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CHAPTER 14

**CONDITIONS OF CONVERGENCE  
BETWEEN PUBLIC ECONOMY AND  
SOCIAL ECONOMY ORGANISATIONS.  
FROM THE DIVERSITY OF MODELS  
TO A SUCCESSFUL HYBRIDISATION  
THROUGH NEW GOVERNANCE**

Pierre Bauby

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## **Conditions of convergence between public economy and social economy organisations. From the diversity of models to a successful hybridisation through new governance / Chapter 14**

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### **Abstract**

The purpose of this chapter is to take into account, rather from a political science perspective than an economics perspective, two of the models of organisation and operation of social and economic activities – public economy organisations and social economy organisations – to analyse their possible convergences that could allow finding answers to the XXIst century society's needs.

It begins by recalling the basic features of these two categories, their histories and relationships, then it analyses the conditions of a successful hybridisation of their operations, in particular in respect of participative governance.

**Keywords:** public economy organisations; social economy organisations; tensions and conditions of hybridisation; multi-actors participative governance; co-construction

**JEL-Codes:** L31, J54, O35

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During their long history European societies have developed various models of organisation and operation of social and economic activities. These went from organised picking and hunting activities at family or group level to activities operated by big industrial and financial groups under public, private or mixed legal statute. In between these extreme models, some goods and activities had been collectively managed or developed on the basis of social groups' initiatives. The organisational framework of these activities, whether they have been led individually or more or less socialised, has always been marked by the role of a public authority – under very diverse forms – which has organised life in group or society, defined and uphold social and legal rules, as well as often defined the forms of organisation of economic and social activities – market and competition rules, exclusives rights, etc.

While Europe is marked by a common reference to what is called “social market economy” since the end of the 1980s, the diversity of reference “models” for the organisation of economic activities continues to exist: individual enterprise, large, medium and small private companies, associations, public enterprises, etc., as it is shown by this book.

The purpose of this chapter is to take into account, rather from a political science perspective than an economics perspective, two of these models – public economy organisations and social economy organisations<sup>1</sup> – to analyse their possible convergences that could allow finding answers to the XXIst century society's needs.

It begins by recalling the basic features of these two categories, their histories and relationships, then it analyses the conditions of a successful hybridisation of their operations, in particular in respect of participative governance.

## **1. Public and social economy organisations: contrasted histories**

These two categories have very different histories.

Most of public economy organisations have emerged at the end of the XIXth century when it was evident not only that market economy had to be organised and regulated but that it involved a series of polarisations and profound inequalities – “failures”. Public authorities have been progressively led to develop a new form of public action, which involved them directly in economic and social activities through the creation of public economy organisations. The aim was to guarantee the access for each inhabitant to basic goods and services, to organise temporal, generational, territorial, social and economic solidarity, to develop necessary infrastructures for the future (Bauby, 1998). From some of these economic activities emerged the French concept of “commercial and industrial public service” and similar notions in other languages and national cultures.

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<sup>1</sup> We use this concept in its current and broadest meaning, which recovers cooperatives, mutual organisations, not-for-profit associations and all other forms that have been developed more recently.

The organisations of the public economy took various legal forms, such as, in France, the municipal *'régies'* and the national public enterprises. Their creation, organisation and regulation have been always subject to one (or the cooperation of several) public authority(-ies) (Bernier, 2015; Bance, 2016).

For their part, the organisations of the social economy have a very specific history, which is much older than that of public economy organisations; it is almost as old as life in society. Even if the “social economy” concept didn't always exist, inhabitants used to put together their capacities and/or their means to meet social needs and to set up more or less formal structures to this end.

The expression “social economy” dates back to two centuries but the forms of organisation and human activities that pretend combining economic and social purposes have continued to develop and diversify themselves since the beginning of the XIXth century (Gide, 2001).

