

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

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ABSTRACT

There was a renewed interest post-COVID-19 to explore alternative economic models of development which establish a balance between economic, social and environmental concerns, in light of the adoption of 2030 Agenda on the Sustainable Development Goals (SDGs) on 25 Sept 2015. The vulnerability of many communities particularly migrant workers, indigenous people, women operators of micro-businesses and other socially excluded sectors during troubled times require new ways of generating and redistributing wealth so as to ensure no one is left behind. A major breakthrough in the search for alternative economic models took place with the promotion of the social solidarity economy (SSE) by the International Labor Organization (ILO) with the aim of guaranteeing decent work and quality of life at the grassroots. ILO took the lead in establishing the UN Taskforce on SSE (UNTFSSSE) which actively advocated for a UN Resolution on SSE together with 19 UN agencies as members including a number of global NGOs such as the Intercontinental Network for the Promotion of Social Solidarity Economy (RIPESS). SSE has been recognised as a key driver for inclusive and sustainable development, particularly by promoting decent work, reducing inequalities and fostering social transformation. Two resolutions (A/RES/77/281 and A/C.2/79/L.22/Rev.1) and the Secretary General's 2024 report provide a strong ground and rationale for Members of Parliament (MPs) to advocate for fair and equitable distribution of economic growth especially in the formulation of development plans and during a time when Malaysia aspires to become a high-income nation.

Keywords:

Community-based economy, social solidarity economy (SSE), social enterprises, alternative economic models, Sustainable Development Goals (SDG)

INTRODUCTION

The UN SDG Report for 2024 indicates that there are overall improvements to incomes which has uplifted the poor using the median income measurement.¹ However, the way financial management is being carried out globally, nationally and locally is causing “inequalities [to] keep growing.”²

In this context, it can be said that the SDG’s Agenda 2030 of Transforming the World³ adopted by the UN General Assembly on 25 September 2015 has ushered in a new way of doing business which draws a balance between profits, people and planet. Clearly, the Agenda 2030 seeks to rectify the private corporate sector’s oversight on the common good agenda by way of promoting alternative forms of business models that contribute to inclusive and sustainable development. Among these 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. So far, traditional profit-driven corporate businesses have not proven to be best placed in undertaking socially inclusive policies and operations that generate inclusive development.

In December 2019, the UN adopted Resolution 74/119 on Cooperatives in social development⁶ recognising 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 22 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 visible the “spirit of cooperation and mutual support”¹⁰ during the COVID-19

¹ UN SDG Report 2024, p. 28 <https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf>

² Ibid p. 2

³ 2030 Agenda (2015)

<https://sustainabledevelopment.un.org/content/documents/21252030%20Agenda%20for%20Sustainable%20Development%20web.pdf>

⁴ 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>

⁵ 2030 Agenda op.cite, para 41

⁶ <https://documents.un.org/doc/undoc/gen/n19/422/40/pdf/n1942240.pdf>

⁷ Ibid

⁸ Ibid

⁹ UN Secretary General Report (July 2021) <https://documents.un.org/doc/undoc/gen/n21/202/17/pdf/n2120217.pdf>

¹⁰ Ibid pg 4/16

pandemic. The cooperative enterprises are recognised as “drivers of sustainable development”¹¹ as they take concrete actions towards achieving the SDGs. They are 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.

SSE AND UN-RELATED INITIATIVES

There are four UN initiatives that have significantly contributed in mainstreaming SSE for localising of 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*

UN Taskforce on SSE (UNTFSSSE)

There was an urgency to rethink development in the context of “economic dynamism, social and environmental protection and socio-political empowerment.” This rethinking of development took place at a Conference hosted by the UN Research Institute for social development (UNRISD) from 6-8 May 2013 in Geneva.¹⁴ About 55 papers were presented on the theme “*Potential and Limitations of SSE*”. There was intense discussion on the definition of SSE which led to the consensus that SSE is an umbrella term that encompasses different conceptualisations and strategies for achieving economic and social objectives including ethical values and social justice, and the central role of community-based organisations or people’s organisations in creating the SSE.

