

Social and Solidarity Economy (SSE) as a Vehicle for Building Local Economies and Accelerating the Localising of Sustainable Development Goals (SDGs): Global Policy Initiatives of the United Nations and Lessons for Malaysian Parliamentarians

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Abstract

There is renewed interest in exploring alternative economic models that balance economic, social, and environmental concerns in line with the 2030 Agenda for Sustainable Development Goals (SDGs). The Social and Solidarity Economy (SSE) has been recognised as a key approach for inclusive and sustainable development, particularly by promoting decent work, reducing inequalities for vulnerable communities, and fostering social transformation. Consequently, SSE has been strongly promoted by the International Labour Organization (ILO). This paper aims to elucidate the transformative potential of SSE by exploring how it enhances SDGs delivery and fosters a more inclusive and sustainable development agenda, and examining how it challenges the prevailing emphasis on economic growth within dominant development theories. The implications of these global discussions for Malaysian policymakers, particularly Members of Parliament who advocate for equitable economic distribution in national planning such as the 13th Malaysia Plan, are also examined. Employing policy commentary approach, this paper systematically reviews key UN initiatives and documents, namely, the UN Taskforce on SSE (UNTFSSSE), initiatives by ILO, two pivotal UN Resolutions on SSE, and the UN Secretary-General's report on SSE. This approach is grounded by qualitative analysis, focusing on their contributions to

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mainstreaming SSE as a viable alternative to traditional profit-driven business models. Essentially, this paper underscores SSE's capacity to promote social justice, resilience, and sustainability by highlighting best practices that can inform national development plans and strategies to ensure fair and equitable economic growth for all.

Keywords: Community-based economy, social and solidarity economy (SSE), social enterprises, alternative economic models, Sustainable Development Goals (SDGs)

Introduction

According to the UN SDGs Report for 2024, overall improvements in income have uplifted the poor, as measured by median income.¹ However, the way financial management is handled globally, nationally, and locally is causing “inequalities [to] keep growing.”²

The UN General Assembly's adoption of the 2030 Agenda for Sustainable Development³ on 25th September 2015 has, in this context, ushered in a new way of doing business that balances profits, people, and the planet. With an aim to correct the private corporate sector's failure to prioritise the common good, this Agenda promotes alternative business models that contribute to inclusive and sustainable development. Among the alternative business models are Social and Solidarity Economy (SSE), responsible business, synergies between human rights and business,⁴ and micro-, small and medium enterprises (MSMEs)⁵. Thus far, traditional corporate businesses have not proven to be well-equipped to implement socially inclusive policies and operations that generate inclusive development.

1 United Nations, *The Sustainable Development Goals Report 2024* <https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf> accessed 8 October 2024.

2 Ibid 2.

3 United Nations, *Transforming our World: The 2030 Agenda for Sustainable Development* (UNGA Res 70/1, 21 October 2015) <https://sustainabledevelopment.un.org/content/documents/21252030%20Agenda%20for%20Sustainable%20Development%20web.pdf> accessed 8 October 2024.

4 United Nations Office of the High Commissioner for Human Rights, *Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework* <https://www.ohchr.org/en/publications/reference-publications/guiding-principles-business-and-human-rights> accessed 8 October 2024.

5 United Nations (n 3).

In December 2019, the UN adopted Resolution 74/119 on Cooperatives in social development⁶, which recognises cooperatives as customarily inclined to serve “socially excluded and vulnerable communities.”⁷ Here, there is an explicit acknowledgment of “cooperatives and social organisations [as] instrumental in promoting just transitions.”⁸

On 22nd July 2021, the UN Secretary-General released a report on Cooperatives in social development⁹ highlighting the work of the cooperatives in achieving the 2030 Agenda which distinctly made the “spirit of cooperation and mutual support”¹⁰ visible during the COVID-19 pandemic. The cooperative enterprises are recognised as “drivers of sustainable development”¹¹ as they take concrete actions towards achieving the SDGs and seen as a vehicle for “building a more inclusive, equitable, resilient and sustainable society.”¹²

Eventually, the UN General Assembly (UNGA) proclaimed 2025 as the International Year of Cooperatives.¹³ The UNGA called for a new social contract between and among the government, people, civil society, business, and other stakeholders in supporting cooperatives. It enjoined governments to build the capacity of cooperatives in the areas of management and financial skills, new technologies, gender equality, and community empowerment.

Methodology

This policy commentary adopts the methodology of reviewing all relevant UN initiatives and documents pertaining to the Social and Solidarity

6 United Nations, *Social Development: Social Development, Including Questions Relating to the World Social Situation and to Youth, Ageing, Persons with Disabilities and the Family* (UNGA Res 74/119, 21 June 2022) <https://documents.un.org/doc/undoc/gen/n19/422/40/pdf/n1942240.pdf> accessed 8 October 2024.

