



## SOCIAL ECONOMY, A VECTOR FOR SOCIAL INNOVATION: A CO-OPERATIVE CASE STUDY

| Wiam Lahmidi |

Faculty of Law, Economics and Social Sciences - Salé | University Mohammed V - Souissi | Department of Entrepreneurship and Local Development | Rabat | Morocco |

|Received | 20 June 2017|

|Accepted | 30 June 2017|

|Published 04 July 2017 |

### ABSTRACT

**Background:** Given the economic, social and climatic realities, it becomes necessary to think of a new way to do things and resolve social problems. This emphasizes the growing interest of researchers and public authorities in social innovation and its connections with social economy as a fertile and innovative ground. However, social innovation remains a vague concept and only few people consciously invest in its process. Sometimes the actors themselves are unaware that they are in the process of implementing a social innovation. Therefore, knowing the different parts of the process appears as a means of understanding and clarifying this concept and the different ties it maintains with the social economy institutions. **Objectives:** The purpose of this article is to present a conceptual framework of the social innovation process and to emphasize the innovative potential of the social economy sector, in order to conduct an empirical confrontation to see if the social economy sector can be considered as a vector of social innovation. **Methods:** To do so, we will present a synthesis of theories on social innovation process, on social economy and its innovative potential. Also, we will provide a case study on a Moroccan social innovation supported by the Attawafok co-operative which activity is founded on waste recycling. The **Results** of this study case will highlight the social innovation produced by the co-operative model as well as the forged relations with its territory and the different operating actors. **Conclusions:** Through this article we will conduct a comparison between theoretical and empirical works order to verify the acuteness of the mobilized theoretical framework after applying it on a real case study.

**Keywords:** Social innovation, Process, Social economy, Territory

### 1. INTRODUCTION

Social innovation is a new response to a social situation deemed unsatisfactory, likely to manifest itself in all sectors of society and which would involve a non-linear process [1, 2]. In this sense, social economy is often associated with the concept of social innovation and is perceived as a fertile ground for exploring its potential [3].

However, social innovation remains a vague concept and only few people consciously invest in its process. Sometimes the actors themselves are unaware that they are in the process of implementing a social innovation. Therefore, knowing the different parts of the process appears as a means of understanding and clarifying this concept and the different connections it maintains with the social economy institutions.

This contribution will thus aim to set the theoretical milestones of the social innovation process and the existing intersections between social economy and social innovation.

To do this, we will first give a conceptual framework of the social innovation process by mobilizing the institutionalist approach developed by CRISES research work. Second, we will point out the innovative potential of social economy. Third, we will subject the theory part already mentioned, to an empirical confrontation, based on a Moroccan initiative, the Attawafok co-operative, which activity is founded on waste recycling in order to highlight the social innovation it carries as well as the forged relations with its territory and the different operating actors.

### 2. SOCIAL INNOVATION: A MULT-CRITERIA PROCESS

This conception of social innovation is mainly developed by CRISES, a research laboratory in Montreal dedicated to the analysis of social innovations and then at the IFRESI in France, it focuses on the collective process that emerges on the territories in order to meet unmet social needs in a dynamics of transformation of society.

#### 2.1 Social innovation as a process:

A process is a succession of actions responding to a pattern and coming to a determined result. Speaking of processes, one refers to a set of individual and collective, organizational and institutional actions that are deployed or challenged at the time of the construction of the social use of a novelty [4].

As a result of the work of the Quebec network of social innovation (RQIS), every social innovation process begins with an emergence phase that requires a trigger and an awareness level about a crisis or a conflict [5]. Then, it goes through the test of experimentation to finally reach the stage of appropriation.

Indeed, the emergence phase corresponds to the initiative of a plurality of actors willing to discuss the existing problems and the potential solutions they can offer to resolve them. Innovation then requires diversity and communication that allow to share knowledge and in order to close the gap between a situation deemed unacceptable or unsatisfactory and a desired situation [6].

This resonates with Harrisson and Klein (2006) who state that what forces social actors to innovate is the non-existence of solutions to a certain type of problems in the existing institutions [7]. Social innovations therefore constitute an adapted solution in the absence of other effective alternatives [1].

On the other hand, experimentation is a central step that consists in the implementation of the introduced novelty in order to test it and to validate it. It encourages cooperation, involvement and empowerment of social actors [8]. This emphasizes the inclusive and participatory essence of the social innovation process.