¹¹ Ibid. pg 6/16

¹² Ibid pg 16/16

¹³ <https://www.un.org/en/desa/cooperatives-launch-2025-international-year>

¹⁴ <https://cdn.unrisd.org/assets/library/briefs/pdf-files/01-sse-event-final-pdf-for-web.pdf>

Since 2013, the UNTFSEE has played a major role in the mainstreaming of 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 UNTFSEE to be “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 SDGs¹⁷ which is an Open-Access Online Platform, the purpose of which 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 hosted three important global research conferences on SSE and SDGs namely:

- 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
- UNTFSEE 2019 International Conference on Implementing the Sustainable Development Goals: What Role for Social and Solidarity Economy?²¹

¹⁵ https://knowledgehub.unsse.org/wp-content/uploads/2019/12/Final_Position-Paper-SSE-and-SDGs_UNTFSEE.pdf pg.1

¹⁶ Ibid. pg 2

¹⁷ <https://www.unrisd.org/en/research/projects/sse-knowledge-hub-for-the-sdgs>

¹⁸ Ibid

¹⁹ <https://www.unrisd.org/en/activities/events/potential-and-limits-of-social-and-solidarity-economy/conference-presentations-draft-papers-podcasts-and-videos>

²⁰ <https://www.unrisd.org/en/activities/events/social-and-solidarity-finance-tensions-opportunities-and-transformative-potential>

²¹ <https://unsse.org/2019/07/04/sdgs-sse-conference/>

Hosting international SSE conferences and the establishment of the SSE Knowledge Hub can be viewed as adopting an evidence-based approach for enlightening policy makers and national leaders on the possibilities of SSE as an economic alternative framework and practical possibilities in changing the economic wellbeing of those being left behind.

UNTFSSSE in 2023 produced an SSE encyclopaedia²² This is an open access document and 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 Here, the emphasis is on SSE values such as “the place of ethics, social well-being and democratic decision-making in economic activities and governance.”²⁵

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

Initiatives by ILO

ILO has played a major role in the promotion of cooperatives in the UN system and also in the context of SDGs. Likewise in the area of SSE, the ILO is instrumental in the promotion and mainstreaming of SSE as part of its mandate for decent work. Furthermore, ILO serves as the secretariat providing administrative and technical support to the UNTFSSSE, with the ILO Chief of Cooperatives and SSE serving as Co-chair together with the Secretary General of UNCTAD.²⁷

²² Encyclopaedia of the Social and Solidarity Economy: A Collective Work of the United Nations Inter-Agency Task Force on SSE (UNTFSSSE). Edited by Ilcheong Yi (2023). <https://www.elgaronline.com/display/book/9781803920924/9781803920924.xml>

²³ Ibid

²⁴ Ibid

²⁵ Ibid

²⁶ https://unsse.org/wp-content/uploads/2024/04/UNTFSSSE-Strategic-Action-Plan-Summary_EN_Final.pdf

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

ILO adopted a resolution²⁸ concerning decent work and the SSE, on 10 June 2022 by which ILO recognised the relevance of the SSE to its mandate. It also provided a definition for SSE. It is said that this is “the first comprehensive deliberation on the social and solidarity economy at the International Labour Conference. It is also the first high-level debate in the UN system on the subject.”²⁹ ILO has played a pioneering role in enabling SSE policy visibility which has enhanced its growing significance

ILO hosted educational and capacity building programs on SSE through its annual SSE Academy programs.³⁰ Between 2010 and 2020, ILO hosted 11 SSE Academies in 11 different countries. In 2021, ILO introduced the training online. There were three key objectives of the SSE trainings namely:

1. Contribute to a better understanding of the concept of Social and Solidarity Economy;
2. Discuss the relevance of SSE as a new development alternative and how to relate it to ILO’s Decent Work Agenda;
3. 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, policy makers and practitioners. The academy also stimulated “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 programs gave the participants an opportunity to relook at development and business in a more holistic way, therefore not only building the SSE knowledge base but also the equipping of a new generation of SSE actors.

