brazil is deepened, bringing reflections on the scarce institutional and governmental incentive for the promotion of SSE.

Finally, the European and Latin American international scenario, their advances and obstacles are analyzed.

From this analysis, it is expected to contribute to a more informed and constructive reflection and debate on the role of SSE in promoting a fairer and more sustainable economy in Brazil and in the world.

## **2 THE SOCIAL AND SOLIDARITY ECONOMY: NETWORKS AND SOCIAL MOVEMENT**

The Social and Solidarity Economy (SSE), by proposing a form of production and work based on cooperation and sustainability, emerges as an alternative response to the capitalist economic system, revealing its aspect as a strategy to combat poverty and social exclusion (FORTE, 2015).

As a social product, one cannot fail to analyze that SSE is a product of the interaction between civil society and the State<sup>4</sup>, on the stage of public spaces, without first understanding that the movement needs legal support within the concept of national positive law.

Therefore, regulation is essential to provide the legal certainty necessary to defend the interests of this particular public.

The process of attributing legal character to SSE, incorporating it into the legal system and, consequently, obliging the State to recognize it as a legal fact, is called juridicization (FORTE, 2015).

The institutionalization of SSE, via social and legal regulation, presupposes the understanding that SSE should be seen as a social movement, more precisely in the category of new social movements.

In this sense, when analyzing the forms in which SSE is presented, Forte (2015) teaches that the Social and Solidarity Economy is better understood as a social movement, of the new type, instead of the simple conception and socioeconomic practice as an alternative policy to capitalism; or as a simple public policy of productive inclusion in the fight against poverty.

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<sup>4</sup> The concept of State, for the purposes of this work, must be understood from the notion of political society, which concerns, in addition to the bureaucratic and administrative institutions of the State, the beliefs and values that permeate the institution and its personnel (FORTE, 2015).

The dimension of the new social movement emphasizes the demand for autonomy, recognition of differences and new cultural values, with an emphasis on justice and solidarity (FORTE, 2015).

Social movements of the new type bring together broader ideas of contestation and social transformation, including reticular organization.

And all interaction must take place within a public space, which is the appropriate place for debate and expression of the differences between civil society and the State, a consequence of adequate social and legal regulation.

Public space seems simple to define, but when looking for sources, Habermas (1997) understands it to be a place of debate guided by the common good, seeing it as an egalitarian debate, ignoring money and power; Hanna Arendt, in turn, seeks the definition as a space for sharing interpretations of the world (TELLES, 1990). What both do not consider is the inequality of power, characteristic of the capitalist economy with which the SSE must dialogue.

From the perception that there are constraints inherent to public spaces that do not allow the unequal to decide as if they were equal, the concept "subaltern counter-publics" was coined to designate the parallel public spaces in which the holders of less economic and political power are able to build and unify their arguments, in order to later present them more strongly in the large public space, which is the stage where, in fact, institutional discussions take place (FORTE, 2015).

And the movement in favor of the ESS is precisely an example of subaltern counter-public. At the local level, there are several meetings and plenary sessions of the entities that make up the ESS, whose objective is to align the demands and define the local political agenda, which will later be taken to the debate in the large public space, as a unified demand.

In this sense, it is expected that the results of the interaction between civil society and the State, which occurred in the context of public spaces, will be the basis for the institutionalization, via social and legal regulation, of the SSE.

Considering that, in Brazil, the SSE movement is organized in the reticular form, it is imperative to consider it as a network of social movements or, simply, a network of networks (FORTE, 2015).

This is true to the extent that the constitution of the SSE movement took place from the incorporation of the demands of different social movements, making it a larger movement.

Thus, the national SSE movement is a large network composed of other smaller and integrated networks. Hence, it is stated that the national movement in favor of SSE does not have a specific territorial headquarters, being simultaneously connected to several places.

Considering all the nuances, it is necessary to understand that the network movement already includes a wide range of actors, such as non-governmental organizations (NGOs), social movements, religious entities, cooperatives, workers' associations, and technical and financial support institutions.