7 Ibid.

8 Ibid.

9 United Nations, *Social Development: Social Development, Including Questions Relating to the World Social Situation and to Youth, Ageing, Persons with Disabilities and the Family. Cooperatives in Social Development: Report of the Secretary-General* (26 July 2021) UN Doc A/76/209 <https://documents.un.org/doc/undoc/gen/n21/202/17/pdf/n2120217.pdf> accessed 8 October 2024.

10 Ibid 4.

11 Ibid 6.

12 Ibid 16.

13 United Nations Department of Economic and Social Affairs, ‘UN General Assembly Announces Launch of the 2025 International Year of Cooperatives’ (UN DESA, 2023) <https://www.un.org/en/desa/cooperatives-launch-2025-international-year> accessed 8 October 2024.

Economy (SSE). These include two UN institutions, two UN resolutions, and one Secretary General's report which have significantly contributed to mainstreaming SSE for the localisation of the SDGs. These are:

- UN Taskforce on SSE (UNTFSSSE)
- Initiatives by the International Labour Organization (ILO)
- 1st UN Resolution on SSE
- UN Secretary-General's Report on SSE and
- 2nd UN Resolution on SSE

This gives rise to these policy research questions:

1. In what ways does SSE enhance SDGs delivery and foster a more inclusive and sustainable development agenda?
2. Does this approach challenge the dominant development theory's focus on economic development and growth?
3. What lessons can Malaysian Members of Parliament (MPs) draw from this global discussion to advocate for the fair and equitable distribution of economic growth in the formulation of development plans such as the 13th Malaysia Plan, as the country aspires to become a high-income nation?

SSE and un-related initiatives

UN taskforce on SSE (UNTFSSSE)

A rethinking of development was urgently needed in the context of "economic dynamism, social and environmental protection and socio-political empowerment." This rethinking took place at a conference hosted by the UN Research Institute for Social Development (UNRISD) from 6th – 8th May 2013 in Geneva.¹⁴ About 55 papers were presented on the theme "*Potential and Limitations of SSE*". Intense discussion on the definition of SSE led to the consensus that SSE is an umbrella term

14 United Nations Research Institute for Social Development (UNRISD), *Potential and Limits of Social and Solidarity Economy* <https://cdn.unrisd.org/assets/library/briefs/pdf-files/01-sse-event-final-pdf-for-web.pdf> accessed 10 October 2024.

encompassing different conceptualisations and strategies for achieving economic and social objectives. This consensus also underscored the importance of ethical values and social justice, and highlighted the central role of community-based or people's organisations in creating the SSE. Since 2013, the UNTFSEE has played a major role in mainstreaming the SSE in partnership with a multitude of UN agencies. UNTFSEE describes SSE as "fundamentally about crafting a form of economy that is centred on social protection and equality. Part of a rapidly growing worldwide movement, SSE organizations and enterprises attempt to reassert social control over the economy by prioritizing social objectives above profit maximization, recognizing the role of collective action and active citizenship for both economic and political empowerment of disadvantaged or fragile groups in society, and reintroducing notions of ethics, sharing, equity and democracy in economic activities."¹⁵ Several UN agencies have embraced the concept and practice of SSE and acknowledged TFSSE as "well-positioned to play a constructive role in [the] global partnership, acting not only as a hub for inter-agency coordination but also as a conduit for civil society voices to interface with policy making."¹⁶

It is important to note that the UNTFSEE and UNRISD established the SSE Knowledge Hub for the SDGs,¹⁷ an Open-Access Online Platform. The purpose of this platform is "to enhance awareness of and contribute to the body of knowledge on social and solidarity economy (SSE) as a means of implementation for the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs). It fosters and convenes systematic analysis of the linkages between SSE practices and the SDGs."¹⁸ It is also a repository for research-based outputs. UNRISD has hosted three important global research conferences on SSE and SDGs namely:

15 UN Inter-Agency Task Force on Social and Solidarity Economy (UNTFSEE), *Position Statement of the UN Inter-Agency Task Force on Social and Solidarity Economy* https://knowledgehub.unsse.org/wp-content/uploads/2019/12/Final_Position-Paper-SSE-and-SDGs_UNTFSEE.pdf accessed 10 October 2024.

16 Ibid 2.

17 United Nations Research Institute for Social Development (UNRISD), *SSE Knowledge Hub for the SDGs* <https://www.unrisd.org/en/research/projects/sse-knowledge-hub-for-the-sdgs> accessed 10 October 2024.