The 1st UN Resolution on SSE

An earlier article³² with reference to UN Resolutions has already noted the relevance of resolutions within the UN system. Resolutions are recommendations to member states and are not legally binding except if adopted by the Security Council. However, they are useful guiding

²⁸ ILO (2022)

https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_norm/@relconf/documents/meetingdocument/wcms_848633.pdf

²⁹ <https://www.ilo.org/resource/news/conclusions-decent-work-and-social-and-solidarity-economy-adopted-110th>

³⁰ <https://www.ilo.org/resource/other/ilo-social-and-solidarity-economy-academy-sse-academy>

³¹ <https://www.itcilo.org/courses/social-and-solidarity-economy>

³² <https://journalmp.parlimen.gov.my/jurnal/index.php/jmp/article/view/130/58>

frameworks for member states consideration, for global cooperation and national implementation. “Resolutions are formal expressions of the opinion or will of UN organs.”³³

Therefore, for the UN to have discussed and adopted the first resolution on SSE in 2023 is very significant. Without this resolution, the 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 18 April 2023 Resolution (77/281) on “Promoting the social and solidarity economy for sustainable development”³⁴ was sponsored by fifteen 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) defines 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 basis of 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 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 for supporting and enhancing the social and solidarity economy. In this context the call was also for UN agencies as well as other institutions to support SSE initiatives. In addition, the resolution also called on the Secretary-General to prepare a report, in collaboration with the UNTFSSE, noting SSE contributions towards SDGs.

³³https://research.un.org/en/docs/resolutions#:~:text=Resolutions%20and%20Decisions%20*%20Compiled%20at%20the,of%20the%20Official%20Records%20of%20the%20organ.

³⁴ Resolution 77/281 (2023) https://unsse.org/wp-content/uploads/2023/05/A_RES_77_281-EN.pdf

³⁵ <https://documents.un.org/doc/undoc/ld/n23/086/72/pdf/n2308672.pdf>

³⁶ Yvon Poirier. (2024) ‘The Adoption on 18 April 2023 of UN Resolution A/RES/77/281 “The Promotion of the Social and Solidarity Economy for Sustainable Development”’ <https://base.socioeco.org/docs/p4_11_12_24en-un-resolution_history-final.pdf> op.cite pg 27

³⁷ Resolution 77/281 (2023) op.cit the definition is taken from second para, pg 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 Ibid pg 3 with reference to the three points

This resolution was hailed as a “historic moment”.⁴⁰ It is believed 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 1st 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 did prepare a Report on SSE,⁴² which was presented by ILO⁴³ on 10 October, 2024 at the 79th Session of the UN General Assembly. A few days later, on 15th October 2024 the UNTFSSSE organized a public event⁴⁴ entitled “Unlocking the Social and Solidarity Economy Full Potential for Sustainable Development”, to publicly present the United Nations Secretary General Report.

It is important to note that 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 solidarity economy in promoting the sustainable development goals.”⁴⁵

The report acknowledges the work of the UNTFSSSE, and provides a number of significant findings that were noted by the ILO:⁴⁶

- Highlights collective global commitment to advancing the SSE by 17 governments, eight UN entities, six international non-governmental organizations, and a variety of stakeholders;

⁴⁰ <https://ica.coop/en/newsroom/news/historic-moment-general-assembly-adopts-first-ever-resolution-social-and-solidarity>

⁴¹ *ibid*

⁴² UN Secretary General Report (2024). <https://documents.un.org/doc/undoc/gen/n24/266/89/pdf/n2426689.pdf>