Once the experimental phase has been completed, we can start on the appropriation phase of social innovation which constitutes a condition for recognizing the identity of social innovation and an imperative for its diffusion.

According to Levesque (2006), diffusion indicates valorization [9] and an innovation cannot be diffused if it is not valued.

Also, social innovation as a process is characterized, in all its phases, by a special focus on the individual [1]. The collaboration and alliances between networks of diverse actors are necessary in each stage to be able to carry out joint projects. These alliances produce a learning process and build trust [5].

## 2.2 A process based on a diversity of key features

In this section, we will look at the structure of the social innovation process from a pluralist perspective based on the institutionalist approach of social innovation taking into consideration four fields: Territory, governance, empowerment and economic model [10].

The concept of territory has evolved from a confined a geographical entity to a dynamics of human groups and local resources [11]. So, instead of referring to defined boundaries, it refers to organized relations of various groups who recognize themselves in common projects [12]. It is therefore seen as a dynamic process marked by the interaction of heterogeneous social groups that share the same sense of belonging which enable them to have a common identity [13]. As a matter of fact, territory is above all considered social; it is the fruit of a shared and collective construction [13]. And thus, it can not exist without territorialised actors [10].

Moreover, there is a transversal relation between social innovation and territory. On the one hand, social innovation as a source of collective action contributes to territorial development , but on the other hand it also springs from it. Territory is consequently considered as a context that does not merely provide the frame of a social innovation initiative, it also contributes to its construction [13].

Besançon (2013) asserts that the social innovation process is territorialized [10]. Indeed, this territorialisation lies in the cooperation of actors from the same territory around a common project. Thus, the social dimension of innovation is induced by the intensity of the interactions and the extent of the mobilized social networks [14].

Proximity plays a key role in facilitating these interactions. Richez-Batteset al. (2008) highlight different registers of proximity that allow innovation to be embedded in the social and territorial fabric [5, 15]:

- The geographical proximity corresponds to the small geographical distance between actors which increases the likelihood of interactions.

- The organizational one is based on rules that will allow to organize the collective action and to share knowledge.

- And the institutional one refers to the common values and principles that guide and bring together actors around a shared objective [10].

Thus, the collective dynamics taking shape in territories create new forms of inclusive and participative governance, based on the partnership between private and public actors [14]. The process of social innovation is expressed through broad-based and participatory governance and is based on the involvement of local actors in defining strategies, allocating resources and implementing policies [10, 16].

Also, an innovative initiative emerges from a perceived need and an institutional deficiency. In this sense, social innovation is driven from the bottom-up because it is the result of citizen initiatives that aim to respond to a social need [17, 2]. These citizen initiatives are based on the participation of social actors and the integration of groups usually excluded into social innovation process, which proves to be a source of empowerment for individuals allowing them a reappropriation of power [1, 18]. In this perspective, social innovation can be understood as an accompanying device intending to bring lasting changes into people's lives [1].

Social innovation seems therefore to be a territorialised system [19] that involves a plurality of actors who follow democratic rules, hybridize different resources and create synergies between them.

### 3. SOCIAL ECONOMY AND SOCIAL INNOVATION: CONNECTIONS AND ARTICULATIONS

Social economy refers to that part of the economy which explicitly recognizes the social dimension of economy [20]. This social dimension is explained by:

- The legal statutes of co-operatives, mutuals and associations;
- The different services aiming members and communities ;
- The rules connecting a plurality of individuals to an economic activity ;
- The hybridization of various economic principles ( market, redistribution and reciprocity) [21].

In other words, social economy relies on several elements; Legal status, diversity of actors, set of rules and values, and dual-purpose activities (social and economic), to meet social needs and aspirations of members, organizations and communities [9]. And it is these same elements that make social economy a privileged field for experimentation and a matrix from which social innovation can emerge [22].

On the one hand, social economy makes it possible to solve or prevent social problems which neither the state nor the market can satisfy. Social innovation as a "new way of doing things" emanates from implemented activities that are often neglected by the market or the State [22]. Social economy is thus considered innovative because it occupies the spaces left vacant by the public and the market economies and because it gives some relatively excluded actors the possibility to access to power and to carry out business projects they could not have achieved individually [7, 10]. As a result, social economy tends to change social relations, reverse social norms and rethink institutions, especially when they are unable to meet new demands [23].