18 Ibid.

- UNRISD 2013 Conference on the Potential and Limits of Social and Solidarity Economy, in collaboration with the International Labour Organization (ILO)¹⁹
- UNRISD 2015 Workshop on Social and Solidarity Finance: Tensions, Opportunities and Transformative Potential²⁰
- UNTFSSSE 2019 International Conference on Implementing the Sustainable Development Goals: What Role for Social and Solidarity Economy?²¹

Hosting international SSE conferences and establishing the SSE Knowledge Hub can be viewed as adopting an evidence-based approach to educating policymakers and national leaders on the SSE's potential as an alternative economic framework and its practical possibilities for improving the economic wellbeing of those being left behind.

In 2023, UNTFSSSE produced an SSE encyclopaedia.²² This open-access document serves as a “knowledge base of diverse actors of the SSE, including practitioners, activists and policymakers.”²³ It “is a comprehensive reference text that explores how the social and solidarity economy (SSE) plays a significant role in creating and developing economic activities in alternative ways.”²⁴ The encyclopaedia also emphasises SSE values such as “the place of ethics, social well-being and democratic decision-making in economic activities and governance.”²⁵

19 UNRISD, *Conference Presentation, Draft Papers, Podcasts and Videos: Social Dimensions of Sustainable Development* <https://www.unrisd.org/en/activities/events/potential-and-limits-of-social-and-solidarity-economy/conference-presentations-draft-papers-podcasts-and-videos> accessed 10 October 2024.

20 UNRISD, *Social and Solidarity Finance: Tensions, Opportunities and Transformative Potential* <https://www.unrisd.org/en/activities/events/social-and-solidarity-finance-tensions-opportunities-and-transformative-potential> accessed 10 October 2024.

21 UN Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSSE), *Implementing the Sustainable Development Goals: What Role for Social and Solidarity Economy? International Conference* <https://unsse.org/2019/07/04/sdgs-sse-conference/> accessed 10 October 2024.

22 United Nations Research Institute for Social Development (UNRISD), *Encyclopaedia of the Social and Solidarity Economy: A Collective Work of the United Nations Inter-Agency Task Force on SSE*, ed Ilcheong Yi (Edward Elgar Publishing 2023) <https://www.elgaronline.com/display/book/9781803920924/9781803920924.xml> accessed 10 October 2024.

23 Ibid.

24 Ibid.

25 Ibid.

The UNTFSSSE has also developed a two-year strategic action plan (2024–2026)²⁶ with four priority areas namely policy coherence, education and research, access to financial and non-financial services, and improving SSE statistics. With these plans, the UNTFSSSE is well-equipped and committed to promoting the SSE among UN member states and relevant UN entities.

Initiatives by ILO

The ILO has played a major role in the promotion of cooperatives in the UN system and in the context of SDGs. In the area of SSE, the ILO is also instrumental in its promotion and mainstreaming as part of its mandate for decent work. Furthermore, the ILO serves as the secretariat, providing administrative and technical support to the UNTFSSSE. Its Chief of Cooperatives and SSE serves as Co-Chair alongside the Secretary General of UN Conference on Trade and Development (UNCTAD).²⁷

On 10th June 2022, the ILO adopted a resolution²⁸ on decent work and the SSE, which recognised the SSE's relevance to its mandate. The resolution also provided a definition of the SSE. It was considered “the first comprehensive deliberation on the social and solidarity economy at the International Labour Conference” and “the first high-level debate in the UN system on the subject.”²⁹ The ILO has played a pioneering role in increasing the visibility of SSE policy, which has enhanced the SSE's growing significance.

The ILO hosted educational and capacity-building programmes on SSE through its annual SSE Academy programmes.³⁰ Between 2010 and 2020,

26 UN Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSSE), *UNTFSSSE Strategic Action Plan (2024–2026)* https://unsse.org/wp-content/uploads/2024/04/UNTFSSSE-Strategic-Action-Plan-Summary_EN_Final.pdf accessed 11 October 2024.

27 The chairmanship of UNTFSSSE is usually rotated among the member UN agencies, with an ILO Department Head serving as Co-Chair.

28 International Labour Organization (ILO), *Resolution Concerning Decent Work and the Social and Solidarity Economy (10 June 2022)* ILC.110/Resolution II https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_norm/@relconf/documents/meetingdocument/wcms_848633.pdf accessed 11 October 2024.

29 International Labour Organization (ILO), *Conclusions on Decent Work and the Social and Solidarity Economy Adopted at the 110th International Labour Conference* <https://www.ilo.org/resource/news/conclusions-decent-work-and-social-and-solidarity-economy-adopted-110th> accessed 13 October 2024.