Today “social economy” sector is officially recognized, promoted and, sometimes, co-financed, both in France and at the European Union level; a specific governmental department has been even created in France. Yet, the creation of “social economy” is not subject to a public authority decision; it is developed by the initiative of what is known under the label of “civil society”. In some cases, doctrine considers this particularity as the main determinant of the “social economy” identity. Furthermore, for some people, any recognition by a public authority is even suspicious of its control and therefore it must be rejected. (Chaves & Demoustier, 2013)

But the aim of both economic organisation categories might also represent their common characteristic: it is not the search for the profit that constitutes the rationale of their creation and existence; their possible common objective is to meet social needs. This refers to one of the two founding principles of public action and public services, the functional one, which rests on their objectives, tasks and aims based on a common interest, the “general interest”, defined by public authorities, and not on the organic conception, which focuses on the public nature of the operator.

## **2. Knowing the tensions to be able to surpass them**

These so different histories have slowed down their hybridisation – both their cooperation and complementarities.

It is equally important that during the XIXth and XXth centuries relationships between public economy organisations and social economy organisations have been marked by the existence of real tensions in Europe, most often with oppositions and rivalries, even conflicts or, at best, mutual ignorance.

Nowadays, trying to find ways of hybridisation and cooperation between these two worlds first involve mapping the main elements, which we present around six important tensions and issues.

## 2.1. For profit versus not for profit

In the history of the humanity, the relationships between human beings had been established on the basis of two reference paradigms, on the one hand on cooperation, complementarities, reciprocity, mutual aid, solidarity, volunteering, donations (Mauss, 1924; Caillé, 2005), on the other hand on rivalry, competition, search for advanced positions, superiority or even predatory behaviour or the exploitation of others.

These two paradigms have manifested through the existence of two models of representation of economic initiatives and relationships: driven either for profit or not for profit. The distinction seems simple, as it is based on the objective of the human activity, that is the search for economic profit or not. In fact, in France, being a “not for profit association” does not prevent from engaging in economic activities but it forbids the redistribution of profits to its members, what companies can do with their shareholders. On the contrary, some representatives of not-for-profit associations consider that their structure can make commercial activities and sale products or services as long as profits are reinvested in the projects of their organisation. In reality, not for profit organisations have to observe specific legal and fiscal obligations, as economic actors do; furthermore, the economic activity of the not for profit organisation has to be explicitly included in its statutes.

## 2.2. Market versus non market

For the supporters of the public economy, social economy organisations that provide social services, whatever their form of organisation is (cooperatives, mutual organisations or associations), are all integrated in the market economy and are characterised by the search for competition, market and profit. They could only have marginal different features but could not be alternative solutions.

Thus, cooperative banks, such as, in France, *Crédit Agricole*, Collective Banks or Loan Associations provide relatively similar activities and attitudes as private banks, as well as *Banque Postale*, whose capital is entirely in public ownership. Some authors discuss about “commercial associations with no purpose” (“*associations lucratives sans buts*”) (Kaltenbach, 1995).

More generally, is there a thick border between market and non market today? Public economy organisations are equally in market and their approaches, even if they could avoid some market rules by making use of tasks they were entrusted with by public authorities. The distinction made by EU institutions between “economic services” and “non economic services” is not only flexible according to sectors and national traditions but limits non economic services to sovereign services of public bodies and to compulsory activities based on solidarity – such as social protection systems –, which does not recover public economy organisations, which are considered as “economic” services.

For some, social and solidarity economy is a means to fight against the liberalism but for others this idea is a big illusion of abuses that favour capitalism (Harribey, 2002). Is 'third sector' completing market and non market sector and places itself between the two? Is it necessary to create a new concept, with the risk of it becoming an appendix with no real effect or should one raise the question regarding the place of the solidarity within the whole economic, social and societal activities?

### **2.3. Market failures versus public sector failures**

The historical roots of public economy organisations are directly linked to the development of, on the one hand, market economy, which spontaneously led to growing economic, social, territorial and generational polarisations, and, on the other hand, public authorities, which have been led to try to remedy such polarisations, by multiple means, going from market regulation to direct economic intervention, based on the necessity to ensure a minimum social balance and cohesion. For some, public economy organisations could foreshadow an alternative to the capitalist system.