On the other hand, the unprecedented operating rules of social economy are largely responsible for its innovative capacity. As a matter of fact, individuals are collectively mobilized to respond together to a common need. This mobilization generates new social and solidarity bonds established between the members [24]. Moreover, the richness of these bonds and the social network scale set the stage for a participative and democratic governance where the contribution of members and the sharing of informations are paramount.

Another important element that constitutes one of the strengths of social economy is its territorial anchoring. This anchoring acts on two levels. The first one is proximity, which is expressed in different ways: spatial, organizational and institutional [25, 10]. The second one is building a sense of belonging through interpersonal processes.

Also, social economy is based on a State, market and civil society triptych in which the relative autonomy of each of these spheres must be respected. As Laville (1994) points out, social economy firms hybridize various economic forms: merchant, state and reciprocity [26]. This capacity is based on an alliance of actors from different backgrounds but gathered around a project that is itself mobilizing [27]. In short, the capacity of the social economy to produce social innovation comes down to its ability to create bridges between private and public and economic and social, to hybridize resources of various kinds bringing together a plurality of actors around a common project [3]. In this sense, social economy organizations would be condemned to innovate [27].

### 4. THE ATTAWAFOK CO-OPERATIVE: A SOCIAL INNOVATION DYNAMICS

The objective of this part is to propose an empirical comparison to the institutional conception in order to reveal in practice the process of social innovation.

We found our case study on the attawafok co-operative located in Oum Aazza circle Ain Aouda province of Skhirate Temara which activity is based on waste recycling and integration through formal economic activity.

#### 4.1 General context

In Morocco, sorting waste activities are particularly informal and are mainly based on waste collectors on the landfill or on the streets. The first ones wait for the garbage trucks to dump their waste while the second ones travel the city, mostly during the night, with a cart to retrieve the recyclable waste before the garbage trucks.

This scenario is repeated in all Moroccan dumps where conditions of work are disorganized, risky and blatantly reflect the state of misery and exclusion of these collectors.

The Aakrach landfill was part of these dumps and had several disadvantages on the environment; Proliferation of vermin, deterioration of the air and the landscape because of waste scattering, land and water pollution...

At the end of 2007, the Akrach site was saturated (150 waste sorters worked and lived there with their families) which led to its closing. This closing involved the transfer to a new landfill : The Oum Azza landfill.

#### 4.2 The identification of a social need

According to the Godin Institute, social innovation is contextualized in terms of the need to which it responds and the social aspiration that motivates its emergence.

The Attawafok co-operative (meaning « agreement » in Arabic) is the product of an awareness of an unsatisfactory situation and an aspiration for a better life. A variety of factors contributed to its creation: the closure of the Akrach site, the dangers and uncertainties associated with the activities of informal sorters, the desire to integrate an organized and formal framework.

The co-operative as a legal status appears to be the most suited framework to the context and the need of these sorters because it combines democracy, social purpose and collective effort.

#### 4.3 A multi-criteria process

Social innovation as a process refers to: the collective, the plurality and hybridization of resources, territorial anchoring, participatory governance and the empowerment of individuals.

##### A collective action

By definition, a co-operative emphasizes its collective dimension because it refers to a group of people who come together to provide, for their exclusive satisfaction, the product or service they need. The Attawafok co-operative was formed on the 3rd of January 2010 and has started its activity in late July 2011 with, at first, 27 members who became around 150 people in 2015.

It has set itself the objective of sorting waste, recycling sorted products, washing them, grinding, pressing and improving the social conditions of sorters.

This co-operative is at the heart of a delegated management contract, the concessionaire is SEGEDEMA (Environment Service for Waste Management in Morocco), a subsidiary of the French group PIZZORNO, which, since June 2011, has opened the Oum Azza mechanised waste sorting centre that receives waste from Rabat, Sale and Temara and where the former informal sorters of the Akrach landfill work.

In addition and in order to facilitate the sorters professional integration and to help structure their activities, the Pizzorno Group accompanies the co-operative by providing it with all the material and logistical conditions needed. Also, it has partnered with the NGO Care Maroc, which has given them training in order to familiarize them with work organization and machines functioning.