These actors are connected through forums, conferences, councils and plenary sessions, creating a complex web of relationships that enables the exchange of information, the coordination of actions and the articulation of common demands, of which the following are examples:

- **Solidarity Economy Forums:** These spaces for meeting and debate are crucial for the articulation of the movement. The forums provide an environment where the various actors can discuss challenges, share experiences and build consensus on the strategies to be adopted. Examples include the Brazilian Forum on Solidarity Economy (FBES) and regional and local forums.
- **Conferences and Plenaries:** Large-scale events such as national and state SSE conferences allow for the mobilization of a wide range of participants, facilitating collective deliberation and the formulation of concrete proposals for public policy. These conferences are important moments for defining priorities and evaluating the actions of the movement.
- **Solidarity Economy Councils:** These councils, formed by representatives of civil society and the government, act as institutional spaces for dialogue and cooperation. They play a fundamental role in the elaboration, implementation and monitoring of public policies aimed at the Social and Solidarity Economy.
- **Support and Promotion:** Entities such as Caritas Brasileira, the Marist Institute of Solidarity (IMS) and other organizations provide technical, financial and educational support to social and solidarity economy enterprises, strengthening their operational and management capacities.
- **Advocacy and Political Incidence:** The Social and Solidarity Economy network employs advocacy strategies to influence the political and legislative agenda, seeking to create a legal framework favorable to the social and solidarity economy. The proposal for Law No. 4,685/2012 is an example of how these strategies can lead to the institutionalization of the Social and Solidarity Economy as a national public policy.

It should also be noted that the SSE network is not restricted only to the physical dimension, as the virtual universe, especially from the democratization of access to the *internet*, has complex ways of information and articulation, disseminating and sharing a

political project to an increasing number of recipients, located anywhere in the world (FORTE, 2015).

From the concept of social movement network, the SSE movement should be assumed as something of a collective dimension, although diffuse, marked by the constant interaction of civil society and the State in public spaces, whose objective to be pursued is the institutionalization of SSE, through social and legal regulation.

It is, therefore, a process of an eminently sociopolitical nature.

### **3 THE ENTREPRENEURIAL ECOSYSTEM IN THE SOCIAL AND SOLIDARITY ECONOMY**

The SSE is composed of a multiplicity of organizational forms, each involved in a specific context, with its own dynamics, seeking to address motivations from the most varied origins.

Cooperatives, mutual societies, associations, social enterprises, third sector organizations and informal groups are some of the entities that, depending on the context, can integrate the "sector" of the SSE, although the SSE is not restricted to them.

Specifically in the Brazilian scenario, there is no consensus regarding the term SSE, nor regarding the entities that compose it, which is largely due to the existence of a normative vacuum<sup>5</sup>, despite the growing economic and social strength of this social-economic segment (MORAIS; BACIC, 2019).

As SSE is marked by conceptual and theoretical uncertainties, it was sought, in the doctrinal field, to establish a set of minimum criteria to determine whether or not an entity is part of the SSE field.

According to Moraes and Bacic (2019), the criteria are<sup>6</sup>: i) social mission; ii) limited or prohibited distribution of surpluses; iii) presence of salaried and/or volunteer employees; iv) the organization's decision-making process; and v) existence, or not, of "democratic governance".

The SSE entities represent, therefore, a paradigm of economic and social development whose core value is the human person, not capital, with an emphasis on social justice and sustainability.

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<sup>5</sup> Bill No. 137, of 2017, authored by the Chamber of Deputies, is pending in the Federal Senate, which provides for the National Policy of Solidarity Economy and solidarity economic enterprises, creates the National System of Solidarity Economy and provides other provisions. The last progress of the Project took place on 12/18/2019.

<sup>6</sup> The option to indicate these - and not other - criteria stems from the choice of the work of Moraes and Bacic (2019) as the main theoretical reference. There are authors who choose different criteria, such as Silva & Carneiro (2016) and Silva (2018) – among others.

In this sense, the purpose of these entities is to generate employment and income, especially for those who are on the margins of the traditional form of economic organization.

The ESS is, therefore, an innovative alternative for generating work and income in favor of socio-labor inclusion.

The definition of the criteria that characterize entities that are part of the SSE also serves as a starting point for measurement and mapping studies, the results of which allow the development and evaluation of public policies, in addition to increasing the visibility of the SSE.

