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A new public policy to promote Mexico's social economy?

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A New Public Policy to Promote Mexico's Social Economy?

Line 6. Public policies and legal frameworks for social companies.

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Introduction

Social Economy in Mexico traces back to the post-revolutionary period (as early as 1921); nonetheless, there is a recent recognition for it. One could affirm that the social economy is currently facing its institutionalization period, as it was during the second decade of the current century where laws, government agencies and programs were introduced. Namely, the Law on Social and Solidarity Economy, the National Institute of Social Economy with its Advisory Board, and the Program for Social Economy Promotion, one of its main tools for promoting this sector.

On the 1st of December 2019, Andrés Manuel López Obrador, candidate from the Morena Party, took office as the president of the country. He was part of the opposition, which means that he didn't belong to any of the two political parties that had been holding power during the 20th and 21st centuries.

Andrés Manuel López Obrador has been the president who achieved the highest percentage of votes in the history of the country (53.19%), so the people expected and still expect he could break neoliberal policies, and really support the social economy.

In this paper, we will review the foundation of the public policy to promote the social economy through its three bases:

- In 2012, the Law on Social and Solidarity Economy (*Ley de la Economía Social y Solidaria*) was approved. It could be considered the legal basis of the public policy to promote the social economy.
- The Law on Social and Solidarity Economy ordered the transformation of the National Support Fund for Solidarity Companies (*Fondo Nacional de Apoyo para las Empresas de Solidaridad, Fonaes*) in the National Institute of Social Economy (*Instituto Nacional de la Economía Social, Inaes*), which could be described as the institutional base of the public policy to promote the social economy.
- Since 2014, the National Institute of Social Economy is in charge of implementing the Social Economy Promotion Program (*Programa de Fomento a la Economía Social*) with annual operating rules. It could be recognized as the budgetary program base of the public policy to promote the social economy.

The main questions to be answered in this paper are: Are these bases enough to consider that in Mexico already exists a public policy to promote the social economy (or only some isolated actions)? Could the new government really promote the social economy in the country?

1. Context

On the 1st of December 2019, Andrés Manuel López Obrador, candidate from the Morena Party, took office as the president of the country. He was part of the opposition, which means that he didn't belong to any of the two political parties that had been holding power during the 20th and 21st centuries.

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The president declared the neoliberal model formally abolished (González, 2019), and designated this period as “The Fourth Transformation” since he wants his administration to peacefully bring a profound change for the country, equivalent to three key moments in the history of Mexico.

- The Independence (1810-1821)
- The Reform, war between liberals and conservatives (1858-1861)
- The Revolution (1910-1917)

The president has defined 11 fundamental points of the new model to achieve the Fourth Transformation of Mexico:

1. Honor full and honesty.
2. No rich government with poor people.
3. Economy for the wellbeing.
4. The market does not substitute the government.
5. For the good of all, the poor first.
6. Leave no one behind, leave no one outside.
7. There is no peace without justice.
8. The respect for the rights of the others is peace.
9. No more migration for hunger and violence.
10. Democracy is command by obeying.
11. Ethics, freedom and trust.

With these elements in mind, he ordered the modification of many programs and its respective budgets.

We will now analyze how the public policy bases to promote the social economy worked in the previous seven years, and the changes they are experiencing in the current administration.

2. The legal base

The Law on Social and Solidarity Economy has multiple gaps and inconsistencies, and does not have enough elements to promote the social economy.

One of these inconsistencies is that the law has no definition for the social and solidarity economy, neither for social economy. Rather, it adopts a different concept than that of the name of the law. Consequently, in its article 4, it states the types of agencies that belong to the social sector of economy:

I. Communal land;
II. Communities;
III. Workers' agencies;
IV. Cooperative Societies;
V. Companies or enterprises that belong mostly or exclusively to the workers; and
VI. In general, all forms of social body implemented for the production, distribution and consumption of goods and services socially necessary (Diario Oficial de la Federación 2015c, Article 4).