##### A plurality of resources

At this level, it is pertinent to point out that the co-operative model involves a co-production of multiple actors on the territory which results from a hybridization of resources; Market, non-market and non-monetary.

-Market resources follow the market principle and come from the sale and valuation of sorted products.

-Non-market resources refer to the contributions of the State which in this case consist of the facilities and the aids administered by the municipality and the Wilaya of Rabat salé Zammour Zaer.

-Non-monetary resources based on training and accompaniment activities in order to strengthen skills and to improve sorters professionalism.

### A territorial anchoring

The territorial dimension of this initiative as a social innovation is perceived through:

**The co-ordination between the actors on the territory and the construction of a shared vision:** Since in its creation, the Attawafok co-operative of Oum Azza has mobilized not only the best suited actors to launch innovative initiatives (sorters), but it has also sought to stimulate other stakeholders by providing a meeting area for heterogeneous actors, including private organizations, local authorities, NGOs ...

**The use of human and natural resources on the territory:** The territory is solicited here on two levels. On the one hand, the supply and deposit of waste are based on a sorting that occurs on the site of Oum Azza. It is true that this waste does not originate directly from the same territory since the sorting center receives waste from different cities, notably in Rabat, Sale and Temara, but they nevertheless constitute resources that are attached to Oum Azza as a territory because they are destined for it.

On the other hand, the human resources intervening on this site have in common a history and are dependent on a logic of proximity which makes it possible to forge solid bonds of solidarity.

**The response to territory needs:** The Oum Azza co-operative contributes to the development of the territory where it operates and to the preservation of the environment. This is apparent by seeing the splendid and soothing landscapes of this town located 30km from Rabat and 5km from Akrach.

### A participatory and Democratic Governance

Respecting and applying the co-operative values and principles leads to a participatory and democratic governance. The "one person = one vote" principle encourages participation in strategic decisions and the election of leaders.

In the case of the Attawafok co-operative, all sorters are equal, they all have the same salary. This emphasizes democratic governance as well as the primacy of the individual over capital. Also, a monthly meeting is organized to choose the client whose offer is the most interesting. That proves that each one of them has a voice that allows them to be heard regarding different decisions. Which means that the response is collectively produced, giving a central place to the power of the collective allowing co-operators to have access, together, to markets that appeared to be inaccessible individually.

### A transformative empowerment

The innovative initiative of the Attawafok co-operative allows the sorters to gain power against a society that has excluded them. This gain translates into different levels; Economic, social and psychological. Indeed, "ragman" or mikhali is the pejorative term in the moroccan dialect they were known by because of their association with Akrach which has always been perceived as a nest of criminals.

Today, these sorters gain "respect" and get rid of the stigma they were subjected to. The proof is that they have been able to get integrated professionally, make a living honestly and start a positive change.

They also have regained their dignity and self-confidence because they are now able to give free rein to their ambitions and have a vision of the future, something they were lacking before.

Moreover, the recognition and formalization of the professional status of the sorters allows them to benefit from several advantages including medical coverage, a bank account, right to benefit from a home loan at a relatively low rate. We synthesize the constructive elements of the social innovation produced by the cooperative in the following table:

**Table 1:** The social innovation produced by the Attawafok Co-operative.

Social innovation elements	The Attawafok Co-operative
Context of appearance	A contextualized rupture of practices arising from an awareness of an unsatisfactory situation and an aspiration for a better life (the closure of the old landfill, the dangers and uncertainties associated with the activities of informal sorters, the desire to integrate an organized and formal framework...)
<b>Process</b>	A collective action anchored in a territory and based on the mobilization of different actors (private organizations, local authorities, NGOs...) and a hybridization of a plurality of resources (Market, non-market and non-monetary)
<b>Impacts</b>	<p><b>On individuals:</b> Empowerment ( by restoring respect and regaining confidence and self-esteem) and professionalization ( through professional integration and the formalization of the professional status of the sorters)</p> <p><b>On Territory:</b> The Attawafok co-operative represents a place of closeness and shared history favoring the social bond between different co-operators. It also contributes to the development and preservation of environment.</p> <p><b>On the Co-operative itself:</b> The Attawafok co-operative of Oum Azza is a pioneer in sorting waste and recycling sorted products. And it represents a successful example of a social innovation carried and supported by a co-operative model.</p>

## 5. CONCLUSION

From the above, we can say that Attawafok co-operative of Oum Azza represents a pioneer innovation in sorting and recycling waste in a country that has around 200 wild dumps.