In France, social economy has been mainly developed in relationship with the labour movement, in a more spontaneous and pragmatic manner; on the one hand, it developed in reaction to the industrial, non regulated capitalism, which had generated precarious conditions for the worker class; on the other hand, it has emerged in reaction to the coalition offence of the Le Chapelier Act (Gueslin, 1998).

The promoters of the social economy consider it allows surpassing both the negative consequences of the capitalism on the society and the dehumanisation induced by the bureaucratic organisation of the institutions of the Welfare State; it would be a third way between the excesses of the State control and the control by the global financial capitalism. Its different practices would enable workers to become actors of a collective project, far from the domination existing in enterprises under the pressure of the capital and its shareholders.

Since the end of the XIXth century, supporters of capitalistic enterprise have been critical of cooperatives because of their inefficiency due to the lack of interest for profit. For their part, supporters of socialism considered them illusions or crutches of the capitalistic system. Matthieu Hély and Pascale Moulévrier have considered them far from being a third autonomous way but the interface between the State and the enterprises – “social economy [is] the dominated form of a dominant economy” (Hévy & Moulévrier, 2013). Furthermore, it has to be considered that social economy organisations seemed to have been more resilient to the crisis since 2008 (OIT, 2013).

In fact, would it be possible to privilege market failures or public action failures? Undoubtedly, the issue is how to treat them together to build appropriate answers to both.

## **2.4. Top-down versus bottom-up**

As mentioned before, public economy and social economy have been characterised by different, even opposed approaches. Public economy is conceived, defined and organised following the initiative of public authorities, based on a top-down or imposed manner. On the contrary, social economy rests on initiatives from local actors searching for concrete solutions in a pragmatic manner.

The general principles of the social economy (free adherence, democratic management – one adherent, one voice –, autonomy from public authorities, no or limited lucrative activity) are not the same as those of enterprises or public organisations and institutions, even if they are subject to criticisms in respect of their limited development or drift towards more traditional entrepreneurship relationships.

While public economy has been theorised and conceptualised by many economists for a long time, social economy has been late to gain recognition as a specific field of research. Thus, it took 40 years for Elionor Ostrom to receive in 2009 the “Nobel Prize” for economics, which exists since 1969 (Ostrom, 1990).

## **2.5. Small versus big**

For the promoters of the social economy, the distinction between market and non market must be analysed in relation with the size of the organisations concerned. Some consider that social economy is having a hard time to maintain its singularity when the size of organisations is growing (Frémeaux, 2014).

In France, in particular, the evolutions and regroupings of social economy do not readily recognise themselves with big representative or collective organisations of the official social economy. And some put into question the search for a growing size, which generates excesses, such as unbalanced powers between actors and managers or tendencies to ‘forget’ initial aims and values.

Could social economy organisations only flourish as human size structures?

## **2.6. State’s monopoly over general interest versus co-production**

In respect of the public economy, the State has the monopoly of the definition and implementation of general interest and this conception is particularly developed in a country as France, where the State has played an essential role and built the nation.

Yet, important changes of European societies have led both to question the forms of domination of the State and public institutions over society, the development of decentralisation processes, refocusing on the micro-social and local communities, on ambitions of individual and collective control.

For a very long time, the French State has been the main actor to define the general interest, territorial communities having a subordinated position (Bauby, 1998). General interest has been assimilated to the national interest and it had to prevail; if necessary, it had to be imposed by the means of the State. Other interests had to respect it. General interest has been defined by the State, in particular at political level, at the central level of the Government and with a broad consensus even when its content could justify much opposition; its definition has been based on the technical and economic approach defined by the technical and administrative structures of the public service; national interest primacy over other levels of general interest has been imposed (descending interlocking) and the subordination has been accepted, outside explosions and particular interests.