30 ILO, The ILO Social and Solidarity Economy Academy (SSE Academy) <https://www.ilo.org/resource/other/ilo-social-and-solidarity-economy-academy-sse-academy> accessed 13 October 2024.

the ILO hosted 11 SSE Academies in 11 different countries. In 2021, the ILO introduced online trainings. The trainings had three key objectives:

- To contribute to a better understanding of the concept of SSE;
- To discuss the relevance of SSE as a new development alternative and how to relate it to the ILO's Decent Work Agenda;
- To strengthen the impact of SSE through the creation of a community of practice.

These trainings, conducted across all the continents, have brought together SSE academics, activists, policymakers, and practitioners. The academy also facilitated “sharing of experiences from different regions on the latest approaches, policies, initiatives and partnerships that promote SSE as a tool for promoting decent work in human-centred recovery and building back better from the COVID-19 pandemic.”³¹ These training programmes gave participants an opportunity to re-examine development and business in a more holistic way, thereby not only building the SSE knowledge base but also equipping a new generation of SSE actors.

The 1st UN Resolution on SSE

An earlier article³² with reference to UN Resolutions has noted the relevance of resolutions within the UN system. Resolutions are recommendations to member states and are not legally binding unless adopted by the Security Council. However, they are useful guiding frameworks for consideration by member states, for global cooperation, and for national implementation. “Resolutions are formal expressions of the opinion or will of UN organs.”³³

31 ILO International Training Centre, *Academy on Social and Solidarity Economy (12th edition): Building Back Better—The Role of Social and Solidarity Economy in a Human-Centred and Planet-Sensitive Recovery* <https://www.itsilo.org/courses/social-and-solidarity-economy> accessed 13 October 2024.

32 Denison Jayasooria, ‘UN Resolutions on the Role of Parliaments and Parliamentarians in Accelerating the Achievements of the SDGs’ (2024) 4 *Journal of the Malaysian Parliament* 203–22 <https://journalmp.parlimen.gov.my/jurnal/index.php/jmp/article/view/130/58> accessed 2 August 2023.

33 United Nations, *About UN Documents* https://research.un.org/en/docs/resolutions#:~:text=Resolutions%20and%20Decisions%20*%20Compiled%20at%20the,of%20the%20Official%20Records%20of%20the%20organ accessed 16 October 2024.

Therefore, the UN's discussion and adoption of the first resolution on SSE in 2023 is highly significant. Without this resolution, civil society found it difficult to secure this term to be incorporated into the 2030 Agenda during the drafting stage at the RIO +20 gathering in 2012.

The 18th April 2023 Resolution (77/281) on "Promoting the social and solidarity economy for sustainable development"³⁴ was sponsored by 15 countries,³⁵ and together with another 28 countries that voted in favour, a total of 43 countries voted in favour.³⁶ Based on the ILO resolution of June 2022, the UN Resolution (77/281) defined SSE as "enterprises and organizations and other entities that are engaged in economic, social and environmental activities to serve the collective and/or general interest."³⁷ SSE entities operate on the principles of voluntary cooperation and mutual aid, democratic and/or participatory governance, autonomy and independence. In addition, these organisations give primacy to people and social purpose over capital in the distribution and use of surpluses and/or profits, which is the core value of the SSE. Some examples of organisations that operate in accordance with the principles and values of the SSE are cooperatives, associations, mutual societies, foundations, social enterprises, and self-help groups.³⁸

The main theme of the resolution³⁹ is a call to member states and UN agencies to promote and implement national, local, and regional strategies, policies, and programmes to support and enhance the SSE. The resolution also called on UN agencies and other relevant institutions to support SSE initiatives and on the Secretary-General, in collaboration

34 United Nations General Assembly, *Promoting the Social and Solidarity Economy for Sustainable Development*, UNGA Res 77/281 (18 April 2023) UN Doc A/RES/77/281 https://unsse.org/wp-content/uploads/2023/05/A_RES_77_281-EN.pdf accessed 16 October 2024.

35 United Nations General Assembly, *Promoting the Social and Solidarity Economy for Sustainable Development*, UN Doc A/77/L.60 <https://documents.un.org/doc/undoc/ltd/n23/086/72/pdf/n2308672.pdf> accessed 16 October 2024.

36 Yvon Poirier, 'The Adoption on 18 April 2023 of UN Resolution A/RES/77/281 "The Promotion of the Social and Solidarity Economy for Sustainable Development"' (2024) https://base.socioeco.org/docs/p4_11_12_24en-un-resolution_history-final.pdf accessed 16 October 2024.

