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The Trajectories of Institutionalisation of the Social Solidarity Economy in France and Korea: When Social Innovation Renews Public Action and Contributes to the Objectives of Sustainable Development

Eric Bidet 1,* and Nadine Richez-Battesti 2

1 Faculty of Law-Economy and Management, Le Mans Université, ARGUMans & ADDES, 72085 Le Mans, France
2 Faculty of Economy and Management, Aix-Marseille Université, LEST-CNRS & ADDES, 13100 Aix-en-Provence, France; nadine.richez-battesti@univ-amu.fr
* Correspondence: ericbidet@hotmail.com

Abstract: This article addresses the issue of the contribution of SSE to the SDGs through a comparative analysis conducted in two countries: France and South Korea. The theoretical perspective adopted is that of public action renewal through a co-production process and the method uses a multidimensional analysis of the institutionalisation of SSE in both surveyed countries. Our results show that, far from a path dependency, there is a convergence process based on an increasing heterogeneity of the SSE dynamics in each of the national contexts. They also reveal that the institutionalisation of SSE reflects two conceptions of social innovation that each characterise the renewal of public action. In Korea, this conception is based on the production of goods and services with a social purpose by private actors, and in France, on co-construction processes that have been widely experimented with by SSE actors but remain unfinished. The result is an original and specific contribution in both countries to the SDGs, although this contribution is not fully explicit and recognised, both in terms of its results and process. This invisibilisation weakens the transformative potential of SSE in its contribution to sustainable development.

Keywords: social economy; Korea; France; institutionalisation process; co-construction; social innovation

1. Introduction

The COVID pandemic, since 2020, has contributed to highlighting the central role of the Social and Solidarity Economy (SSE) and its capacity for resilience, reactivity and innovation, in a context of great uncertainty and necessary solidarity [1]. It appears that SSE as a social movement, a set of practices and rules of organization centred on democracy, non-profit and solidarity, is the bearer of a sustainable and durable economic model. Several recent papers have highlighted how the specific principles of SSE organizations are consistent with those of sustainable development and how their actions and commitments to the common good are aligned with most of the 17 Sustainable Development Goals (SDGs), as formulated by the UN in 2015 [2–9]. Villalba-Eguiluz et al. highlighted the role of local policies in supporting SSE and the SDGs [4]. This is also the perspective chosen by Chaves et al., who stressed the impact of new local public policies that they call Transformative Policies for Social and Solidarity Economy [2]. Salathé-Beaulieu insisted on the need for appropriate indicators to be able to measure the contribution of SSE organizations to the SDGs [6], while Imaz et al. offered a complementary perspective by discussing the link between SSE, responsible innovation and the SDGs [3]. As summarized by the RIPESS, “In its work, SSE ensures that resources are managed efficiently and equitably, promotes the...
local economy, provides decent work, combats the effects of climate change, and distributes benefits equitably.” [9].

The originality of this article is to approach the SSE through the prism of its institutionalisation process in two countries, South Korea and France, which have developed specific public policies dedicated to the SSE, although it is not used to put them in perspective when discussing SSE (for simplification, we will use the term SSE, although in both countries, the term social economy is also still used but tends to be progressively replaced by that of SSE).

Our analysis is based on an institutionalist perspective. We show how the trajectories of institutionalisation of the SSE are based on conceptions of social innovation that differ from one country to another. However, they both feed into the renewal of public action and the contribution to sustainable development objectives. Our research questions are as follows: How to characterise the process of institutionalisation of the SSE and the trajectories of social innovation in the two countries, and more precisely, what is the place of public policy co-construction in these dynamics? Do we observe differentiated trajectories and principles of convergence? How do these trajectories contribute to the implementation of sustainable development objectives and can the SSE be considered as a lever for a more sustainable development, in which directions?

After a theoretical framework devoted to the co-production of public policies in the social field and the presentation of materials and methods, we expose our main results related to the institutionalisation process of SSE in each context. We then discuss these results by showing the complementary visions of social innovation that underlie these two institutionalisation processes, their specification from the point of view of public action and the main effects and issues, in terms of sustainable development, that are associated with them. Finally, we conclude by pointing out the effective, but often invisible, nature of the SSE’s contribution to more sustainable development.

2. Theoretical Framework

The purpose of this section is to set out our analytical framework, in order to show how SSE is at the heart of the renewal of public action and constitutes a lever for sustainable development.

2.1. Public Value and Co-Construction

From a theoretical point of view, our analysis falls within the field of public action renewal [10]. By public action, we mean all the relations and practices that contribute to the emergence of public policies and to the overall regulation of a society. This implies identifying the actors mobilized, the instruments implemented and the practices deployed in the implementation of public policies.