Nowadays, several factors contribute to destabilise the traditional framework of definition of the general interest in France: the nation-State is divided between, on the one hand, the European construction and the internationalisation and, on the other hand, the growing importance of the local level, the decentralisation and the re-focus on the micro-social level; on the one hand, societies and economies are more and more interrelated; on the other hand, local or particular interests do not accept anymore to subordinate to a “superior” interest without having the right to opinion; the technical and economic logic is contested by the existence of other criteria, such as environment protection, ecology, taking into consideration future generations; the urbanisation of the society and the European construction are modifying the territorial balance of the country through the emergence of new regrouping (agglomerations, metropolis, cross-border areas), the growing importance of regions, the creation of a European territory, which led to more and more difference compared to existing institutions (35.000 communes, obsolete counties that have essentially a rural nature); the growing importance of the cultural and informational levels, which favours requests of control, participation, democracy, counter-powers and the taking into account of civil society opinions.

Taking care of general interest that Welfare State has largely guaranteed during the ‘Glorious Thirties’ is progressively leaving room in many fields to, on the one hand, capitalistic enterprises and, on the other hand, to social economy organisations while local communities become more and more important.

General interest is more and more co-produced in a multi-actors and multi-level process, in which public economy organisations, such as social economy organisations, can legitimately participate. A certain interest is general in nature not because a single rationale has defined it as such but because a process has created a framework for a community of institutions to recognise it as being general interest.

## **2.7. Single versus diversified statute**

Since the 2008 crisis, States tend to reduce social programmes and their responsibilities over associations. This led to more fragile and precarious employment and work conditions whose funding rests on the addition of many small grants or financial aids.

Therefore, there is a tendency to implement smaller public services and/or smaller public servants. Social economy organisations risk then to be war machine against public services. Henceforth, not-for-profit organisations would use employees to provide “tasks of the public sector under private conditions.”

As result of these tensions, the frontiers between public economy organisations, enterprises environment and social economy organisations are more and more “porous”, creating the conditions of their complementarities and in particular of cooperation and hybridisations between public and social economy.

## **3. The conditions of a successful hybridisation**

These tensions might also be seen as rich tools allowing them to search together for adapted answers for the XXIst century’s needs.

But given the previous relationships between these two “worlds”, there is a need to clarify the conditions of cooperation between the two forms of organisation, of their possible hybridisation, which:

- involve leaving unproductive oppositions;
- rest on the mutual respect of the diversity of histories, traditions and founding of each others;
- should take into account, admit and respect otherness;
- manifest reciprocal willingness towards convergence and complementarities;
- develop alliance strategies based on the meeting of societal needs;
- look for co-constructions;
- involve rejecting any dominance of one form of organisation over another, all absorption or fusion;
- acknowledge there is no systematic and universal superiority of public or social economy organisations.

Public action and public economy organisations are neither the heaven allowing solving all common life issues nor the hell that would condemn all public initiative to fail. And reciprocal assertion is valid, too: social economy organisations are neither the miraculous receipt to all our problems nor the obscurantist withdrawal on a fanatic personalisation.

To make use of their assets, the combination of their specific advantages and the implementation of their complementarities must be realised on a case by case and challenge by challenge basis.

By tradition, public economy organisations have been rather in charge of “macro” activities, big technical and economic networks and national public services, while social economy organisations have been rather centred on “micro” level, on the proximity and on personal services. This dichotomy is more and more put into question by the development of new technologies, in particular the NTIC, which generates new potential knowledge and interactions. Ancient frontiers or walls are becoming not only outdated but also counterproductive.

A meaning or even ideal example can be observed today in the organisation of electric systems (Bauby, 2016). Technical and economic characteristics of electricity, stakeholders’ interests and the mode of regulation of this sector led to its progressive centralised organisation during a century.