As for the gaps, the law originally passed in Congress seemed to have all the elements foreseen to integrate the actions dispersed until now - even contradictory ones - and to formulate its own public policy. The president vetoed it (without explaining why) and, in order to approve it in 2012 (before the end of the Legislature), its promoters eliminated the aspects that were supposed to have caused that decision. Although it was passed unanimously again, the result was a “cut” law that was amended in June 2013, but - instead of correcting those gaps and inconsistencies - the result was a new mutilation by repealing the most significant

articles (at least one fraction of 52 articles of the 58 that contained the first enacted law was reformed, added or repealed).

In addition, this reform completely eliminated the articles related to the calls for regional assemblies of the organizations of the social sector of the economy (to be carried out by the Secretary of Economy), the National Constituent Congress of the Organizations of the Social Sector of the Economy (in which would appoint the permanent representatives before the Institute's Advisory Council), the National Council of Entities of the Sector of the Social and Solidarity Economy (which was to be the maximum representative body), the Fund for the Promotion of the Social and Solidarity Economy Sector (which would define the credit support policies and the guarantee and stabilization mechanisms for the investments of the sector entities) and the National Registry of the Sector of the Social and Solidarity Economy (which would elaborate the opportune statistics to understand the needs of the sector and feedback on the formulation of public policy).

In sum, the Law on Social and Solidarity Economy continues to lack direction and long-term horizon and tends more to legal involution than to its strengthening (Redcoop, 2013). It does not generate capacities for dialogue or influence on public policy and the only "new" instances are the Advisory Council (which meets at the invitation of the Director General of the National Institute of Social Economy and only for delivering opinions) and the National Institute of Social Economy itself (which in essence is the same National Support Fund for Solidarity Companies that already existed).

The enormous potential that the law had to improve the economic situation of millions of Mexicans (individually or through their organizations) and to promote regional, subnational and national development was wasted and - in its current state - it is not possible to consider it the legal basis of the public policy to promote the social economy or the legal framework of the social economy in Mexico.

In the current administration (2018-2024), it already had a reform, but for the moment only one purpose was added to the social sector of the economy, and one value that

should guide the actions of the organizations of the social sector of the economy: social inclusion.

However, in an interview the director of the National Institute of Social Economy, Juan Manuel Martínez Louvier said:

> We have to first start a dialogue and a consensus in the sector, to have much more guidelines for the modifications [to the Law on Social and Solidarity Economy], to have a much more cohesion project, much more coherence in terms of social economy, and then to look for a deeper adaptation of regulatory frameworks. Also, to integrate other sectors of society and institutions (Martínez, 2019).

Obviously, modifying the Law on Social and Solidarity Economy will be a much longer process to not only seek consensus, and to integrate other sectors of society and institutions but because the reforms of all the laws are responsibility of the Legislative power.

3. The institutional base

The main institution in charge of the public policy to promote the social economy is the National Institute of Social Economy, but it still works with a structure similar to that of its predecessor (National Support Fund for Solidarity Companies, Fonaes), except for the names of the administrative units (the General Directorates are now General Coordination Units), some editorial modifications and a few fractions eliminated.

The only important changes were:

- The establishment of the Advisory Council for the Promotion of the Social Economy (*Consejo Consultivo de Fomento a la Economía Social*), which aims to analyze and propose actions that affect the fulfillment of the Program, but only issues opinions, proposals and suggestions.

- The obligation to annually publish a compendium of basic information via digital and / or printed about the organizations of the social sector of the economy.

In a nutshell, the National Institute of Social Economy is an instrument, state consultative body, promoter and broadcaster, but not a decision-maker or responsible for all stages of the public policy for promoting social economy. In its current state (functions and structure) it is not an adequate institutional basis for such public policy.

However, a promising change is that now at the head of the National Institute of Social Economy the position is held by an academic specialized in social economy, Juan Manuel Martínez Louvier. He graduated from the Universidad Iberoamericana Puebla, where he also participated as coordinator of the Master in Business Management in Social Economy, and the Laboratory of Economic and Social Innovation.