It is not disputed that quantification and evaluation are essential to obtain an adequate understanding of SSE, its place and its role. For some, the statistical study of SSE is a topic of marked relevance in the twenty-first century (MORAIS; BACIC, 2019).

From this context, the expression Solidarity Economic Enterprises (EES) was coined to designate a portion of the entities that meet, in the real economic dynamics, the criteria that characterize the ESS.

Despite their aggregating potential from an economic and social point of view, EES are marked by structural weaknesses that are intrinsic to their *modus operandi*.

The low competence profile of the social entrepreneur is one of the great weaknesses of the EES (BACIC, 2014).

The social entrepreneur, contrary to what is usually observed in entrepreneurs dedicated to private enterprises, has levels of formal education and previous experience that are insufficient to perceive the business opportunity and to define the way to exploit it.

In the process of social and solidarity entrepreneurship, the combination of efforts between two or more would-be entrepreneurs is not due to one of them having, based on the degree of education and/or previous work experience, perceived an opportunity, evaluated all aspects related to the viability of the business (technology, market, suppliers and costs) and formatted a business plan.

The candidates for social and solidarity entrepreneur come together, in fact, due to the mutual absence of the prospect of insertion in the formal labor market, leaving them with no other income option than the EES.

The lack of skills, combined with the disjointed network of pre-existing relationships of these entrepreneurs, induces the definition of businesses in a generic way - recycling, handicrafts, sewing and food, for example -, attracting strong competitive pressure, which leads to a drop in prices and low withdrawals (BACIC, 2014).

The EES should not be restricted to the development of simple activities that are dislocated from the local productive fabric; it is necessary that there be an articulation in order

to effectively integrate the EES into the local productive fabric, through the promotion of innovative actions.

Added to the scenario of low qualification of entrepreneurs is the fact that there is an inherent difficulty in learning to work in groups and assimilating elementary notions of management, technology and, in many cases, even citizenship.

That is to say that the existence of the EES has as a prerequisite skills and resources that are not within the reach of most people who participate or intend to participate in self-management groups (MORAIS; BACIC, 2019).

To the extent that the improvement of the competencies of the social entrepreneur occurs concomitantly with the exercise of the economic activity itself, it is credible to say that this is a necessarily long process, which demands intense institutional support, in the short, medium and long term, at the municipal, state and federal levels.

And it is precisely in institutional support – or lack of it – that lies another great weakness inherent to the EES.

The main symptom of the absence of institutional support is the lack of articulated public support policies. This is to say that there are no coordinated, integrated and transversal actions around the EES in Brazil, which puts initiatives in favor of work, employment and income in danger of extinction (MORAIS; BACIC, 2019), which is largely attributable to the normative vacuum and conceptual imprecision that permeates SSE.

Public policies – made possible by the interaction between different interest groups – are one of the essential pillars on which the ESS are established and strengthened.

As a segment that is part of the economic dynamics, EES are subject to the effects, positive and negative, of economic variants, at the micro level – supply and demand, production costs, among others – and macroeconomic – interest rates, tax incentives, among others.

This is to say that, depending on the circumstances, the mood of the market and the economy can also be another challenge posed to the creation, development and survival of the EES.

Well. The first step in overcoming an obstacle is to understand its causes, and this is reasonably delimited in the universe of EES.

Following the stage of mapping the causes, the assimilation that the confrontation of the weaknesses intrinsic to the *modus operandi* of the EES is closely related to the notion of efficiency of these enterprises, that is, the capacity for preservation and consolidation as a result of their own functioning (GAIGER, 2008).

In other words, the efficiency of the EES must be measured based on the ability to generate and maintain conditions of viability, in the medium and long term, which requires a series of coordinated actions, such as, for example, economic and financial self-sufficiency, investment capacity, productive increase, among others.

In this sense, it is understood that the formation of the entrepreneurial ecosystem for the SSE is a fundamental piece for the emancipation of the EES, as it provides the organized confrontation of the weaknesses that are intrinsic to them (MORAIS; BACIC, 2019).

A limitation to this proposal is the fact that there is, among the leaders of the EES, a certain resistance to discussing more strictly economic and financial issues, entering the framework of capitalist rationality (BACIC, 2014).