From the beginning of electric use until the dawn of the XXth century, electricity had been first developed as a private and local source of energy: an electric generator in each workshop. Then, the first distribution networks appeared, in particular for public lighting, alternating current superiority and a certain degree of standardisation. From the beginning of the XXth century until the 1920s, networks had been developed at local level: in 1906, in France, a law provided for the public concession regime for electric distribution, conferring distribution monopoly to an operator against some obligations regarding the quality of the service and tariffs; technical progress, the size of electric plants and the development of the average and long distance electricity transport made possible productivity gains; production-transport-distribution systems have developed, electric companies grew through concentrations and looked for exclusive distribution areas; municipalities organised the electric planning of their territory through long term concession contracts sometimes providing for distribution obligations; the State had to intervene to introduce a regulation looking for a balanced share of income between consumers, municipalities and electric operators; electricity was to be seen as a local public service whose regulation required a State control because the territory deserved by electric operators went beyond the territory of municipalities. From the 1920s until the 1950s, integrated systems of production-transport-distribution developed on large areas and an oligopoly of large private enterprises appeared; then public service approach has been applied to electricity sector, which appeared as a collective basic service; therefore, public service obligations have been conferred to electric undertakings to progressively develop the provision and distribution of electricity. During the 1930s, electric companies had been criticised for imposing expensive rates, not making enough investments, not providing electricity in isolated or less dense areas, etc. The State had then reinforced the regulation of the competition in this particular field. On 29th March 1946, the Constituent National Assembly decided the nationalisation of electric companies with a large majority (491 Christian-Democrats votes in favour and 59 votes rejecting the nationalisation). This led to the creation of EDF and a quasi-national monopoly had been conferred to it. The nationalisation represented both a result of a progressive historical process and a break in the context of the *Libération* and of the reconstruction of the country after the Second World War.

At the same time, since the 1990s, the European institutions and EU Member States have developed a process of Europeanisation of the electric industry following a progressive opening of this sector to a regulated competition (Bauby, 2011).

In this context, a series of upturns have emerged:

- electricity consumption, which raised a lot during the “tree glorious decades”, has begun to slow down since the 1970s; nowadays it stagnates and a fall of energy consumption is expected during the next decades;
- the regular lowering of electricity production costs due to the growth of the size of electricity plants, which structured the development of the big integrated and centralised production-transport-distribution systems, has started to be replaced by competitive decentralised production, in particular of renewable energy;
- progressively, “renewable” energy takes precedence over fossil resources.

After a century of progressive centralisation of electric systems, “new” and decarbonised energies are rapidly developing more and more at “micro”, “territorial”, “decentralised” level, even if they are combining themselves with the maintenance – and the redefinition – of interconnected networks, which enable flexibility and continuity of energy production and provision.

Therefore, local actors – municipalities, as well as social economy organisations – can recover competences in respect of the definition, organisation, operation, steering, and adaptation to local specificities... Thus, the French Law of 17th August 2015 on the energy transition to green growth provides for the role of the region in the implementation of the energy transition and the “NOTRe” Law of 2015 for their chief role in the field of climate, air quality and energy and their power to define a Regional Climate-Air-Energy Schema.

Thus, the conditions of a profound reorganisation of electric systems have been created and that might facilitate the convergence and cooperation of social and public economy organisations, which ignored or opposed themselves for a long time.

The key to advance in such a direction would be to implement participative governance in all fields where social and public economy players could find themselves, as well as for each challenge.

#### **4. Multi-actors participative governance, condition of a successful hybridisation**

The “governance” issue was developed and first appeared in the field of the “corporate governance”, or “enterprise governance”, to take into account the relationships between shareholders and managers in the big joint-stock companies. In reality, this separation of functions, which is inherent to the concentration of companies, raises a lot of questions: Who ensures the strategic steering of the company? Who defines the objectives? How to ensure control? etc.

This first conception of the governance was based on the traditional and legal conception of the ownership and led to the definition of mechanisms aiming to constraint managers – which were considered as being agents or representatives of shareholders – to manage according to shareholders interests (general assemblies, board of directors, systems of remuneration of managers, legal and accountable regulation, take-over modalities bid, etc.).

A second conception appeared with the enlargement of the definition of managers' powers and control over the whole creation and distribution value line, which has taken into account not only shareholders but all stakeholders, providers, employees, creditors, clients, etc. contributing to the productive organisation. This issue has been based on a conception of the enterprise seen as integrating organisation involving long term cooperation relationships, which generates organisational annuity; therefore all stakeholders should participate to its distribution and in the governance of the enterprise.

Then, the “governance” issue has then been extended to other modes of operation, steering and control of all institutions, in particular of political institutions.