We, therefore, clearly point out the central role given to the processes of public policy construction and to the debates between heterogeneous stakeholders. From this perspective, we adopt a critical approach to New Public Management, partly inspired by the Public Value Theory [11]. This theory is based on the association of public organizations and civil society networks in the development of public programs and mechanisms aimed at creating “public value”. This framework takes into account heterogeneous groups of actors and is based on complex processes [12,13]. This construction of services and devices is not conceived as overhanging and top-down, but is based on the strengthening of interactions between stakeholders. Public value is defined as a multi-dimensional construct, linked to the collective preferences of citizens, in the context of political mediation [14]. Adopting an analytical framework in terms of public value implies a joint interest in the outcomes and processes that generate trust and equity [15]. This theoretical framework is, therefore, relevant for analysing both the participatory dynamics at work among heterogeneous stakeholders and the processes that facilitate these dynamics.

In a more detailed way, we articulate this general framework with the approaches on co-production strategies that emphasize the importance of co-production by users and citizens of public services intended for them [16]. However, from the point of view of
According to these works, the concept of co-production in the field of social services has been particularly developed from the perspective of improving the quality of the services offered, in order to respond more closely to the expectations of users through their participation in the offer they need. The interest in this idea is in line with the tendency to reduce the role of public authorities and to centralize decisions, on the one hand, and with the rise in expectations in terms of commitment, security and quality, on the part of citizens, on the other.

Based on the proposals of Walzer [23], who suggests democratizing the means of distributing social services through greater citizen involvement, of Hirst [24], who calls for the delegation of certain functions of the welfare state to civil society, or of Ostrom [25], who shows the effectiveness of collective management of certain resources by the users themselves, for the past 15 years, Pestoff analyses the advantages and limits of the co-production of social services at the micro level, with an emphasis on the role of SSE organizations (or the third sector organizations in his terminology). His works have explored this path first at the Swedish level [17] and at the European level in the field of childcare [18], then more recently in the Japanese context, where health cooperatives involving users and health professionals have developed in a significant way [19].

Several works based on the analysis of the Korean context have also emphasized citizen participation in the development and management of social welfare [26–29]. These works highlight the growing influence of civil society in the definition of certain public policies or schemes, in particular, the guaranteed minimum income scheme introduced in Korea in 2000. Lee [28] and Kim [26] conclude that, since democratization, social movements have taken on the role of policy entrepreneurs that the central government has not sufficiently fulfilled in the field of social policies. Kwon [27] and Shin and Lim [29] specifically link this action to the notion of advocacy coalition, as defined by Sabatier [30], in the public policy field.

Vaillancourt [20] introduces a distinction between co-production and co-construction, while Fraisse [22] favours an approach in terms of co-construction. In a context of welfare pluralism, they observe the involvement of civil society actors, and more broadly, of SSE actors, in the processes of public decision making and the development of public policy, which may be related to the SSE. According to Vaillancourt [20], co-production expresses a dynamic of an organisational nature, centred on the contextualisation of the integration of stakeholders from civil society and market “forces”. Co-construction is more institutional and focuses on the way in which this articulation takes place, which renews public policy. Fraisse [22] focuses on this dimension of co-construction by analysing the emergence and development of public policy on the SSE at the local level in France. Such work feeds approaches on the institutionalisation process of these participatory dynamics, in the context of the emergence and development of a public policy, and of a specific category of actors and organisations, the SSE.

2.2. Diversity of Stakeholders and Deliberative Processes

The joint observation of the role of deliberative processes and the mobilization of a diversity of stakeholders in the production of services of general interest is a framework for reading the transformations of public policies. It is also, from a complementary angle, a fertile framework for analysing the institutionalisation of the SSE. These two dimensions form the backbone of some of the research carried out by Laville and Salmon [31], in understanding the emergence and development of the SSE and the public policies that help structure it, particularly in France. These two dimensions are finally markers of social innovation, as defined by a large number of papers [32–37].

From these works, it emerges that social innovation is characterized by both its purpose and/or its process, that it is present in both the public and private spheres and most often in forms of partnerships between the two. Many authors emphasize that social innovation
is plural, in the sense that it expresses the ability to experiment with innovative solutions to meet emerging needs in a territory, as well as the ability to initiate and sustain a process of co-construction of the solutions provided by involving users.

In this vein, we seek to point out and illustrate the heterogeneity of two national trajectories of institutionalisation of the SSE and of SSE public policies, when they exist, within specific local contexts. These trajectories were originally based on divergent processes. They bring together a variety of actors, illustrate different postures of co-construction and original conceptions of social innovation. They lead to priorities in terms of sustainable development, some of which are common, others are diverse. For example, the contribution of the SSE is more focused on the fight against poverty and a reduction in inequalities in Korea, while in France, we observe an important role for the SSE in terms of job creation and contribution to decent employment and employment of women.