Upon taking office, he pointed out that his initial mission is to change an exclusive social economy from the most marginalized sectors (as considered in the two previous federal governments) to one that can be present everywhere.

He also indicated that:

> The Fourth Transformation generates the best possible conditions for the promotion of the social sector of the economy, having as a compass the practices of the social economy.
> […] Moving from client dynamics or direct subsidies to a dynamic of promotion of the person and their well-being through the generation of guarantees, so that the greatest number of people can access their social rights. That the programs attend directly to the people is generation of autonomy and self-management of the groups. Many logics to optimize public investment are traversed by the social economy (Martínez, 2018).

4. The budgetary programmatic base

The Law on Social and Solidarity Economy instructed the Secretary of Economy to create the Social Economy Promotion Program (Diario Oficial de la Federación 2012, Article 46); which is bound to each fiscal year regulations, and has run since 2014, granting different supports to the organizations of the social sector of the economy and different social groups.

As the National Institute of Social Economy moved from the Secretary of Economy to the Secretary of Social Development (*Secretaría de Desarrollo Social, Sedesol*) in 2015, for some years the obligation to contribute to the achievement of a part of the National Development Plan (*Plan Nacional de Desarrollo, PND*) 2013-2018, of several national programs and a strategy were applied. As each of those programs focus on a specific group, the Social Economy Promotion Program is enforced to assist all of them in the assignment of their budget. Therefore, it has to prioritize the groups that reside in the municipalities or zones of attention considered priority for each. The later caused some projects to be financially supported because of their geographical location; even when they do not fulfilled the established criteria for the organizations of the social sector of the economy. Additionally, it was merged with an existing program in that Secretary, which should also serve people in poverty.

The Social Economy Promotion Program has three modalities of support which reflect its main axis of work:

- the productive projects (93.1% of the budget executed in the past administration)
- the development of capacities (3.3%) and the social bank (3.6%) directed to the organizations of the social sector of the economy
- to persons in poverty (Secretaría de Desarrollo Social, 2016).

In the administration that started on December 1, the most important changes are noted in the National Development Plan 2019- 2024 and in the Operating Rules of the Social Economy Promotion Program for the fiscal year of 2019.

The National Development Plan 2019-2024 has four allusions to the social economy and four to the social sector of the economy, most of which are strategies, as we can see on table 1.

Table 1. Alusions to the social economy and to the social sector of the economy PND 2019-2024

Axis	Objective	Estrategy
Wellbeing	**2.5:** Guarantee the right to a healthy environment with a focus on the sustainability of ecosystems, biodiversity, heritage and biocultural landscapes.	**2.5.9**: Encourage the creation and strengthening of companies in the **Social Sector of the economy** that favor the best use of the social, cultural and environmental heritage of the communities.
Wellbeing	**2.11:** Promote and guarantee access to decent work, with social security and without any type of discrimination, through on-the-job training, social dialogue, wage recovery policy and compliance with labor regulations, with emphasis on the population in a situation of vulnerability.	**2.11.9:** Encourage the **Social Sector of the Economy** as a mechanism for economic, labor and financial inclusion in contexts of greater marginality.
Economic development	**3.1:** Promote an inclusive development of the financial system, prioritizing attention to the backwardness of the unattended population and the more efficient allocation of resources to activities with greater economic, social and environmental benefits.	**3.1.2:** The supply of accessible financing will be strengthened and under favorable conditions for the entire population, prioritizing access to sectors that do not currently have access to it. This will be encouraged from two fronts. On the one hand, the entry of new competitors will be promoted to encourage competition and promote the quality of services and competitive prices. On the other hand, development banks will be strengthened to provide financing to MiPyMEs, entrepreneurship projects, the rural sector and organizations in the social sector of the economy.
Economic development	**3.1:** Promote an inclusive development of the financial system, prioritizing attention to the backwardness of the unattended population and the more efficient allocation of resources to activities with greater economic, social and environmental benefits.	**3.1.2:** Strengthen the supply of financing and complementary services in accessible and favorable conditions, particularly to entrepreneurs, MiPyMEs, the rural sector and companies and organizations in the **social sector of the economy**, prioritizing projects that promote a sustainable economy with respect to human rights.
Economic development	**3.10:** Promote economic development that promotes the reduction of emissions of greenhouse gases and compounds, and adaptation to climate change to improve the quality of life of the population.	Create a comprehensive diagnosis that includes the value of the contribution of the **social economy** to the Mexican economy.
Economic development	**3.2:** Promote an environment that encourages formality and the creation of jobs and that allows improving working conditions for working people.	**3.2.4:** Cooperativism and the **social and solidarity economy** will be promoted, recognizing these initiatives as an important part of the economy and promoting its proliferation and socialization. Social companies will be linked to the market and access to support for this sector will be facilitated.
Wellbeing	**2.1:** Give priority attention to historically discriminated groups through actions that reduce social and territorial inequality gaps.	**2.1.2:** It aims to meet social demands from and within the territory, to break the inequality gaps, to generate processes of productive and financial inclusion through the **social economy** and cooperativism so that well-being is sustainable in the long term.
The Program for the Promotion of the **Social Economy** is one of the programs that are directly derived from the National Development Plan 2019-2024.		