The term has been promoted in the 1990s to define “the art or the way to govern”, in a context of increasing porosity of frontiers between public and private that required the search for new public action models. It was about promoting under a ‘new’ language a management model of public affairs based on the participation of the civil society and of private economic actors, while insisting on the interactions between trans-national dynamics, national approaches and local initiatives.

The World Bank was the main promoter of the term governance (assimilated to “good governance”) since its report of 1992 (Diara & Plane, 2012). Noting the failure of structural adjustment plans based on the fight against debts and budget deficits in developing countries, it has urged for the search of new management models. This approach of the governance contained a normative content, good governance criteria being linked to market economy rules (privatisation, decentralisation, and deregulation). Therefore, public action efficiency reflected the needed conditions for the appropriate operation of the free competition. If market economy cannot exist without the intervention of the State, this one should complete market action only when the latter would be confronted with proven failures. The State should observe economic efficiency rules, the decentralisation of powers and a new public management.

But there are also other approaches of the “governance”, which reject all normative content and which review the instrumental rationality and the ranking of the different levels of decision to approach it on the basis of analyses in terms of institutional dynamics and process and the conception of modes of coordination. In this approach, the concept of governance enables to study the growing interrelationships between the different areas of intervention, to realize the alignment of different players. Governance involves analysing the public action

complexity that cannot be reduced to “government” and coordination problems resulting in fragmented and uncertain environments. It could be defined as a process of coordination between actors, social groups, and institutions, to meet aims that were collectively discussed and defined.

The concept of governance reflects the complexity of issues, which have territorial dimension (local/regional/national/European/global), economic dimension (public/private/mixed/associative/social and cooperative), social dimension (the expression of users’ rights through their participation) and political dimension (individual-citizen/society). View as an enlarged collective decision-making model, the concept of governance offers a prolific approach to apprehend the growing complexity of issues, as it encompasses the collective action idea, a strategic dimension and power relationships it involves.

Efficient governance requires the organisation of the systematic expression of citizens’ evolving needs, as well as of all social and economic players. By combining the different levels of organisation and by facilitating the democratic debate with all stakeholders, citizens and users, civil society organisations, economic, social and cultural activities, solutions could be found to ensure the meeting of different needs.

The common objective of the public and social economy organisations is to meet social evolving needs. In this respect, the systematic expression of each user’s needs, as well as of all social groups and actors appears to be essential. It should be decentralised as closest as possible to each of them and to different territories.