Through mirroring France and Korea, the aim is to build a fine-tuned reading grid of this institutionalisation process and to identify its specificities, in order to shed light on the SSE’s contribution to the SDGs. The issue is all the more important because for both countries, the links are only marginally addressed. Indeed, in France, the question of the link between SSE and SDGs has not yet been the subject of significant work. Fontaine [38] showed that the SDGs offer a useful reference for assessing the contribution of SSE, particularly for initiatives that are strongly anchored in the territories. In Korea, in a study attempting to relate the existing data about the economic, social and environmental impacts of SSE and their impacts to the SDGs, Lee [8] highlighted the link between the contribution of SSE and some of the SDGs.

3. Materials and Methods

In order to construct this multidimensional analysis of the process of institutionalisation of the SSE in the two countries, we begin by specifying our method of observation and identifying the constituent dimensions of our analysis. This method is based on an abundant material accumulated by the authors on these two environments: statistical, legal and theoretical data, as well as empirical data linked to field studies regularly carried out in France and Korea. In France, our research is embedded in a longer involvement in education and research about SSE especially through collaborations involving practitioners and academic fellows. In Korea, our research about SSE began in 1998 when the concept of SSE itself was largely unused but SSE organisations, such as cooperatives or non-profits, were playing a prominent role in some sectors and a new interest for social issues was emerging. The methodology used is essentially qualitative, particularly because SSE is a very recent and still discussed concept in Korea, and quantitative data on it are still fragile and difficult to produce. It is not based on a systematic content analysis of the accumulated materials but on a confrontation of highlights that we considered as particularly significant in each context.

Comparing France and Korea is particularly relevant because the two countries offer significant similarities in terms of development level (GDP/capita, HDI) but present also political and cultural specificities. Such specificities and their implications in social public policies are important to understand the scope and particularities of SSE as highlighted by the institutionalist theory of social origins developed by Salamon and Anheier [39]. While France has set up an extensive public social protection system that mobilizes nearly 30 per cent of its GDP, Korea has long maintained a very residual public social system composed of assistance schemes offering very modest benefits to the poorest citizens, and much more generous protection schemes reserved for a few sensitive professional categories (employees of the large conglomerates that dominate the economy, civil servants, the military and teachers). Major efforts have been made over the past 20 years to expand the health insurance system (since the late 1980s and more significantly since the early 2000s), to extend a compulsory pension system to all workers (in the early 2000s), to introduce a guaranteed minimum income (1999 law), to introduce a long-term care insurance system (2008 law), and to develop unemployment benefits and policies to encourage people to
return to work. However, public social spending in Korea remains around 10% of GDP, a level three-times lower than in France.

Politically, while France is an old democracy marked by political and ideological pluralism, Korea remained, until the late 1980s, a dictatorship anchored in a binary political vision offering little space for freedom of expression and civil society initiatives. This political context saw the advent of democracy at the end of the 1980s. Korea is now a solidly established democracy with several political alternations over the last twenty years, an independent judiciary that has handed down verdicts sometimes very heavy-handedly against the country’s highest political and economic leaders, and a great deal of maturity among its citizens, characterized by increasingly strong demands for social justice. From these different but converging environments arise specific processes of institutionalisation and recognition of the SSE that we analyse in this article. They illustrate two different conceptions of social innovation that are at the heart of the renewal of public action and show an original contribution of the SSE to the SDGs.

The analysis of SSE and its relationship with public policy in the two countries stems first of all from the observation of a pronounced interest in this concept and the organisations that make it up. However, the institutionalisation processes differ on several points that reflect both particular political environments and specific historical trajectories. The cross-country view of SSE aims to produce a mirror effect and to provide complementary perspectives for understanding SSE and its relationship to public policies. It allows us to emphasize that there is no single trajectory for the institutionalisation of SSE, but that several trajectories are possible depending on the specific elements of each context in which it evolves. Moreover, it highlights the coexistence of a double movement of specification and convergence.

Our analysis is based on our own knowledge of SSE in these two countries and on some of the major works in France [40–45] and in Korea [46–51]. This cross reading leads us to highlight five dimensions to define an SSE institutional trajectory. These dimensions jointly take into account the actors and the participation:

- The anchorage which gives an account of the inscription of the SSE in economic, social, territorial and political practices carried by specific actors,
- The pace of emergence and development of the SSE, which is more or less rapid or uneven,
- The dynamics that underlie its development and its link with entrepreneurial practices,
- The perimeter of SSE in terms of field or organizational practices,
- The measurement or the statistical knowledge to which SSE is the object and expresses a specific social construct.

4. Results

We successively address these five dimensions to characterize the institutionalisation process of the SSE for the two countries by discussing the role played by public actors and the co-construction dynamics at work.