The isolationist view of the EES tends to be short-sighted, to the extent that it is not possible to conceive of a society in which there are no relations of exchange and economic activity among its actors.

For this reason, the term "entrepreneurship" must be revived within the scope of the SSE, seeking to adapt it to the needs of an "associative entrepreneurship", typical of the EES, for which the following are necessary: cooperation at work, collective decisions, exchange of information and collective project (MORAIS; BACIC, 2019).

Well. An entrepreneurial ecosystem in general is a community within a region of interdependent actors, with diverse roles that interact, determining the performance of the ecosystem and, eventually, of the entire economy of a region (MORAIS; BACIC, 2019).

From the interactive dynamics of an entrepreneurial ecosystem, it is expected, in addition to the evolution in terms of organization and learning of the companies that compose it, the generation of new companies, whose creators are attracted by an environment, from the economic and technological points of view, favorable.

For Serrano (2015), ecosystems are "networks of actors" (entrepreneurs, researchers, financiers, politicians – executive and legislative, etc.) that take into account the physical-territorial and cultural dimensions of a given territory.

The relationships between these actors, in turn, can be i) of a political nature (such as alliances between the social and political actors that constitute the basis of territorial governance); ii) production (creation of EES networks); and iii) connections with innovative purpose (groups of actors that create the necessary conditions for the generation and dissemination of social innovation).

The elements of an entrepreneurial ecosystem are allocated to one of the following networks: the informal network, composed of friends, colleagues, family and entrepreneurs

in a similar situation; and the formal one, made up of a diversity of actors, from research universities, through government support services, to capital providers.

In the lessons of Morais and Bacic (2019), the elements of the formal network are i) research universities, due to the potential to develop technologies and combine knowledge; ii) government, by fostering the entrepreneurial environment; iii) network of services and support, by offering a set of professional services to support entrepreneurs; iv) sources of capital, through the facilitated granting of credit; v) human talents, as they are the origin of any enterprise; vi) constituted companies, as they are often the places where entrepreneurs acquire skills and experience; and vii) incubators, for the support to nascent companies.

The task of building an entrepreneurial ecosystem is complex in itself, given the systemic and dynamic degree of this concept.

Within the scope of SSE, the complexity intensifies and gains its own contours, in view of the structural weaknesses inherent to this segment and the lack of institutionalization of its policies (MORAIS; BACIC, 2016).

In this sense, based on the structure of the entrepreneurial ecosystem for business-based enterprises, it is understood that an adequate organization of the solidarity entrepreneurial ecosystem must contain, at least, the following elements: i) knowledge; (ii) market access; iii) public and fiscal support for ESS startups; iv) access to finance; (v) network support and mutual support instruments; vi) development of research and qualification in the area; and vii) indicators for the evaluation and monitoring of EES (MORAIS; BACIC, 2019).

One of the ways for the coordinated application of these elements is the combination of efforts and responsibilities of shared construction between the EES, academia and government, through public policies.

The joint action of these three actors can be better understood from the "Triple Helix" model.

When dealing with the relevance of EES, academia and government in structuring the solidarity entrepreneurial ecosystem, it is necessary to consider that:

In order for the treatment of ecosystems to be shown as a viable approach for the planning and strategic management of entrepreneurship, it is important to present the reasons that make the triple helix a predominant view and practice and, at the same time, to suggest what its main limits are (LEMOS, 2011).

The main reasons that position the Triple Helix model at the center of the construction of the entrepreneurial ecosystem in the SSE are: i) the combination of economics and sociological content of innovation systems; ii) direct application to public policies; and iii)

facilitation of the process of planning, management and execution of these policies (LEMOS, 2011).

The capacity for transversal articulation and interactions between its actors evidences the vocation of the Triple Helix model to promote "coevolution", that is, the member organizations can interact with their ecosystems and the ecosystems interact with the organizations, both at the micro and macro levels (MORAIS; BACIC, 2019).

This is a key concept in the development of the ecosystem perspective.

Coevolution is directly proportional to the degree of interconnectedness of the ecosystem, that is, the interdependence that all components of the system have with each other.

In this sense, actors with less social and economic expression can benefit from the inputs generated by more expressive actors, without having to produce these inputs themselves. It is to say that some actors function as true platforms for others (LEMOS, 2011).