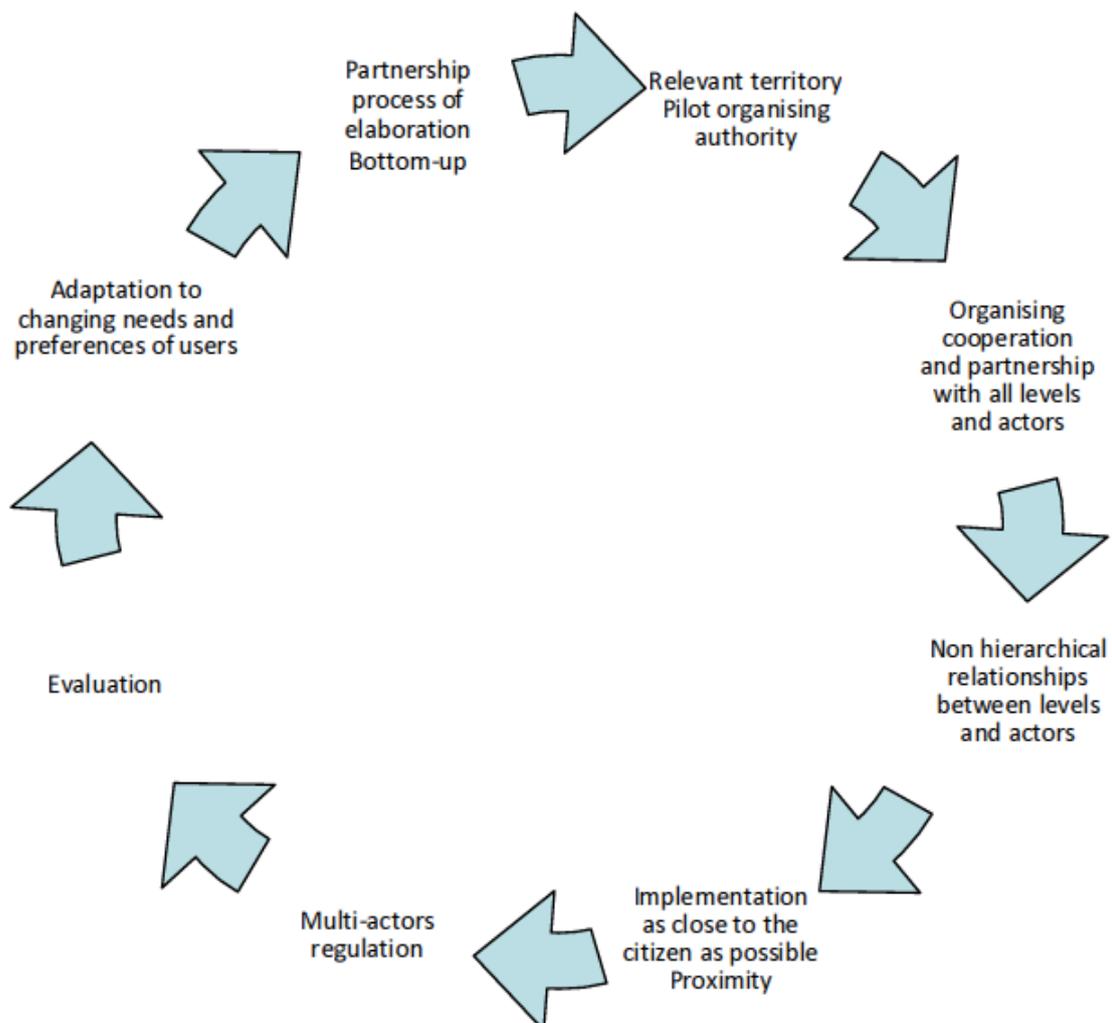
All available means, including consultations and public debates, formal expression of needs, complains handling, the election of users’ committees and digital means should be used to attain this objective. The methods of participation vary from one country to another, and they can take the form of open meetings of local councils, referendums, debates and on line expression, public meetings and public consultations.

The governance aiming to meet social needs is neither linear nor hierarchical; it is rather circular and based on partnership (Bauby & Similie, 2014). It supposes combining (according to the diagram bellow):

- the organisation of the systematic and regular expression of needs of each citizen and stakeholder, of their economic or social organisations, as closest as possible to their territorial realities, to define objectives and tasks through a participative, “bottom-up” process;
- the definition for each issue, activity and sector of the optimal geographical areas and organising authorities responsible for “driving” the governance process on a case by case basis;
- in every case, the implementation of cooperation and partnerships between the organising authority and other levels and players concerned to both define alternative projects (as there is never a single possible option), organise

confrontations and public debates and, on that basis, allow public authorities to take decisions by assuming their responsibilities and co-construct the best adapted answers;

- the implementation of non-hierarchical cooperation relationships between all levels and with all sectors to break specialisations and frontiers inherited from the history;
- the implementation of operations as close as possible to territory and users, according to the principle of proximity, which allows developing interactions that are necessary for the operation and adaptation of each activity;
- the organisation of the regulation and control based on the participation of all stakeholders, out of technocratic and bureaucratic constraints;
- the development of multiple criteria and multi-actor evaluation processes, which allows both to assess the efficacy and efficiency of the public action, its principles and implementation;
- adaptation to evolving users' needs and preferences and democratic choice.



### 5. The lines move

In the recent years, despite traditional divisions between the two ‘worlds’ of public economy and social economy, several indices and events have led to some changes of the previous situation.

Therefore, we saw the development of studies and research on social economy, its history, characteristics and contribution, which surmount previous categories, the excess of which have been presented here before. Social economy tends to become a category that makes sense. The European Parliament set up a “Social Economy Intergroup”, which commissioned a series of studies regarding social economy’s forms in different European countries (see, in particular, *Fostering social innovation in the European Union*, January 2017, and *EU support for social entrepreneurs*, March 2017).