37 United Nations (n 34) 2.

38 While some cooperatives, associations, mutual societies, foundations, social enterprises and self-help groups may not adhere to and practice all of the SSE values and principles, these organizations generally put the primacy of people and social purpose in the use and distribution of profits.

39 United Nations (n 34) 3.

with the UNTFSSSE, to prepare a report detailing SSE contributions to the SDGs.

This resolution was hailed as a “historic moment”.⁴⁰ It is expected that the resolution will serve as a “key instrument in increasing the visibility of the SSE and providing the opportunity for a focused exchange of knowledge and learning by member states.”⁴¹

UN Secretary-General's report on SSE

The First UN Resolution on SSE called on the UN Secretary-General to prepare a report, in collaboration with the UNTFSSSE, on the contributions of SSE to the achievement of the 2030 Agenda.

The UN Secretary-General prepared a Report on SSE,⁴² which the ILO⁴³ presented on 10th October 2024 at the 79th Session of the UN General Assembly. A few days later, on 15th October 2024, the UNTFSSSE organised a public event titled “Unlocking the Social and Solidarity Economy Full Potential for Sustainable Development”,⁴⁴ to present the report.

This report serves to take stock of the impact of the UN Resolution 77/281 on “Promoting the social and solidarity economy for sustainable development” and to identify areas where further action is needed. This report “outlines good practices, lessons learned and challenges and recommendations while recognising the transformative potential of the social and solidarity economy in promoting the sustainable development goals.”⁴⁵

40 International Cooperative Alliance, *A Historic Moment as the UN General Assembly Adopts the First Ever Resolution on the Social and Solidarity Economy* <https://ica.coop/en/newsroom/news/historic-moment-general-assembly-adopts-first-ever-resolution-social-and-solidarity> accessed 16 October 2024.

41 Ibid.

42 United Nations General Assembly, *Promoting the Social and Solidarity Economy for Sustainable Development: Note by the Secretary-General*, UN Doc A/79/351 <https://documents.un.org/doc/undoc/gen/n24/266/89/pdf/n2426689.pdf> accessed 19 October 2024.

43 International Labour Organization (ILO), *On Behalf of the UNTFSSSE, ILO Presents Secretary-General's Report on the Social and Solidarity Economy at UN General Assembly's 79th Session* <https://www.ilo.org/resource/news/behalf-untfsse-ilo-presents-secretary-generals-report-social-and-solidarity> accessed 19 October 2024.

44 UN Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSSE), *High-Level UNTFSSSE Event to Present the United Nations Secretary General's Report on Social and Solidarity Economy for Sustainable Development* https://unsse.org/wp-content/uploads/2024/10/PRESS-RELEASE_UNTFSSSE_Unlocking-the-social-and-solidarity-economy-full-potential-for-sustainable-development.pdf accessed 19 October 2024.

45 United Nations (n 42) 3.

The report acknowledges the work of the UNTFSSSE and highlights a number of significant findings as noted by the ILO:⁴⁶

- It highlights a collective global commitment to advancing the SSE by 17 governments, 8 UN entities, 6 international non-governmental organisations, and a variety of stakeholders.
- SSE entities address global challenges by advancing inclusive economic growth, promoting decent work, and fostering sustainable practices.
- SSE entities make local economies visible, resilient, and equitable while also addressing global challenges such as climate change.

The report also makes a number of recommendations to member states and international organisations that can serve as a practical pathway to build inclusive, resilient economies that prioritise people and the planet over profit.

- To harness the fullest potential of all types of SSE entities to contribute to sustainable development;
- To mainstream SSE in planning and programming;
- To create conducive environments for SSE development, including financial and non-financial support;
- To enhance training on the exchange of replicable good practices through South-South and triangular cooperations; and
- To recognise the contributions of SSE as a “vehicle to mobilize the furthest behind towards achieving inclusive and sustainable development.”⁴⁷

The 2nd UN Resolution on SSE

On 26th November 2024, the representative of Chile introduced a 2nd UN Resolution⁴⁸ on promoting SSE for sustainable development at the 24th

46 Ibid.

47 Ibid 19.

48 United Nations General Assembly, *Sustainable Development: Promoting the Social and Solidarity Economy for Sustainable Development: Report of the Second Committee, UN Doc A/79/437/Add.11* <https://documents.un.org/doc/undoc/gen/n24/385/48/pdf/n2438548.pdf> accessed 19 October 2024.

meeting of the General Assembly. A total of 175 members states voted in favour of this resolution, with Argentina being the only country to abstain.