The weakening or disappearance of these key actors greatly impacts the ecosystem, in some cases even fatally.

It is concluded, therefore, that the emancipation of the EES through the solidarity entrepreneurial ecosystem is completed with the application of the Triple Helix model, which subsidizes the process of construction of public policies among the agents involved in such a task.

This is the basis for the regulation of SSE in Brazil, a topic that will be addressed in the following chapter.

#### **4 THE REGULATION OF THE SOCIAL AND SOLIDARITY ECONOMY IN BRAZIL**

SSE, as already explained, comprises economic and social practices whose purpose is the production of goods, the provision of services, solidarity finance, exchange, fair trade and/or solidarity consumption.

The multiplicity of objectives for which the entities participating in the SSE develop their activities demands an equally transversal and integrated character of the public policies that regulate them (MORAIS; MENEZES, 2018).

The ESS can combine, in their actions, economic (work and income), social (conditions of sociability), political (public spaces for discussion), cultural (production and consumption patterns) and environmental (sustainability) objectives, all integrated or pursued separately.

The presence of the SSEs in the national scenario can be measured by the numbers of the mapping carried out and published in "The Solidarity Economy in Brazil: an analysis of national data", under the coordination of Gaiger (2014).

The mapping, at the time of the survey, identified that there were 19,708 ESS and 1,423,631 associates, allocated mainly in the Northeast region (41%) and in the rural area (55%) and organized predominantly in the form of associations (60%).

If the EES have this presence and mobilize different areas of public and social action, it must be considered that public policies in favor of SSE must capture and address this particularity, even if it is a task far from simple.

Hence, there is a need for public policies to be endowed with the attributes of transversality and intersectoriality, whose roots are in the process of joint and integrated construction between the main agents involved: the government, academia and the EES.

In the current Brazilian conjuncture, however, public policies endowed with transversality and intersectoriality are far from being a reality, in view of the lack of full articulation between the agents involved, at different levels, for numerous reasons (FRANÇA FILHO, 2006).

Making the task of idealizing and implementing public policies even more difficult is the fact that there is no consensus on the term ESS, despite the fact that it is an expressive and growing economic and social phenomenon.

In retrospect, the beginning of the institutionalization of SSE in Brazil has as a formal milestone the creation, in 2003, of the National Secretariat of Solidarity Economy (SENAES), which is the result of social and political movements prior to its creation (MORAIS; BACIC, 2019).

The creation of SENAES was followed by several institutional initiatives in favor of the regulation of the ESS, especially at the municipal and state levels, such as, for example, the creation of the Parliamentary Front for the Solidarity Economy.

In line with the regulatory agenda, Decree No. 5,811, of June 21, 2006, promoted the structuring of the National Council of Solidarity Economy (CNES), a body linked at the time to the extinct Ministry of Labor and Employment and whose purpose is to conduct dialogue and seek consensus around policies and actions to strengthen the ESS.

The CNES, through the National Conferences of Solidarity Economy, offers a privileged space for constant dialogue between interested agents, which greatly contributes to the emergence of public policies in favor of SSE.

At the same time, SENAES, based on the Solidarity Economy in Development Program, was gradually inserted into the Federal Government's Multi-Year Plans (2004-2007;

2008-2011; 2012-2015), highlighting a promising beginning of the process of institutionalization of the public policy of SSE in the country (MORAIS; BACIC, 2019).

More recently, in 2017, an important step was taken towards the institutionalization of the public policy of SSE in Brazil, with the approval, by the Constitution and Justice Commission (CCJ) of the Chamber, of Bill No. 4685/12, which creates the National System of Solidarity Economy.

It is noteworthy, however, that the institutional regulation agenda of the SSE goes far beyond the existence of a legal framework - which is extremely relevant, but does not exhaust the theme (MORAIS; BACIC, 2019).

SENAES, so relevant at the beginning of the institutionalization process, was the object of a cruel and systematized dismantling, which operated more intensely from 2016 onwards, moving in an illogical way from one ministry to another, leaving resources, personnel and infrastructure in the way.