4.1. Anchoring

The anchoring of SSE shows that the concept is historically inscribed in France in a long tradition, starting with reformist economists at the beginning of the 19th century, then discussed by a few scholars, especially Le Play, Walras and Gide, and finally, from the 1980s onwards, defined as a more entrepreneurial vision that embodies a specific model, distinct from both public enterprise and capital enterprise, and constitutes a third sector of the economy. In France, this vision of SSE is carried by influential, resilient enterprises, structured in effective national networks and well anchored in the socio-economic landscape (mutuals and cooperatives, later joined by associations and foundations). These entrepreneurial networks are particularly active in the gradual emergence of a public policy of recognition and support for the SSE.
In Korea, the development of the SSE is closely linked to public policies in favour of employment or offering social services to vulnerable categories (disabled, unemployed, migrants, single women, etc.). This development has been based on different concepts or models, initially promoted by civil society or social movements, and then supported by local and national public authorities, to the point of generating a fairly sophisticated ecosystem of promotion and support. These are initiatives by local, isolated and relatively marginalized groups (unemployed people’s movements, residents’ collectives, religious associations, trade unions and the labour movement, student movements, etc.), which are not very institutionalised and, a priori, are not very influential, but which have managed to form networks to gain visibility and influence and to build coalitions of interest to federate broadly around their objectives [51]. This has led to the creation of an ecosystem favourable to SSE, including several legal mechanisms to promote different forms of enterprises with a social purpose and/or participatory or democratic governance, where new and innovative forms of work organization are experimented with.

4.2. The Pace

The recognition of SSE in Korea has, thus, followed a particularly rapid pace, since the concept was still virtually unknown there at the end of the 1990s [52]. Recognition is, therefore, relatively late, but it reflects a process that, over a period of about 20 years, has generated several important laws to support the development of several social economy organisations (SEOs): 2000 law on minimum income that makes SEOs one of the main actors in inclusion and anti-poverty policies, 2006 law for the promotion of social enterprise that provides support to enterprises employing unemployed people and/or providing services to categories in difficulty, 2012 framework law on cooperatives that introduces a legal framework for workers’ cooperatives and social cooperatives (non-profit). This legal ecosystem surrounding SSE reflects the combined influence in Korea over the past two decades of several concepts that have inspired these business forms and embody different successive and complementary conceptions of SEOs in the Korean context [51].

The process of recognition of SSE in France follows a much slower rhythm, since it takes place over a long period of nearly two centuries and has its historical roots in initiatives formalized and recognized, including legally, as early as the 19th century (the 1852 law on mutual aid societies, recognition of cooperatives in the 1867 law on companies, the 1901 law on associations, etc.). This rhythm is less regular than in Korea and shows, in particular, a relative disinterest in the concept during most of the 20th century until its revival in the 1970s, which led, in 2014, to its full legal recognition by the SSE Law (Hamon Law). Behind the disinterest in the concept itself, however, we observe the emergence of new forms of organisations and/or new activities (mutual insurance companies in the 1930s, merchants’ cooperatives in the 1940s, diversification and professionalisation of the associative field, transformations of the mutualist movement following the installation of the social protection system, etc.).

4.3. The Dynamics

The two contexts are, thus, marked by a strong dynamism surrounding the concept of SSE, but with specificities. The dynamic in Korea has its origin in the social enterprise model, which is the focus of interest for public authorities, as a tool or partner of public social policies. This dynamic, resolutely oriented towards the search for new responses to emerging social needs, is gradually leading to the emergence of a broader concept of social (and solidarity) economy, a kind of concept that encompasses all sorts of variations in the social enterprise model. From a vision essentially centred on the question of employment, Korea has, thus, come to integrate a plurality of purposes and forms of organisation, in relation to different socio-economic issues (access to medical care, care and services for the elderly, inclusion of migrants and other marginalized categories, care for young children, consideration for youth, territorial development, short circuits, etc.).
In France, the concept of the SSE is first closely linked to the notion of social economy, which refers to the historical forms of organisation, such as mutuals, cooperatives and associations. It was first broadened at the end of the 1990s by including specific emerging fields of activity—fair trade and integration through economic activity—in which commercial enterprises with the status of capital companies intervene alongside the traditional actors of the social economy, mostly in associative form. The 2014 Law formalizes this enlargement of the perimeter by laying down the criteria for belonging to the SSE, without making it exclusive to the historical forms, but by recognizing that these have specific statutory rules that guarantee them. In the end, the dynamic shows an inverted construction.

In Korea, it starts from the social enterprise model and progressively encompasses, with the notion of SSE, more varied forms of enterprise and, in particular, cooperatives that were not part of it at the outset. As for France, the construction of the SSE starts from the historical components and is closely based on the cooperative model to open up to the social enterprise and include commercial forms pursuing a social utility. We can, thus, observe two trends: firstly, towards convergence rather than polarization between trajectories originally marked by the SSE, on the one hand, and the social enterprise, on the other, and secondly, towards diversification of the actors present in this field. In both cases, SSE actors aspire to deploy strategies for the co-construction of public policies related to the actions they have helped to progressively deploy.