Therefore social economy appears to be an interesting ground for social innovations for two main reasons. On the one hand, social economy is based on a hybridization of resources and is in constant contact with other economic sectors, in particular private and public sectors which enrich the exchange and constitute a learning process.

On the other hand, it is based on a coalition of social actors, especially social actors belonging to the same territorial entity. This highlights their ability to co-build public policies and to co-produce and implement them. These two processes emphasize the participatory governance and the upstream action of these actors.

## 6. REFERENCES

1. Cloutier, J., Qu'est-ce que l'innovation sociale? *Crises*. 2003. p. 1-46. Available : [https://crises.uqam.ca/upload/files/publications/etudes-theoriques/CRISES\\_ET0314.pdf](https://crises.uqam.ca/upload/files/publications/etudes-theoriques/CRISES_ET0314.pdf)
2. Dandurand, L. Réflexion autour du concept d'innovation sociale, approche historique et comparative. *Revue française d'administration publique*, n°115. 2005. p. 377-382. Available : [https://www.cairn.info/load\\_pdf.php?ID\\_ARTICLE=RFAP\\_115\\_0377](https://www.cairn.info/load_pdf.php?ID_ARTICLE=RFAP_115_0377)
3. Bouchard, M.J., and Université du Québec à Montréal. L'innovation sociale en économie sociale. *Chaire de recherche du Canada en économie sociale*, Université de Montréal. 2006. Available : <http://www.chaire.ecosoc.uqam.ca/portals/chaireecosoc/docs/pdf/cahiers/R-2006-01.pdf>
4. Fontan, J. M. Développement territorial et innovation sociale. In : Bellemare, G., Klein, J.-L., Innovation sociale et territoire. Convergences théoriques et pratiques. Presses de l'Université du Québec; 2011. P. 17-42.
5. Harrisson, D., Vincent, V., and Rollin, J. Innovation sociale et arrangements efficaces. *Hermès*, 2008. P. 55-60. Available : [https://www.cairn.info/load\\_pdf.php?ID\\_ARTICLE=HERM\\_050\\_0055](https://www.cairn.info/load_pdf.php?ID_ARTICLE=HERM_050_0055)
6. Hollingsworth, J. R. Doing institutional analysis: implications for the study of innovations. *Review of international political economy*, 2000. p. 595-644. Available: [https://faculty.history.wisc.edu/hollingsworth/documents/Hollingsworth.J.Rogers.Doing\\_Institutional\\_Analysis-Implications\\_for\\_the\\_Study\\_of\\_Innovations.pdf](https://faculty.history.wisc.edu/hollingsworth/documents/Hollingsworth.J.Rogers.Doing_Institutional_Analysis-Implications_for_the_Study_of_Innovations.pdf)
7. Klein, J. L., and Harrisson, D. L'innovation sociale: émergence et effets sur la transformation des sociétés. 2006.
8. Richez-Battesti, N., Petrella, F., and Vallade, D. L'innovation sociale, une notion aux usages pluriels: Quels enjeux et défis pour l'analyse?. *Innovations*, 2012. P. 15-36. Available : <https://www.cairn.info/revue-innovations-2012-2-page-15.htm>
9. Lévesque, B. Le potentiel d'innovation sociale de l'économie sociale: quelques éléments de problématique. *Économie et solidarités*, 2006. P. 13-48. Available : [http://www.ciriec.uqam.ca/pdf/numeros\\_parus\\_articles/3701/ES-3701-02.pdf](http://www.ciriec.uqam.ca/pdf/numeros_parus_articles/3701/ES-3701-02.pdf)
10. Besançon, E. L'innovation sociale en pratiques solidaires : processus, résultat, impacts et changements. In : L'innovation sociale: Principes et fondements d'un concept. Paris: L'Harmattan; 2013. p. 49-82 (Chap.3). Available : <https://www.cairn.info/l-innovation-sociale--9782343020693-p-49.htm>
11. Torre, A. Théorie du développement territorial. *Géographie, économie, société*. 2015. P. 273-288.