Source: Own elaboration based on Parliamentary Gazette (2019). National Development Plan 2019-2024. Available at: http://gaceta.diputados.gob.mx/PDF/64/2019/abr/ 20190430-XVIII-1.pdf

The operating rules of the Social Economy Promotion Program for fiscal year 2019 modify the destination of the subsidies, the general and specific objectives of the program as well as its coverage.

Above all, in the supports of the Social Economy Promotion Program 2019 according to 2018, we notice the changes shown in table 2. The text in read means that this characteristic was eliminated, and text in green, the opposite.

Table 2. Comparison of the rules of Operation of the Social Economy Promotion Program 2018 and 2019

Characteristic	2018	2019
Destination of the subsidies	Exclusively to the population in condition of poverty, vulnerability, elderly, lag and marginalization. Support in the implementation of the Crusade against Hunger. Considers and attends cross-sectionally and with affirmative actions to the population in a situation of vulnerability, from a gender perspective and a youth approach. Social group.	Priority to the Organizations of the Social Sector of the Economy that are in municipalities with a higher level of marginalization, in areas of greater indigenous presence, as well as in areas with high rates of Deleted. Organizations of the Social Sector of the Economy in
Public problem	The Organizations of the Social Sector of the Economy with limited productive and financial means and capacities - have difficulties to consolidate themselves as an alternative for productive and financial inclusion that let improve income and contribute to the social and economic development of the country.	- The Organizations of the Social Sector of the Economy with limited means and capacities have difficulties to consolidate themselves as an alternative for productive, financial and consumption inclusion, based on collective work, to improve income and contribute to the social and economic development of the country.
Alignment with the National Development Plan	Objective 4.8 Develop the strategic sectors of the country, strategy 4.8.5 Promote the social economy. It is also expected to improve the income of people living in poverty through the support and development of productive projects, as well as contributing to the sector objective 6.1 Promote the generation and consolidation of sustainable productive projects in the social sector of the economy to improve income from people in a situation of poverty, from the Sectorial Program for Social Development 2013-2018.	Guideline 2 "Social welfare and equality", which aims to promote access to better levels of welfare and reverse the situation of social inequality in Mexico.
Overall objective of the program	Contribute to improving the income of people living in poverty through productive and financial inclusion in the Social Sector of the Economy.	Contribute to social welfare and equality by strengthening the capabilities and means of the Organizations of the Social Sector of the Economy.
Specific objective of the program	Strengthen the capacities and means of the Organizations of the Social Sector of the Economy, which have productive initiatives for productive and financial inclusion.	Strengthen capacities and means of the Organizations of the Social Sector of the Economy, which have initiatives for productive, financial and consumer inclusion, based on collective work.
Coverage	The Organizations of the Social Sector of the Economy that are in municipalities with at least one of the following characteristics: with medium, high or very high marginality grade; considered priority attention areas, rural areas; with at least 25% of its population in urban priority attention areas; with at least 50% of its population with income below the welfare line; that meet the criteria for monitoring public action on the development of indigenous peoples; headquarters or head offices of the Social Bank. In addition, the Organizations of the Social Sector of the Economys located in municipalities that have strategic projects, or territorial strategies, or productive vocation considered as special projects may be considered for their	The Organizations of the Social Sector of the Economy located in municipalities of greater marginalization, greater presence of indigenous population and considering the indices of violence registered in those territories.
	It will be able to identify and implement actions that contribute to achieving the objectives of the Crusade against Hunger, prioritizing the attention to people who are in a situation of extreme alimentary poverty.	Deleted.
	To attend the Organizations of the Social Sector of the Economy that seek to execute, develop and consolidate their productive projects in one of the priority areas of the National Program for the Social Prevention of Violence and Crime 2014-2018.	Deleted.