In the discussion that followed, Argentina explained its abstention on the grounds that it underlined the “key role of capitalism and free trade in ensuring sustainable development and ending poverty and hunger.”⁴⁹ In response, Senegal defended the SSE and affirmed that “SSE offers an alternative framework to capitalism that focuses on cooperation, equity and sustainability, and seeks to promote economic practices that favour social welfare over mere profit maximisation.”⁵⁰ Senegal further affirmed “that SSE enterprises have an essential role to play in advancing the Sustainable Development agenda to 2030, contributing to an inclusive, job-rich, resilient and sustainable recovery and that by fostering social entrepreneurship, initiatives and SMEs, SSE entities support local economies and contribute to economic diversification and resilience.”⁵¹

Furthermore, other states declared that “SSE is a crucial vehicle to accelerate our efforts towards the full achievement of the SDGs, in favour of economic prosperity and in social and environmental harmony, leaving no one behind’ and that the SSE is also by nature based on a strong partnership model, working with the variety of stakeholders.”⁵²

In other words, the adoption of SSE does not necessarily entail a repudiation of capitalism, much in the same way that generic medicines do not necessarily supplant brand-name medicines. They simply provide a similarly effective alternative to lower-income people. This is an important point, considering the constant ideological debate between capitalism and alternative forms of economic arrangement. It is, however, interesting to note that 175 member states voted in favour, which confirms their support.

It is also interesting to note that out of the 175 member states, all the 10 ASEAN member states voted in favour of this resolution, including Malaysia. This further illustrates how SSE, following the UN Secretary-General’s report, is now viewed as mainstream. It is anticipated that

49 Intercontinental Network for the Promotion of Social Solidarity Economy (RIPESS), *Once Again, the United Nations Has Adopted a Resolution to Promote the Social and Solidarity Economy for Sustainable Development* <https://www.ripest.org/una-vez-mas-las-naciones-unidas-apoyan-una-resolucion-para-promover-la-economia-social-solidaria-en-favor-del-desarrollo-sostenible/?lang=en> accessed 22 October 2024.

50 Ibid.

51 Ibid.

52 Ibid.

national policies and legislation will eventually create an enabling environment for SSE initiatives to flourish.

The 2nd Resolution reaffirms the place and role of SSE in accelerating the SDGs for “inclusive and sustainable development.”⁵³ Similar to the 1st Resolution, there is a call to member states on a number of specific ways to promote the SSE at the national, local, and regional levels. Six key points,⁵⁴ which require institutional support from the state to nurture and ensure their execution, have been identified:

- *To develop specific legal frameworks for the SSE;*
- *To compile national statistics on SSE initiatives;*
- *To undertake capacity-building and research initiatives;*
- *To develop and provide financial services and funding;*
- *To organise consultative dialogues, in the policymaking and policy implementation process; and*
- *To encourage the participation of SSE actors.*

The resolution also places an expectation on UN country teams “to mainstream the social and solidarity economy as part of their planning and programming instruments.”⁵⁵ Similar to the 1st Resolution, it recognises the role of the UNTFSSSE and further acknowledges the SSE as “a tool for achieving the SDGs.”⁵⁶ Furthermore, the resolution calls on the UN Secretary-General to prepare a report by the 81st session of the UNGA in September 2026.

Policy research implications

The Social and Solidarity Economy (SSE), once a less popular term and not accepted in UN documentation, has now become mainstream due to the two resolutions and the UN Secretary-General report. In this regard, the important role played by UNTask Force on Social and

53 United Nations General Assembly, *Promoting the Social and Solidarity Economy for Sustainable Development*, UNGA Res 79/213 (19 December 2024) UN Doc A/RES/79/213 <https://documents.un.org/doc/undoc/gen/n24/417/48/pdf/n2441748.pdf> accessed 22 October 2024.

54 Ibid 3.

55 Ibid 4.

56 Ibid.

Solidarity Economy (UNTFSSSE) and Intercontinental Network for the Promotion of the Social and Solidarity Economy (RIPESS) in effectively advancing the SSE through the UN General Assembly (UNGA) cannot be overemphasised.

It was also noted that via the 2nd Resolution in late December 2024, all the ASEAN countries including Malaysia voted in favour. This international action will have positive implications for Malaysia in the months to come.

An ILO sponsored field study titled “Mapping the Social and Solidarity Economy Landscape in Asia Spotlight on Malaysia,” concludes that “the mapping of SSE in Malaysia identified three types of organizations that fit within this frame: cooperatives, social enterprises and certain faith-based initiatives. These models contrast with both ‘for profit companies’ which have profit as their major objective, with little or no social purpose or democratic governance, and non-profit organizations and companies that depend primarily on donations and grants.”⁵⁷

Malaysia launched the Social Entrepreneurship Action Framework 2030⁵⁸ (SEMy2030) in April 2022.⁵⁹ This framework provides a new national direction and will shape the development of social enterprises and social entrepreneurship in Malaysia.