Without forgetting the importance of implementing institutional initiatives and projects, it is equally relevant to develop effective mechanisms for evaluating and monitoring such public policies, otherwise it will not be possible to assess their accuracy.

And this is precisely one of the obstacles to the structuring of a coherent and robust institutional framework of public policies in Brazil (BACIC, 2014).

Transporting the analysis to 2024, the website of the Brazilian Federal Government (portal Gov.br) presents 20,662 registered Solidarity Economic Enterprises, benefiting, theoretically, about 1.423 million people<sup>7</sup>.

If a numerical comparison of the number of registrations is drawn between 2014, given from Gaiger's mapping, and 2024, there is a high quantitative proximity and no variation in the number of people involved.

From this observation it is possible to extract, among others, some hypotheses of analysis: i) SSE did not develop in Brazil; ii) the Government's control systems are unreliable; iii) there is no political and economic interest in the promotion of SSE.

The realization of the National Registry of Solidarity Economic Enterprises – CADSOL is a unilateral, declaratory and voluntary act to obtain a declaration that a certain enterprise fits the characteristics of the Social Solidarity Economy; There is no active identification check in a structured way.

Other areas of the Government Portal related to the Popular Solidarity Economy do not even have data to be published, for example, the description of the ministerial

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<sup>7</sup> Data found in <https://www.gov.br/trabalho-e-emprego/pt-br/assuntos/economia-solidaria>. Accessed on 07/09/2024.

performance<sup>8</sup>. Likewise, there is no information about Public Notices and Calls, Institutional Partnerships, Social Participations, Agenda.

Another important fact is that the management is inserted in the Ministry of Labor and Employment, through the National Popular and Solidarity Secretariat – SENAES.

In addition, as informed above, the legislative discussion on the legal framework of the Social Solidarity Economy in Brazil, through Bill No. 6606/2019 that replaced PL 4685/2012, is still awaiting a vote by the Plenary of the House, having obtained a close vote, on 11/22/2023 in the Constitution and Justice and Citizenship Commission (CCJC) with 31 "Yes" votes and 25 "No" votes.<sup>9</sup>

The analysis of all these elements presented reveals minimally the lack of political and economic interest for the promotion and organization of the economic sector of the social and solidarity economy.

Understanding the process of regulation of the social and solidarity economy in Brazil indicates that there is still a long way to go, in which the applicable normative framework must be concluded; the performance of the agents involved must be improved, recognizing the limitations and specificities of the EES; the implementation of coherent public support policies; and the creation of evaluation and monitoring indicators (MORAIS; BACIC, 2019).

International experience can provide guidelines for the intricate Brazilian journey to be successful; theme for the next chapter.

## 5 PUBLIC POLICIES AND INTERNATIONAL EXPERIENCES

Although French associationism and English cooperativism are recognized since the beginning of capitalism, the social economy as it is known today gained strength after the 60s and 70s, with the crisis of Fordism, the decline of full employment and the purchasing power of workers.

In Europe, two important elements have contributed to the development of SSE: the crisis of values and the crisis of wage employment. With the advance of capitalist modernity, European society began to question the economic model, pleading for alternative forms that would bring a special look to relevant social issues, such as the preservation of the environment. No less important, the unemployment of workers inserted in a capitalist society,

<sup>8</sup> <https://www.gov.br/trabalho-e-emprego/pt-br/assuntos/economia-solidaria/atuacao-interministerial>. Accessed on 07/09/2024.

<sup>9</sup>Accompaniment available *In*  
<https://www.camara.leg.br/proposicoesWeb/fichadetramitacao?idProposicao=559138>. Accessed on 07/09/2024.

in which the sale of their labor is responsible for their subsistence, imposes on society the search for alternatives that allow the dignity of work for all individuals. (SANTANA, 2007)

Thus, the transformations of the capitalist model caused cracks in its system, allowing society to organize itself in new forms of survival.

In view of the irreversibility of the system, the organization to support the socially and economically excluded from the traditional market as well as to preserve the values rejected by the capitalist model, the social economy has gained space, including in the public policies of the State.

França Filho (2001) reports that, currently, SSE in Europe can be identified through the following practices: fair trade, solidarity finance, cashless economy, social enterprises, solidarity economic organizations and reference organizations.