Source: Own elaboration based on http://www.dof.gob.mx/nota_detalle.php?codigo=5509740&fecha=29/12/2017 and https://www.gob.mx/cms/uploads/attachment/file/442883/Reglas_de_Operaci_n_2019.pdf

Although all these changes are important, it is of primary importance that priority is given to the Organizations of the Social Sector of the Economy, and that the objective of the program is "to contribute to social welfare and equality by strengthening the capabilities and means of the organizations of the social sector of the economy".

Table 3 and 4 contains, respectively, the modalities, sub-modalities and amounts of the Social Economy Promotion Program' supports in 2018 and 2019. Again, the text in red means that this characteristic was eliminated and the text in green, the opposite; additionally, violet text means that the amount was decreased.

Table 3. Supports of the Social Economy Promotion Program 2018

Modality and sub-modality	Amount	UR
I. Support for the development and implementation of productive projects		
I.1 Support for the development of productive initiatives	From $10,000 to $95,000 pesos	DGOP
I.2 Cash contributions to bodies for the promotion and encouragement of the social economy, for incubation processes of productive projects	$100 thousand pesos per module or stage	NISE
I.3 Support for the implementation of new productive projects		
I.3.1 Granted by the DGOP	From $50,000 pesos up to the maximum amount established by economic activity (from $120,000 pesos to $250,000 pesos)	DGOP
I.3.2 Granted by NISE	Up to $250,000 pesos for OSSE formed in a social group and up to $500,000 pesos for OSSE legally constituted	NISE
I.4 Support for the consolidation of productive projects in operation (Integra)	Up to $400,000 pesos for OSSE conformed in social group and up to $2 million pesos for OSSE legally constituted	NISE
1.5 Support to social groups for the constitution of liquid guarantees	Up to 45,000 UDI per person	DGOP
II. Support for capacity development		
II.1. Process for accelerating and strengthening OSSEs	$100,000 pesos per stage (maximum three stages per process)	NISE
II.2 Support for organizational and business development	From $15,000 pesos to $80,000 pesos per OSSE	NISE
II.3. Support for commercial development	From $10,000 pesos to $100,000 pesos for OSSE	NISE
III. Support for social banking		
III.1. Support for institutional strengthening and capacity building of social banking (cash supports)	From $15,000 pesos to $70,000 pesos per OSSE	NISE
III.2 Strategic financial projects of the social banking (cash supports).	From $50,000 pesos to $1.5 million pesos	NISE
III.3 Instruments for the management of risks of the social banking (cash supports)	From $1.5 to $2 million pesos	NISE
III.4 Training events for social banking (supports in food goods)	The amount will be established according to the budget that the National Technical Committee authorizes for each event or program.	NISE

NISE: National Institute of the Social Economy

GDPO: General Directorate of Productive Options, Secretary of Social Development

OSSE: Organizations of the social sector of the economy

UDI: Investment Units (6.258609 pesos in 25/06/2019).