12. Sack, R.D. Human territoriality: its theory and history (Vol. 7). CUP Archive; 1986.
13. Di Méo, G. Les territoires de l'action. *Bulletin de la Société géographique de Liège*, 2006. P. 7-17. Available : <https://halshs.archives-ouvertes.fr/halshs-00281466/document>
14. Richez-Battesti, N. Innovations sociales et dynamiques territoriales. Une approche par la proximité. *Marché et organisations*, 2008. P. 36-51. Available : <https://www.cairn.info/revue-marche-et-organisations-2008-2-page-36.htm>
15. Fontan, J. M. Développement territorial et innovation sociale: l'apport polanyien. *Revue Interventions économiques*. 2008. Available : <https://interventionseconomiques.revues.org/369>
16. Sabel, C. Irlande, partenariats locaux et innovation social. Organisation de Coopération et de Développement Économiques. (OCDE); 1996.
17. Hillier, J., Moulaert, F., & Nussbaumer, J. Trois essais sur le rôle de l'innovation sociale dans le développement territorial. *Géographie, économie, société*, 2004. P. 129-152. Available : <https://www.cairn.info/revue-geographie-economie-societe-2004-2-page-129.htm>
18. Ninacs, W.A. Types et processus d'empowerment dans les initiatives de développement économique communautaire au Québec. Thèse, Université Laval Québec. 2002. Available: [http://lacle.coop/docs/ninacs\\_these.pdf](http://lacle.coop/docs/ninacs_these.pdf)
19. Jouve, B. Éditorial. L'empowerment: entre mythe et réalités, entre espoir et désenchantement. *Géographie, économie, société*, 2006. P. 5-15. Available : <https://www.cairn.info/revue-geographie-economie-societe-2006-1-page-5.htm>
20. Bruyn, S.T.H. The social economy: People transforming modern business. John Wiley & Sons; 1977.
21. D'amours, M., Fontan, J. M., Huot, G., and Rouzier, R. L'économie sociale au Québec: cadre théorique, histoire, réalités et défis. Éditions Saint-Martin; 2006.
22. Bouchard, M., and Lévesque, B. Économie sociale et innovation: l'approche de la régulation, au coeur de la construction québécoise de l'économie sociale. *CRISES, Centre de recherche sur les innovations sociales*. 2010. Available : [https://crises.uqam.ca/upload/files/publications/etudes-theoriques/CRISES\\_ET1103.pdf](https://crises.uqam.ca/upload/files/publications/etudes-theoriques/CRISES_ET1103.pdf)
23. Lévesque, B., and Vaillancourt, Y. Les services de proximité au Québec: de l'expérimentation à l'institutionnalisation. *Laboratoire de recherche sur les pratiques et les politiques sociales, Dép. de travail social, Université du Québec à Montréal*. 1998. Available : [http://w3.uqo.ca/crdc/00\\_fichiers/publications/cahiers/R12.pdf](http://w3.uqo.ca/crdc/00_fichiers/publications/cahiers/R12.pdf)
24. Ferreira, N. Innovation sociale et développement économique en Amérique Latine. In : Laperche, B(dir) .L'innovation pour le développement : Enjeux globaux et opportunités locales. P. 233-247. Paris, Karthala ; 2008.
25. Proulx, P.P. Le modèle québécois: origines, définition, fondements et adaptation au nouveau contexte économique et social. *Revue Interventions économiques. Papers in Political Economy*, 2002. Available : <https://interventionseconomiques.revues.org/1022>
26. Laville, J. L. L'économie solidaire: une perspective internationale. Paris: Desclée de Brouwer; 1994.
27. Lévesque, B. Le modèle québécois: Un horizon théorique pour la recherche, une porte d'entrée pour un projet de société?. *Revue Interventions économiques. Papers in Political Economy*, 2002. Available : <https://interventionseconomiques.revues.org/1012>

**Cite this article: Lahmidi wiam.** Social Economy, a vector for social innovation: A co-operative Case study. *Am. J. innov. res. appl. sci.* 2017; 5(1): 88-94.

This is an Open Access article distributed in accordance with the Creative Commons Attribution Non Commercial (CC BY-NC 4.0) license, which permits others to distribute, remix, adapt, build upon this work non-commercially, and license their derivative works on different terms, provided the original work is properly cited and the use is non-commercial. See: <http://creativecommons.org/licenses/by-nc/4.0/>