4.4. The Perimeter

The differences observed in France and Korea regarding the scope of SSE reflect these specific dynamics and anchoring. The scope of SSE in Korea is essentially based on the purpose of the enterprise: contribution to the creation of jobs for the unemployed or disadvantaged categories, production of social services for these categories, promotion of a more responsible economic activity, willingness to respond to needs specific to the territory, etc. Because of its initial focus on the issue of unemployment, in the context of the crisis of the late 1990s, this vision was largely built without including in its perimeter older structures of the associative or foundation type, which are very present in the sectors of health, social action, culture, education, sport, etc. These structures, whose legal status are at the heart of SSE in France, reflect a dynamic that is external to SSE in Korea, some fulfilling a public agency mission, others being more in line with the opportunistic use of a legal status that allows for both optimizing financial performance and controlling governance. Foundations appear divided between, on the one hand, the numerous economic foundations that manage hospitals or universities in a capitalist logic and, on the other, the social foundations of more recent times, with an explicit social purpose. The perimeter of the SSE in Korea also only marginally includes the traditional cooperatives linked to the primary and banking sectors. They are powerful economic actors in Korea, historically framed by strict public control and now characterised by an isomorphism that led them to adopt the behaviour of their capitalist competitors in the bancassurance or agri-food processing and distribution markets.

The perimeter of the SSE in France is defined in reference to an entrepreneurial model, in which the questions of profit distribution (limited or refuted) and governance (participative or democratic) are fundamental. The social purpose is not absent, but we rather refer to the notion of social utility and it is more the inscription in a non-capitalist purpose that characterises the SSE in France, as well as the sharing of power and profits. The cooperative model plays a central and unifying role, even if associations represent the largest share of the SSE in quantitative terms. This vision includes, in particular, organisations engaged in highly institutionalised and regulated market activities, such as banking and insurance. It also includes, according to the conditions defined by the 2014 Law, commercial enterprises, as long as they respect the fundamental principles of SSE.

In summary, the scope of SSE in Korea is still not stabilised because it lacks a strong enough consensus to be backed by a general legal framework. The perimeter of the SSE in France is more clearly defined by the 2014 Law, even if it confers a certain porosity due to its
inclusive character. The approval of the Entreprise Solidaire d’Utilité Sociale (ESUS) label allows, indeed, commercial companies to integrate the SSE field as soon as they respect rules, in terms of social utility, participation and limited distribution of surpluses.

4.5. The Measurement

Because the perimeter was stabilised earlier, the issue of measurement was addressed earlier in France than in Korea. It was initiated in the 1980s, under the influence of an NGO called ADDES (Association pour le développement des données en économie sociale). Then, since the mid-2000s, INSEE (The National office of Statistics) has been publishing regular official data and is now working on an SSE satellite account that it should release by the end of 2022. Data released by INSEE about SSE are based on a systematic exploitation of documents provided yearly by French firms for fiscal or administrative purposes. These data show that SSE represents, in France, 10% of jobs in FTE, 14% of private sector jobs, and 10% of firms. Complementary data are also provided by researchers, professional organisations (e.g., the SSE Observatory, the Philanthropy Observatory, the Panorama of Cooperative Enterprises, etc.) or other public bodies (e.g., INJEP studies on associative life). Altogether, these different organisations have developed appropriate tools to measure a few basic SSE indicators by sector of activity (number of jobs, number of enterprises).

In Korea, although an interest has recently emerged for this issue, the production of data about SSE remains embryonic, very disparate and incomplete, coming mainly from SSE organisations or from public agencies, with no particular legitimacy in producing figures (e.g., KOSEA). When they exist, data are, therefore, scattered, issued mostly by public bodies involved in the management of a specific scheme and/or from professional organisations. The few attempts to aggregate these scattered data are still fragile and should be interpreted with caution, for several reasons. First, an organisation may have access to more than one scheme, leading to double or even triple counting. Second, the number of jobs in some categories is not measured in Full Time Equivalent (FTE) but in absolute numbers of jobs, even though most of these jobs are very partial. Third, the total of jobs includes a significant part of subsidized jobs, whose resiliency is questioned in the long term. To sum up, available data are scarce and do not have the capacity to measure the weight of SSE in Korea. Available detailed knowledge is limited to the most institutionalised structures that fall under a very precise regulatory framework (e.g., certified social enterprises).

The main results are summarised in Table 1.

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<tr>
<th>Anchorage</th>
<th>Korea</th>
<th>France</th>
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<tr>
<td>Anchorage</td>
<td>The development of the SSE is closely linked to employment and to public policies oriented towards fragile categories (disabled, unemployed, migrants, single women, etc.). This development relies on the capacity of organisations with little institutionalisation and influence to form networks and build a coalition of interest around their objectives. The regional dimension is strong, whether in the emergence phase (local initiatives) or in the institutional recognition (local public mechanisms).</td>
<td>The notion of SSE is distinct from both public enterprise and capital enterprise and, as such, constitute a third sector of the economy. This approach is supported by influential, resilient companies, structured in efficient national networks and well anchored in the socio-economic landscape (mutuals and cooperatives, then associations and foundations). Present on a national scale, SSE organisations develop their activities locally and contribute to regional development.</td>
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<th>Rythm</th>
<th>Korea</th>
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<tr>
<td>Rythm</td>
<td>Recent interest in the SSE, which then experienced a rapid recognition with the introduction of several important legislative frameworks over the last twenty years.</td>
<td>A long-standing interest and historical roots from the 19th century and led to a very gradual but irregular process of recognition over two centuries.</td>
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Table 1. Cont.