⁴³ ILO (2024) <https://www.ilo.org/resource/news/behalf-untfssse-ilo-presents-secretary-generals-report-social-and-solidarity>

⁴⁴ https://unsse.org/wp-content/uploads/2024/10/PRESS-RELEASE_UNTFSSSE_Unlocking-the-social-and-solidarity-economy-full-potential-for-sustainable-development.pdf

⁴⁵ UN Secretary General Report (2024). *op.cite* p. 3

⁴⁶ ILO (2024) *op.cite*

- SSE entities address global challenges by their actions on advancing inclusive economic growth, promoting decent work, and fostering sustainable practices.
- SSE entities make local economies visible, resilient and equitable as well as address 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 social and solidarity economy entities to contribute to sustainable development;
- To mainstream SSE in planning and programming;
- To create conducive environments for SSE developments including financial and non-financial support;
- To enhance training through South-south and triangular cooperations the exchange of replicable good practices; 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

The representative of Chile on 26 November 2024 at the 24th meeting of the General Assembly introduced a 2nd UN Resolution⁴⁸ on promoting SSE for sustainable development. A number of 175 members states voted in favour of this Resolution. The only country that abstained was Argentina.

In the discussion that followed, Argentina explained why it abstained on grounds that they underlined the “key role of capitalism and free trade in ensuring sustainable development and ending poverty and hunger.”⁴⁹ In response Senegal replied defending 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

⁴⁷ Op.cite UN Secretary General Report (2024) p. 19.

⁴⁸ UN Resolution on SSE (2024) (A/C.2/79/L.22/ Rev.1). pg1.
<https://documents.un.org/doc/undoc/gen/n24/385/48/pdf/n2438548.pdf>

⁴⁹ <https://www.ripess.org/una-vez-mas-las-naciones-unidas-apoyan-una-resolucion-para-promover-la-economia-social-solidaria-en-favor-del-desarrollo-sostenible/?lang=en>

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 spoke up and 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 in much the same way that generic medicines do not necessarily supplant brand-name medicines, but that they simply provide a similarly effective alternative to lower income people. This is an important point to note considering the constant ideological dispute and discussion between capitalism and alternative forms of economic arrangement. It is however interesting to note that 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 ten ASEAN member states voted in favour, including Malaysia. This further illustrates how SSE, after the UN Secretary General’s report, is now viewed as mainstream. In due time, we can see how national policies and legislation will create an enabling environment for SSE initiatives to flourish.

In the 2nd Resolution, there is a reaffirmation of the place and role of SSE in the acceleration of 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 for the promotion of SSE at the national, local and regional levels. Six key points⁵⁴ could be identified that requires institutional support from the State to nurture and ensure its execution. These are:

⁵⁰ Ibid

⁵¹ Ibid

⁵² Ibid

⁵³ UN Resolution on SSE (2024), op.cite p. 2/4

⁵⁴ Ibid. no.1, p. 3/4

- *To develop specific legal frameworks for 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 process and policy implementation and*
- *To encourage the participation of SSE actors*

There is also expectation on the role of UN country teams “to mainstream the social and solidarity economy as part of their planning and programming instruments.”⁵⁵ Similar to the 1st Resolution, there is a recognition of the role of the UNTFSSSE. There is also a further acknowledgment of 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.

CONCLUSION

We have clearly noted that SSE, which was in the earlier years not a popular term and not accepted in the UN documentation, has now become mainstream by virtue of the two resolutions and the UN Secretary General report. In this regard, the important role played by UNTFSSSE and RIPESS in effectively advancing SSE through the UNGA cannot overemphasised.