Fair trade seeks to regulate relations between the global North and South (at this point, consumers) in a more equitable way, prioritizing trade relations with small producers organized in cooperatives.

Solidarity finance aims to allow access to bank credit to individuals who, due to the absence of formal income or guarantees required by banking institutions, would not raise credit for the development of their activities.

About solidarity finances, França Filho (2001) argues that

"In addition to a question of democratizing access to credit, it is also (and above all) a concern with the so-called social utility of the financial investment that is at stake, guiding this field of initiatives. Thus, with these experiences, it is a matter of affirming a purpose of ethical application of money in the direction of those projects, articulating, for example, a work of fight against exclusion, environmental preservation, cultural action, local development, etc."

In Europe, small financial institutions are identified aimed at providing social credit, that is, they aim to make resources available to individuals or small companies that, in the traditional market, would not be approved to obtain financing. As an example, *Triodos*, a Dutch company, investor in wind farms and which finances 25 (twenty-five percent) of its country's organic food. Germany, Switzerland, Belgium and England, together with the Netherlands, are countries traditionally known for providing financial institutions with a solidarity character to society. (FRANÇA FILHO, 2001)

The cashless economy, in turn, is the practice in which economic movement takes place through the exchange of goods, without the circulation of formal currency. The Mosaic Monetary Movement (MoMoMo) is an example that can be identified in several countries, and

which aims to foster this practice as an important movement for economic inclusion. (SANTANA, 2007)

França Filho (2001) highlights, as fundamental characteristics of the cashless economy, including what differentiates it from other practices, its democratic character and its inscription in the public space, which distances it from the oldest forms experienced by society.

Furthermore, social enterprises can be defined as such according to their own form of organization, which, despite being of a private nature, develops activities without the final objective of maximizing profit, but rather other objectives with social and economic purposes protected by the SSE. As examples, Spanish associated work cooperatives, Italian social cooperatives, among others, can be cited.

Once the practices currently identified on the European continent as participants in SSE have been outlined, it is worth highlighting the study "*Social enterprises and their ecosystems: developments in Europe*" analyzed by Morais and Bacic (2019). The study reveals that the advancement of public policies to support the social economy involves the need to overcome numerous obstacles and points out how European countries legally sponsor the social solidarity economy.

The aforementioned study evaluated the development of SSE in Europe considering the aspects of the entrepreneurial ecosystem: (knowledge; access to markets; public and fiscal support for *SSE start-ups*; access to financing; instruments to support networks and mutual support and development of research and qualification in the area).

Considering that SSE is heterogeneous, it was necessary to choose the requirements to identify the practices adopted on the European continent.

The knowledge requirement considers political awareness and the way in which such policies are regulated. It is verified that, in each country analyzed, the institutionalization of public policies follows a format. In the United Kingdom, for example, specific laws are used to support social enterprises, as is done in Spain and Italy. In Bulgaria and Poland, the institutional path was the creation of specific ministries, secretariats or departments.

Access to markets refers to public policies that aim to direct demands to be met by social enterprises. This is the case of directing services offered, in the past, by the Government and which are now performed by private ESS entities. Access to markets was strengthened with the *EU Public Procurement Rules*, signed in 2014, which encouraged the creation and promotion of social enterprises focused on social and health services. As of 2016, for example, 21 Member States of the European Union began to adapt the regulation in their respective national legislation, which denotes the success of the legislation. Also

noteworthy are the Slovak and Italian legislations that brought in their national legislation, demands to be met, exclusively, by social enterprises that contemplated, in their workforce, individuals with physical or mental disabilities.

By analysing public and fiscal support for ESS *start-ups*, despite the heterogeneity of the tax structure, it is possible to identify numerous tax benefits targeted to ESS *start-ups* in Europe. As an example, one can mention Belgium, whose legislation brings a reduction in the social contribution of companies that have social and health services as their activity; France, which promotes tax exemption (VAT) for associations that promote cultural and sports activities, or Spain, which guarantees a tax reduction for social cooperatives.