<table>
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<tr>
<th>Country</th>
<th>Dynamics</th>
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<tr>
<td>Korea</td>
<td>The dynamic starts from very local initiatives carried by civil society in the 1990s and then captures the interest of public authorities as a tool or partner of public social policies. From the social enterprise model, which is central, a concept of SSE has emerged to embrace different variations of the social enterprise model.</td>
<td>Perimeter based essentially on the purpose pursued, closely linked to the issue of employment and poverty, without integrating older structures such as cooperatives linked to the primary and banking sectors and numerous associations or foundations involved in health, social action, culture, education, sport, etc.</td>
<td>No systematic production of data in figures. Statistical knowledge of the SSE therefore remains embryonic, highly disparate and incomplete, emanating essentially from the professional field or from public agencies in relation with their specific objectives.</td>
</tr>
<tr>
<td>France</td>
<td>The dynamic starts with historical forms that appeared and were legally recognized as early as the 19th century. The cooperative model plays a central role in this process which becomes more inclusive from the 1990s, to open up to the social enterprise and include, under certain conditions defined by the 2014 Law, commercial forms pursuing a social utility.</td>
<td>Perimeter legally defined by the 2014 Law in reference to an entrepreneurial model where the issues of non profitability and governance are fundamental. This perimeter is built around the historical organisations (mutuals, cooperatives and associations), then extended later to others (foundations and then commercial companies of social utility).</td>
<td>This issue was addressed in the early 1980s by ADDES, and then led to the production of regular data by INSEE in the mid-2000s. Additional surveys are produced by researchers and observatories set up by SSE organisations.</td>
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Source: Authors.

5. Discussion

These processes of institutionalisation in the SSE in the two countries are underpinned by complementary visions of social innovation, illustrated in renewed conceptions of public action, and contribute to a more just and virtuous economic and social development, in line with the objectives of sustainable development.

5.1. The Process of Institutionalisation of SSE and Social Innovation: Between Entrepreneurial Capacity and Co-Construction with Public Actors

Studies explaining social innovation underline that it is often non-conventional forms of enterprise, particularly associations or cooperatives, that are the bearers or instigators of such innovation, because of their proximity to the territory and its inhabitants and their greater capacity to experiment solutions with a social purpose. Because of their intrinsic financial fragility and their social utility, such initiatives often benefit from public funding and serve the objectives of public policy. It is, therefore, essential to find a balanced partnership to foster their emergence and contribute to their sustainability without distorting them. This is an essential issue for SSE actors.

Unlike technological innovation developed in a laboratory, social innovation can only be tested on the ground in a real situation. It is often developed in successive stages, in an iterative way, whereas technological innovation is more radical, with immediate and more definitive changes. Some social innovations will, thus, gradually spread [53], their characteristics will become more and more visible and formalised, and sometimes finally capture the attention of public authorities, who will support them. This is what happened in Korea with the law adopted in 1999 on the guaranteed minimum income, which institutionalised work collectives, as a tool for professional integration policy, or with the 2006 law on the promotion of social enterprise, which provides resources for initiatives to integrate people who are far from the labour market and/or for services to specific categories, such as the disabled, the elderly, migrants or single mothers. The 2012 law on cooperatives rehabilitates the model of the cooperative, assimilated in Korea to a kind of public agency, while providing specific legal recognition to the medical cooperatives that appeared in the 1990s to provide access to health care for very modest households and promote an approach to health issues based on dialogue between patient and practitioner [54].
Works that link social innovation to the modernisation of public policies consider that social innovation offers new modalities and allows for the overcoming of limits of “traditional” public action. Some insist on integrating social innovation with market logic, in order to increase productivity and economic development, while reducing negative externalities or creating social added value. In this perspective, the purpose is the primary objective of social innovation, not the process or the means used to achieve it. Others consider social innovation as a specific process of co-construction of public policies between actors in the same region. This process is democratic and bottom-up and constitutes a lever for social transformation, in which both the providers (entrepreneurs, public and private financiers) and the demanders (users, volunteers, workers) are involved.

It is the recognition of social innovation through its institutionalisation that will most often enable its development and sustainability. This institutionalisation relies, usually, upon the prior mobilization of actors. Without such a mobilization, most innovations remain isolated and local. Some succeed in developing by capillarity, but their recognition remains limited to the specificities of a local context, without being able to become more widespread. It is the ability to develop formalised and structured networks that often allows a social innovation to have a global impact and to rise in generality.