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

“Mapping the Social and Solidarity Economy Landscape in Asia Spotlight on Malaysia,” an ILO sponsored field study draws the conclusion that in “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

⁵⁵ Ibid. no.4, p. 4/4

⁵⁶ Ibid

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 It provides a new national direction and will shape the direction for 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 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 are much smaller namely 414 establishments have been

⁵⁷ ILO (Sept 2021)

https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_emp/%40emp_ent/%40coop/documents/publication/wcms_822183.pdf

⁵⁸ https://www.kusop.gov.my/admin/files/med/image/portal/PDF/SEMy2030/SEMy2030_Booklet_ENG.pdf

⁵⁹ <https://www.ilo.org/resource/news/malaysia-launches-new-social-entrepreneurship-development-framework>

⁶⁰ <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>

⁶¹ Ibid

⁶² <https://www.nst.com.my/news/nation/2024/08/1093214/ewon-15809-registered-cooperatives-72mil-members>

⁶³ Ibid

⁶⁴ Malaysian Social Enterprise (2015), <https://mymagic-misc.s3.amazonaws.com/SE%20BLUEPRINT.pdf>

⁶⁵ Ibid. p. 9

registered as social enterprises under the Ministry of Entrepreneur Development and Cooperatives. Of these, it indicated that only 48 are accredited and therefore the development is slow although the numbers of businesses claiming to have a social or environmental objective is higher.

Recently, the Minister of Economy, Malaysia made reference to social enterprises in a speech entitled ‘Social enterprise is a new pillar of poverty eradication in Malaysia’.⁶⁶ Minister Rafizi Ramli is quoted as saying that social enterprises are seen to have achieved the target of ensuring the success of poverty alleviation programmes. He went on to say 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 its target. He contrasted the role of non-governmental organisations (NGOs) as being different from social enterprises where NGOs cannot do business. He recognised that social enterprises were a new pillar in this ecosystem, which needs to be further developed and strengthened.

There is also in Malaysia, reference made to faith-based initiatives which are Shariah philanthropy and finance. One clear example mentioned is the extensive national network of pawnshops, Al-Rahnu.⁶⁷ Islamic pawn brokering which began in 1992, has today 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 are offering Islamic pawn brokering services, which is a form of credit and this is popular among the poor and low-income families in an effort to secure cash for their gold.

These three alternative business models provide a very good opportunity in the Malaysian ecosystem for further rethinking of development and economic models especially as we formulate the 13th Malaysian Development Plan (2026-2030).⁶⁸ We need to further reflect how our national policies over the next five years could foster greater space for the social solidarity economy and the promotion of such institutions like cooperatives and social enterprises to be a key pillar of accelerating SDGs over the next six years.

⁶⁶ <https://www.bharian.com.my/berita/nasional/2024/09/1304913/perusahaan-sosial-tonggak-baharu-basmi-kemiskinan-di-malaysia>

⁶⁷ ILO (Sept 2021), op.cite. p. 3

⁶⁸ <https://www.freemalaysiatoday.com/category/nation/2024/12/02/taking-malaysia-to-the-next-level-of-development-2/>

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 with a difference, where growth must be not just shared but also sustained. The report went 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 in this context that there is a need for Malaysia’s development planning to give as much focus on micro business development at the grassroots. This is especially for the community-based economic efforts including cooperatives and social enterprises as what the UN Resolutions called for in the form of the SSE. Malaysia could work with ILO and the UNTFSSSE on creating an ecosystem of friendly policies and legislation, financial support and loans as well as capacity building to enhance these grassroots initiatives.

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

Here is where Members of Parliament can play an oversight role in ensuring the economic growth is for all sections of society and not just for the political and elite sections of our society. The APPGM-SDG network of solution providers could become a catalyst for information dissemination at the grassroots. Now there are 947 solution providers who undertook 1,373 micro socio-economic SDG projects. Here “the focus is not just on building the income of the poor but also empowering them to address immediate needs as well as confront structural

⁶⁹ <https://www.worldbank.org/en/news/press-release/2021/03/16/aiminghighmalaysia>

⁷⁰ Ibid

injustices through collective action.”⁷¹ Efforts must be undertaken to enlist more grassroots movements to be part of this SSE alternative economic initiatives as a vehicle to ensure *no one is left behind*.

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