In addition, Malaysia launched the Malaysia Cooperative Policy 2030 (DaKoM 2030)⁶⁰ on 12th October 2023. This is a roadmap until 2030, with a key target of achieving RM60 billion in revenue by 2025 and RM73 billion by 2030. It states that “DaKoM 2030’s framework is a strategic direction for the development of cooperatives in enhancing economic performance

57 International Labour Organization (ILO), *Strengthening Social and Solidarity Economy Policy in Asia: Mapping the Social and Solidarity Economy Landscape in Asia — Spotlight on Malaysia* https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_emp/%40emp_ent/%40coop/documents/publication/wcms_822183.pdf accessed 25 October 2024.

58 Ministry of Entrepreneur Development and Cooperatives, Malaysia Social Entrepreneurship Blueprint 2030 https://www.kuskop.gov.my/admin/files/med/image/portal/PDF/SEMy2030/SEMy2030_Booklet_ENG.pdf accessed 25 October 2024.

59 ILO, *Malaysia Launches New Social Entrepreneurship Development Framework* <https://www.ilo.org/resource/news/malaysia-launches-new-social-entrepreneurship-development-framework> accessed 25 October 2024.

60 Nabalu News, Malaysia Cooperative Policy Launched to Map Out Direction of Cooperative Movement <https://www.nabalunews.com/post/malaysia-cooperative-policy-launched-to-map-out-direction-of-cooperative-movement#:~:text=The%20three%20main%20objectives%20to,position%20cooperatives%20as%20the%20preferred> accessed 25 October 2023.

and the social well-being of its members, with the vision of making this sector the main driver of Malaysia's socio-economic growth."⁶¹ There are 15,809 registered cooperatives nationwide in Malaysia, with a total membership of 7.2 million.⁶² These cooperatives have assets valued at RM165.8 billion and an overall revenue of RM64.5 billion.⁶³

Earlier in 2015, the Federal Government launched the Malaysian Social Enterprise blueprint, *Unleashing the Power of Social Entrepreneurship*.⁶⁴ This is one of the first documents that refers in a direct manner to social enterprises as "impact driven" and a "new form of enterprise." This document states that "social entrepreneurship is the only form of enterprise that has the potential to radically transform capitalism by resolving social or environmental issues that are neglected by the traditional sectors."⁶⁵

It is now estimated that there are 20,749 social enterprises in Malaysia. However, the number of accredited social enterprises is much smaller with only 414 establishments registered as social enterprises under the Ministry of Entrepreneur Development and Cooperatives. Of these, only 48 are accredited and therefore, the development is slow, even though the number of businesses claiming to have a social or environmental objective is high.

Recently, Malaysia's Minister of Economy made reference to social enterprises in a speech entitled '*Social enterprise is a new pillar of poverty eradication in Malaysia*'.⁶⁶ Minister Rafizi Ramli was quoted as saying that social enterprises are seen as having achieved the target of ensuring the success of poverty alleviation programmes. He added that social enterprises have a role in doing business, but they are not profit-oriented. Therefore, social enterprises have the ability to ensure that the designed poverty eradication programmes reach their target. He contrasted the

61 Ibid.

62 BERNAMA, Ewon: 15,809 Registered Cooperatives with 7.2mil Members <https://www.nst.com.my/news/nation/2024/08/1093214/ewon-15809-registered-cooperatives-72mil-members> accessed 25 October 2024.

63 Ibid.

64 Malaysian Global Innovation and Creativity Centre (MaGIC), *Unleashing the Power of Social Entrepreneurship: Malaysian Social Enterprise Blueprint (2015–2018)* <https://mymagic-misc.s3.amazonaws.com/SE%20BLUEPRINT.pdf> accessed 25 October 2024.

65 Ibid 9.

66 Berita Harian Online, *Perusahaan Sosial Tonggak Baharu Basmi Kemiskinan di Malaysia* <https://www.bharian.com.my/berita/nasional/2024/09/1304913/perusahaan-sosial-tonggak-baharu-basmi-kemiskinan-di-malaysia> accessed 25 October 2024.

role of non-governmental organisations (NGOs) as being different from social enterprises, noting that NGOs cannot do business. He recognised that social enterprises were a new pillar in this ecosystem, which needs to be further developed and strengthened.