In Korea, several networks contributed to this process: the coalition of movements to fight unemployment, the federation of medical cooperatives, the platform for the social economy, the centre for the promotion of social enterprise, and the Global Social Economy Forum (GSEF). In France, umbrella organisations, such as the Groupement national de la Coopération (GNC) and the Comité national de liaison des activités mutualistes, coopératives et associatives (CNLAMCA) in the 1980s—which became CEGES and then ESS France—contributed to federating actors from different backgrounds and allowing this rise in generality. Later, in the early 1990s, the Mouvement Associatif, as a national representation of associations, and more recently in 2010, the Mouvement des entrepreneurs sociaux (Mouves, renamed as Mouvement Impact France in 2020), which federates social entrepreneurs, also played a similar role. Through their action, very disparate initiatives gain visibility and recognition and lead to the implementation of specific public schemes and, thus, contribute to reforming existing policies. In Korea, this process impacted public policies to support employment and the development of entrepreneurial activities with a social purpose [30,51,55]. It contributed to the promotion of new modes of partnership based on a balanced relationship between the different actors, which is a challenge in a context marked by a strong Confucian culture and a long tradition of state interventionism [56]. In France, specific fields, such as care to disabled children or work integration, have been initially invested in by SSE and have gradually become the object of specific social policies and of progressive recognition. More recently, this is also the case for employment cooperatives (Coopératives d’activités et d’emplois-CAE), which have developed a status of salaried entrepreneur that was subsequently recognised by the public authorities within the framework of the SSE 2014 Law. These schemes, although institutionalised, are based on partnerships that remain, however, subject to the evolution of public policy, at both national and local levels.

5.2. Two Visions of Social Innovation

The mirrored trajectories of institutionalisation highlight two different and complementary visions of social innovation. The strong focus on social purpose in Korea reflects a vision of social innovation, centred on the entrepreneurial capacity to address social needs that are gradually externalised from the traditional circle of family solidarity due to societal and demographic changes. These social needs are insufficiently taken into account by the public authorities because of a long tradition of residual welfare state. Since the 1990s, this issue has been subject to contradictory tensions, emanating from neoliberalism and new public management, which reinforce it, and from civil society and international institutions, which question it. SSE appears as a response to these tensions, making social innovation one of the results, in terms of responses to social needs. In France, the process
of institutionalisation of SSE is based on strategies of co-construction between public and private actors, which are considered as forms of social innovation in themselves. In such a view, the process of construction matters as much as the result and the aim. This was the case of the 2014 Law, discussed as early as 2011, through numerous debates among SSE and between SSE and public bodies. The rising interest for the Cooperative Society of Collective Interest (SCIC), a multi-stakeholder organisation that often includes public actors among them, and its frequent use to provide innovative answers to the transition issue indicates another expression of this process of co-construction.

5.3. SSE as an Invisibilised Lever for Sustainable Development

According to our cross-sectional analysis, in Korea, as in France, SSE explicitly contributes to the implementation of certain sustainable development objectives. However, as shown by the relatively small volume of works devoted to this issue and the lack of awareness among SSE actors of this commitment, this contribution remains largely invisible, often implicit and poorly documented by academic research and by practitioners.

Responsible consumption (SDG 12) is a major issue to which SSE organisations have responded in a pioneering manner in France and Korea (organic cooperatives, cooperative supermarkets and AMAPs in France; consumer cooperatives that have become very powerful in Korea). In terms of good health and well-being (SDG 3), SSE organisations in both countries provide innovative and avant-garde responses: health mutuals and health and social associations are major players in the field in France, medical cooperatives are very innovative organisations in the health distribution in Korea. In both countries, interest in the SSE is strongly correlated to its capacity to create jobs and contribute to economic growth (SDG 8) by meeting insufficiently satisfied needs.

Some particularities also emerge from our analysis. The recognition of SSE in Korea is very closely linked to its social purpose and its articulation with public policies in the fight against poverty (SDG 1) and a reduction in inequalities (SDG 10). In France, it is based more on its ability to propose an entrepreneurial model that is a bearer of democracy and a guarantor of more global performance, in a more direct relation with SDGs 8 and 12. The high proportion of women in employment in the SSE is a characteristic common to both countries. It raises the contribution of the SSE to the SDG 5, but also reflects certain specificities of each labour market. In Korea, it is mainly a matter of encouraging the return to salaried or voluntary employment of middle-aged women who have interrupted an economic activity to devote themselves to their family obligations. In France, it is more young and qualified women who are attracted to the SSE because they see it as a meaningful professional environment, in line with their values and their desire to have a professional activity with a social utility.

The growing role of SSE in the circular economy, especially through recycling, and the development of cooperative digital platforms is another lever for SSE’s contribution to the SDGs [57,58]. In France, SSE was a pioneer in the field of recycling through organisations, such as Emmaus or Envie. More recently, digital cooperative platforms have emerged in industrial sectors, such as electricity (Enercoop) and rail (Railcoop), or in tertiary sectors, including tourism. In Korea, several social enterprises are engaged in the recycling industry and consumer cooperatives were pioneers in digital food distribution. In a Korean context marked by a strong digital culture, SSE is devoted to use this lever for its emergence and development.