Source: ow n elaboration based on: http://w w w .dof.gob.mx/nota_detalle.php?codigo=5509740&fecha=29/12/2017

Table 4. Supports for the Social Economy Promotion Program 2019

Modality and submodality	Amount	UR
I. Contributions for the promotion and encouragement of the social economy, through welfare laboratories and social economy and support for the implementation, development, consolidation and growth of social economy projects for production and consumption, based on work collective		
I.1 Cash contributions, non-recoverable, for the design and execution of actions for the promotion and encouragement of the social economy, through the welfare and social economy laboratories	**Up to 100 thousand pesos per share**	**NISE**
I.2 Cash support, capitalized, for the implementation, development, consolidation and growth of social economy projects for production and consumption, based on collective work.		
I.2.1 Capitalized support for the implementation of new projects (ARRANQUE)	**From 450,000 pesos for OSSE in the stage prior to its legal constitution to 1,350,000 pesos for OSSE legally constituted**	**NISE**
I.2.2 Capitalized support for the development of projects in operation (DESARROLLA)	**From 450,000 pesos for OSSE in the stage prior to its legal constitution to 937,500 pesos for OSSE legally constituted**	**NISE**
I.2.3 Capitalized support for the consolidation of projects in operation (CONSOLIDA)	From 350,000 pesos to 500,000 pesos per project	NISE
I.2.4 **Capitalized support for the growth of projects in operation (CRECE)**	**Maximum 50% of the credit that will be obtained with the guarantee, without the support exceed 2 million pesos**	NISE
I.2.5 Support for the creation of liquid guarantees	Up to 15% of the total amount of the loan will be supported, maximum 500 thousand pesos per project	GDPO
I.2.6 Productive impulse	**Minimum 50,000 pesos up to the maximum amount established by economic activity (from 120,000 pesos to 300,000 pesos)**	GDPO
II. Support for capacity development Non-recoverable support, in cash or in kind, aimed at any OSSE or those projects that have been supported between 2013 and 2019, aimed at developing their different capacities		
II.1 Non-recoverable support for organizational, business and social management development	From 15,000 to 80,000 pesos per OSSE	NISE
II.2. Non-recoverable supports for commercial development	From 10,000 to 100,000 pesos per OSSE	NISE
II.3 Development of productive initiatives	From 10,000 to 100,000 pesos for each process of project formulation, accompaniment and technical assistance	GDPO
III. Support for social banking (OSSE savings and credit and OSSE insurance)		
Support in cash or in kind to encourage and support the creation, transformation, strengthening, consolidation and integration of OSSE savings and credit	From 15,000 to 2 million pesos	NISE

NISE: National Institute of the Social Economy

GDPO: General Directorate of Productive Options, Secretary of Social Welfare.

OSSE: Organisms of the social sector of the economy

Source: Ow n elaboration based on https://w w w .gob.mx/cms/uploads/attachment/file/442883/Reglas_de_Operaci_n_2019.pdf

As we can see, in 2019 new supports were created that addresses the different stages of the projects (not just the impulse of new projects) and distinguishes between those that must be reimbursed and those that are not recoverable.

Finally, Table 5 shows the budget of the program in the last three years of the past administration, and an increase of 60% in 2019.

Table 5. Budget of the Social Economy Promotion Program 2016-2019

Year	Benefits	Budget	
		Pesos	USD[1]
2016	12 416	455 019 410	23 707 077
2017	9 830	455 269 761	23 720 121
2018	9 200	423 827 840	22 081 957
2019		681 428 541	35 503 274

1 USD = 19.1934 MXN (As the exchange rate of June 13th, 2019)
Sources: Own elaboration based on https://www.programassociales.org.mx/programa/638/programa-de-fomento-a-la-economia-social-dgop?v=1322 and https://www.ppef.hacienda.gob.mx/work/models/PPEF2019/docs/20/r20_ppcer.pdf

5. Other measures in the current administration

In addition to the modifications to the Social Economy Promotion Program, in the first months of this administration other measures have been taken that contribute to resizing the social economy in the country, which are:

- Conversion from the Secretary of Social Development (*Secretaría de Desarrollo Social, Sedesol)* to the Secretary of Welfare (*Secretaría de Bienestar, Sebien*) and its deconcentration to the state of Oaxaca.