In Malaysia, there is also reference to faith-based initiatives, specifically Shariah philanthropy and finance. A clear example is the extensive national network of pawnshops, Al-Rahnu.⁶⁷ Islamic pawn brokering, which began in 1992, today has an estimated 329 institutions with over 1.22 million clients. The accumulated loans amount to around RM 1.17 billion (approximately US\$ 308 million). These institutions offer a form of credit that is popular among the poor and low-income families who want to secure cash for their gold.

These three alternative business models present a significant opportunity within the Malaysian ecosystem to further rethink development and economic models, particularly as the 13th Malaysian Development Plan (2026-2030) is formulated.⁶⁸ There is a need to reflect on how national policies over the next five years can foster greater space for the SSE and promote institutions like cooperatives and social enterprises to be a key pillar in accelerating the SDGs over the next six years.

As Malaysia aspires to become a high-income country by 2028, the World Bank report⁶⁹ notes that the Malaysian aspiration is not just income growth, but shared with sustained growth. The report goes on to note that a new development model is needed, indicating “a different set of policies and institutions will be required to improve the quality, inclusiveness, and sustainability of economic growth in the future.”⁷⁰

It is significant that the recently launched 13th Malaysia Plan, presented in parliament on 31st July 2025, makes two specific references to the social economy and the third sector. These references are found in Chapter 2 (pages 2-36 and 2-38) and Chapter 4 (pages 4-15 and 4-16). The document includes specific policy recommendations and strategies for developing this sector to address socioeconomic problems and to generate alternative

67 ILO (n 57).

68 *Free Malaysia Today, Taking Malaysia to the Next Level of Development* <https://www.freemalaysiatoday.com/category/nation/2024/12/02/taking-malaysia-to-the-next-level-of-development-2/> accessed 26 October 2024.

69 World Bank Group, *Malaysia to Achieve High Income Status Between 2024 and 2028, but Needs to Improve the Quality, Inclusiveness, and Sustainability of Economic Growth to Remain Competitive* <https://www.worldbank.org/en/news/press-release/2021/03/16/aiminghighmalaysia> accessed 26 October 2024.

70 Ibid.

community-based economies through cooperatives, social enterprises, agricultural organisations, and CSOs/NGOs. This presents a significant opportunity to build the ecosystem and resilience of these organisations, thereby empowering the poorer sections of Malaysian society.

The APPGM-SDG (All-Party Parliamentary Group Malaysia on SDGs) provided micro-grants of RM30,000 – RM40,000 to 1,373 SDG projects at the grassroots level between 2020 and 2024 to undertake economic, social, and environmental projects. These also include 384 micro-community farms. The nurturing of grassroots organisations, from self-help groups and local community groups to social enterprises and cooperatives, is an empowering process that must build self-reliance. Building their capacity involves building institutional and financial literacy, as well as marketing of their products through digital markets. The values and principles of accountability, transparency, inclusivity, and sustainability are key to this socio-economic transformation at the grassroots level. Reaching a high-income society is not just about GDP and GNI, but also the empowerment and upliftment of the bottom sections of the society.

Here, Members of Parliament can play an oversight role in ensuring that the economic growth is for all sections of society and not just for the political and elite. The APPGM-SDG network of solution providers could become a catalyst for information dissemination at the grassroots level. There are 947 solution providers who undertook 1,373 micro socio-economic SDG projects. “[T]he focus is not just on building the income of the poor but also empowering them to address immediate needs as well as confront structural injustices through collective action.”⁷¹ Efforts must be undertaken to mobilise more grassroots movements to join SSE alternative economic initiatives as a vehicle to ensure *no one is left behind*.

Conclusion

The Social and Solidarity Economy (SSE) is now recognised as a vehicle for accelerating the SDGs, particularly in the crucial final five years from 2026 to 2030. The SSE mobilises grassroots communities through cooperatives, social enterprises, and community-based programmes, ensuring that economic development is inclusive and sustainable. This involves integrating the poor into development, shifting from dependency

71 D. Jayasooria and B.R. Quiñones Jr, *Building Inclusive Communities through SDGs and SSE Initiatives*. (Petaling Jaya, Persatuan Promosi Matlamat Pembangunan Lestari, 2024) 5. <<https://appgm-sdg.com/wp-content/uploads/2024/05/Building-Inclusive-Communities-through-SDGs-and-SSE-Initiatives.pdf>> accessed on 26 October 2024.

(including handouts) to self-reliance, and prioritising environmental conservation and climate action. UN policy documents, to which Malaysia is a signatory, hold significant relevance for the country's development agenda. Applying these frameworks can further ensure that fair, just, and equitable development is upheld, particularly for the poor and marginalised in Malaysian society.

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