Another point analyzed by Morais and Bacic (2019) in the study refers to the financing promoted through public policies in the old continent. In this regard, the study revealed, in general, there is a growing increase in financial instruments that support social innovations, such as *social impact bonds*; *social venture capital*; *crowdfunding* or even *impact investing*. Finally, it can be seen that the greatest obstacle to access to financing lies in the absence of financial entrepreneurial skills or even in the ability to develop projects, and it is necessary for States to dedicate projects to enable and professionalize social economy companies to attract investments.

The study also showed that networks and mutual support mechanisms are important elements to give legitimacy to the political regulation of the social economy. As examples, the introduction of public policies such as *Les Scop - network of SCOPs*, in France, *Confcooperative* and *Forum del Terzo Settore*, in Italy and *CEPES* in Spain.

Finally, with regard to the development of research and qualification of the SSE, which aims to encourage the scientific academic study of this economy, its increasing increase was also observed, although it is not measurable, considering the heterogeneity of the theme and the different legislations. The growth of educational and training programs focused on the social solidarity economy was also observed. More than 70 courses on the subject were identified, in addition to an internuversitary network (RIUESS) of professors and researchers specializing in the subject. It is also worth noting that some universities in Italy and Belgium have included in certain courses, disciplines related to the social solidarity economy.

Having made the notes about the contemporary European scenario, we will briefly analyze some solidarity economies located in Latin America.

Although SSE is developed considering the particularities of each country, there is a growing increase in studies and public policies aimed at protecting the development of SSE, as a counterpoint to capitalism.

Santana (2007) cites the Solidarity Exchange Networks and the Global Exchange Network, existing in Argentina, as relevant practices of the cashless economy, protagonists in the local economy during the crisis of convertibility of the peso into dollars, which occurred at the beginning of the twenty-first century. Also noteworthy is the National Movement of Recovered Companies (MNER), led by the Workers' Central in Argentina (CTA), which gained importance in the face of the failure of the neoliberal policies implemented in the country.

Waste recycling cooperatives are successful examples that can be seen in several Latin American countries. The *NASA project* in Colombia, awarded by the United Nations, brings together approximately 300,000 people, equivalent to 1% of the country's population. (LAVILLE, 2012)

The studies presented demonstrate that SSE is necessary within the capitalist system and aims, in the dignity of the work offered to the socially or economically excluded, to reduce the poverty resulting from the capitalist system.

## 6 CONCLUSION

The Social and Solidarity Economy faces a challenging scenario and, especially in Brazil, is marked by the absence of a clear definition and a specific regulatory framework. The lack of structural and organic organization as a government policy

This lack of consensus and regulation prevents the full development of entities in the sector, limiting their access to financial resources, tax incentives and institutional support. However, SSE continues to play a crucial role in promoting a more inclusive and sustainable economy, offering alternatives to traditional economic models and generating employment and income for those on the margins of the formal economy.

The diversity of organisational forms and interpretations of SSE principles and values reflects the richness and complexity of the field, but also highlights the need for a clearer and more cohesive understanding. The definition of criteria to identify and categorize SSE entities is an essential step towards the recognition and strengthening of the sector. These criteria should take into account not only the principles and values that guide the entities, but also their socioeconomic practices and impacts.

The regulatory vacuum that characterizes the SSE scenario in Brazil creates uncertainties and limits the growth potential of entities in the sector. The creation of a legal and institutional framework that recognizes and supports SSE is fundamental for its sustainable development, within the legal certainty necessary for long-term development. Specific public policies, adequate financing mechanisms, and training and professionalization programs are key elements for strengthening SSE.

The analysis of the existing literature on SSE in Brazil reveals that the lack of consensus on the definition of the sector is closely linked to the diversity of criteria used to identify and categorize entities. This multiplicity of approaches reflects the different visions and priorities of the various actors involved in the field of SSE. However, for SSE to reach its full potential, it is necessary to build a more cohesive and integrated understanding, which takes into account both the principles and values that guide the entities and their socioeconomic practices and impacts.

Ultimately, the strengthening of SSE in Brazil depends on a continuous political and economic commitment, aimed at creating favorable conditions for the sustainable and inclusive development of entities in the sector. The implementation of specific public policies, the development of appropriate financing mechanisms, the empowerment of members of SSE entities, and the promotion of a culture of collaboration and innovation are essential to fully harness the transformative potential of SSE.

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