> The model of the social and solidarity economy can make a big difference in our country through productive inclusion in the countryside, and the promotion of savings cooperatives (Albores, 2019).

- Creation of the Mexican Food Safety Agency (*Seguridad Alimentaria Mexicana, Segalmex)*, assigned to the sector headed by the Secretary of Agriculture and Rural Development (*Secretaría de Agricultura y Desarrollo Rural, Sader*). Its headquarters well be in the state of Zacatecas, whose purpose is to promote agri-food productivity, and its distribution for the benefit of the country's most backward population (Diario Oficial de la Federación 2019c).

- Transformation of the National Savings Bank and Financial Services (*Banco del Ahorro Nacional y Servicios Financieros, Bansefi*) into the Welfare Bank (*Banco*

del Bienestar) that will continue to disperse the resources of the Federal Government's social programs, but it is expected to be present in the most remote towns of the country, and expand its offer of products and services to those who have not had access to formal financial services, while also influencing their financial inclusion (Senado de la República, 2019). The president announced that in the next future the Welfare Bank would increase the branches that Bansefi had from 500 to 7,000 branches.

Conclusions

We do not intend to belittle the progress that the promulgation of the Law on Social and Solidarity Economy can represent as it involved the discussion of seven different initiatives over 30 years -since the need for the regulatory law arose. In addition, it establishes a regulatory framework that allows the actors, who used to be ignored by the public policies, to be visible and make them subjects of economic and social development.

However, from the review made to the three bases of the social and solidarity economy (the Law on Social and Solidarity Economy, the National Institute of Social Economy, and the Social Economy Promotion Program) we can conclude that in Mexico there was not really a public policy to promote the social economy, but a set of non-aligned and sometimes contradictory measures that coexist with multiple programs and instances dispersed throughout the government apparatus.

The changes made in the operating rules of the Social Economy Promotion Program are undoubtedly a good start, as well as the statements of the officials linked to the sector and the other measures that have been taken. Therefore, to generate a public policy that promotes the social economy, we consider that it is also necessary:

• To define social economy in the Law on Social and Solidarity Economy with consistency in the values, principles and practices (and not by legal status) that are considered desirable in social and solidarity economy organizations.

• To adequately locate the public problem that is intended to be solved in order to establish an appropriate intervention strategy (not only to distribute government support).

• To establish the criteria to characterize organizations regardless of their legal status. To gather information of international experiences that are not linked to legal figures (such as French and Swiss) but to their social mission or the values, commitments and criteria they meet.

• To modify the Law on Social and Solidarity Economy so that it really fosters the social economy, granting the National Institute of Social Economy greater substantive powers (not only instrumentation, promotion and dissemination) and creating new instances of citizen participation and of the organizations of the sector at all stages of public policy.

• To assign to the National Institute of Social Economy a budget according to the size and needs of the social sector of the economy in the country, gathering the resources dispersed in multiple programs and institutions.

• To grant various support in kind (not only economic) to registered organizations (advice, training, intermediation, etc.).

• To involve other economic stakeholders (workers, producers, consumers and citizens) in the development of the social and solidarity economy.

• To establish a specific fiscal and credit policy for the social and solidarity economy.

• To promote the creation of state and municipal authorities to foster the development of the social sector of the economy so that, in turn, it promotes sustainable and inclusive regional and local development.

• To create a national registry to evaluate that the stipulated criteria are met and guide the organizations to achieve them.

• To externally and periodically evaluate public policy.

• To carry out studies and research that allow a deeper understanding of the actors and their organizations, as well as their regional, sectorial differences, by branch of economic activity and others.

The social economy has become in many countries the economic alternative to economic liberalization, globalization and the constant economic crises and, consequently, for the reduction of poverty, the empowerment of social groups and economic development.

Another economy is possible...

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