The institutionalisation process in both countries shows that SSE trajectories are often embedded in initiatives and practices at the local level. SSE is in close proximity to people’s needs and, for this reason, in its capacity to implement solidarity practices and bring an original contribution to sustainable community development (SDG 11). This original contribution is based on networks of local organisations that create a national network and on local public measures that complement national measures, on issues such as short circuits, access to health care, integration of local communities or decent housing. Our analysis also shows an increasing connection with mobilisation around environmental
issues (in connection with SDGs 12 and 13, in particular), in a way which is increasingly based on multi-stakeholder cooperation practices. This dynamic reflects SSE as the bearer of a social and environmental transition, citizen-based and participatory, and part of co-production processes.

Paradoxically, the consequent contribution of SSE to the achievement of the objectives of sustainable development is relatively invisible, or let us say, not strongly claimed, in both countries. In other words, SSE has internalised and naturalised its content, not deeming it necessary to justify its implementation. The same is true for the processes that underlie SSE’s contribution to sustainable development: co-production with multiple and heterogeneous stakeholders, ability to experiment, adapt gradually and adjust to local specificities, permanent attention to social justice; these are all principles that constitute levers for sustainable development, but which remain little valued.

6. Conclusions

6.1. Three Main Results

Analysing the process of institutionalisation of the SSE in Korea and France points out the diversity of trajectories, partly linked to the specificities of the different welfare state models, within which the SSE was deployed. In this process, the trajectory of the SSE in Korea shows a desire to detach itself from social enterprises alone, whereas in France, on the contrary, trajectory tends towards the recognition of social enterprise. Our first result is, therefore, that, far from a path dependency, it is a process of convergence that seems to be taking place in each of the national contexts, oriented to an increasing heterogenization of SSE Organisations (SSEO) and an extension of its initial perimeter.

We also point out, and this is our second result, that these processes of institutionalisation of the SSE rely upon two dominant conceptions of social innovation that jointly characterise the renewal of public action. These two processes range from the renewal of the production of goods and services with a social purpose by private actors in Korea to co-construction processes that have been widely tested by SSEO, but which remain unfinished, in France. These processes involve original but unstable public/private partnership logics, which are not free of perverse effects. Some warn of the risks that accompany them: recuperation of SSE initiatives by public actors or by entrepreneurs taking advantage of a windfall effect linked to the public aid provided, instrumentalization for the benefit of a public disengagement, isomorphism and denaturation due to the introduction of competition in the market and more restrictive rules and standards. Some point to the limits of co-construction, underlining the predominantly tutelary function of the State within the framework of a managerial imagination, dominated by the model of the capitalist enterprise. Others see, in these SSE initiatives, the foundation of a renewal of capitalism by its margins, with the creation of public value based on the development of partnerships (public–private) and modes of co-construction of social services with users in particular. The processes of institutionalisation of SSE would, therefore, feed and be fed by the transformation of the production of social services and strategies of co-construction, contributing to the modernisation of public action. However, the challenge of an approach that crosses different levels, from local to national, and the ability to structure networks, despite very local initiatives and needs, remain in question.

Finally, and this is our third result, driven by differentiated social innovation trajectories correlated with original institutionalisation processes, we observe in both countries a significant but differentiated contribution of the SSE to more sustainable development and to SDGs. However, this contribution is largely invisible, both from the point of view of its effects and of the processes that underlie it. Such an invisibilisation weakens the transformative potential of the SSE in its contribution to sustainable development. We, thus, emphasize the challenge of recognizing this contribution of the SSE to sustainable development by better pointing out the original lever that represents the processes of co-construction and deliberation, which are specific to the SSE.
One of the limits of our analysis concerns the lack of integration of digital transformations, arising in SSE, and their potential effects on the implementation of sustainable development goals.

6.2. Research and Practical Implications

On the research side, we point out the challenge of better documenting the role of the SSE and its various social innovations in achieving the objectives of sustainable development. The challenge is particularly important when it comes to the original ways of implementing digital transformation in network strategies, which should be studied in depth. It is also the modalities of internalisation of sustainable development objectives in business models that could be analysed in a fruitful way. The comparative perspective would help to identify possible societal effects and impacts.

From the point of view of practices, we have been able to highlight how SSE can be a lever for achieving the objectives of sustainable development. The valorisation of this contribution by SSE is essential, both in terms of results and in terms of their implementation at the heart of their business model. It could lead to a better acknowledgement by public policies of citizen-based contributions to sustainable development and help to set up a strong support policy.

Our paper, therefore, opens the way to new research developments on the role of SSE organisations and, thus, of the private non-profit sector, in terms of sustainable development in two directions: the original forms of internalisation of its principles in their business models and the evaluation of their contributions to sustainable development.

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