We can also notice the return on the agenda of the common goods issue, which, beyond its interest on its own, allows creating bridges and provoking dialogues to exchange and surpass ancient divisions.

In this respect, at the end of 2014, the European Parliament’s Intergroup “Common goods and public services” was created, as a single entity, while the initial projects had envisaged them distinctive and opposed one to the other. It gathers twice a year, members of the European Parliament coming from different political groups and representatives of the civil society aiming to propose common perspectives to be presented to European institutions.

In October 2015, the author of this paper presented a summary of the main differences between common goods and public services or services of general interest, taking into account their characteristics and histories, as well as their links. While the summary tables presented on that occasion, and reproduced here below, could seem in some way rather condensed, they emphasise what makes unity in their diversity.

**Table 1 - Origins and history**

| Common goods  | Public services / of general interest  |
|---|--|
| <ul style="list-style-type: none"> <li>• Old origins (Roman Empire, <i>Magna carta</i> of 1215, enclosures, customary law), but tendencies to be marginalised by the economic development and commodification (« <i>La tragédie des communs</i> »)</li> <li>• Recent returns (Ostrom, ...)</li> </ul> | <ul style="list-style-type: none"> <li>• Origins at the end of the XIXth and XXth centuries in Europe</li> <li>• Progressive constructions resulting from civic, social movements demands and political choices</li> </ul> |

**Table 2 - Areas, main current bases (and coverings)**

| <b>Common goods</b>  | <b>Public services / of general interest</b>  |
|--|---|
| <ul style="list-style-type: none"> <li>• A common good is a competitive one (its use by someone restricts anyone else's use), and non exclusive (it is not possible to prevent someone from using it)</li> </ul> <p>In general, it is characterised by:</p> <ul style="list-style-type: none"> <li>• Common property</li> <li>• Common management</li> <li>• Distrust in the State</li> </ul>        | <ul style="list-style-type: none"> <li>• Large scope: sovereign services, industrial and commercial; national and local services</li> <li>• Coexistence of 2 notions: organic, which equates public service and public body; functional, which defines the service in the light of its objectives and tasks and not the ownership (EU conception)</li> <li>• Guaranteeing each inhabitant the right of access</li> <li>• Solidarity, social link, economic, social and territorial cohesion</li> <li>• Preparation of the future</li> </ul> |
| <p>Water example: to distinguish the resource, which should be considered as a common good (local resource and circular economy) and the service of collection, treatment, distribution, whose management mode is subject to the free choice by local organising authorities (subsidiarity principle)</p> <p>Digital example: both common good and service of general interest-universal service</p> |   |

**Table 3 - EU, SGI and common goods**

| <b>Common goods</b>   | <b>Public services / of general interest</b>   |
|---|--|
| <ul style="list-style-type: none"> <li>• Not yet mentioned in the texts of reference of the EU</li> </ul> | <ul style="list-style-type: none"> <li>• Precise references in EU treaties (articles 14 and 86 TFEU, Charter of fundamental rights, Protocol 26)</li> <li>• Common values (wide margin of discretion of national, regional and local authorities; differences in the needs and preferences of users; a high level of quality, safety and affordability, equal treatment and the promotion of universal access and of user rights)</li> </ul> |

**Table 4 - What convergence?**

| <b>Common goods</b>  | <b>Public services / of general interest</b> |
|--|--|
| <ul style="list-style-type: none"> <li>• Overcome differences: democratic governance and subsidiarity, public services as common goods; democratic participation at all levels, co-definition, co-organisation, co-production, co-evaluation...</li> <li>• The EU should recognise and combine them both</li> <li>• Concerting efforts...</li> </ul> |  |

Source: Pierre Bauby – October 2015

It is also interesting to note that in September 2016 European Commission itself raised the question of the elaboration of a “European Pillar of social rights”, which “is designed as a compass for a renewed process of upward convergence towards better working and living conditions in Europe” (European Commission, [Press Release](#) of 26 April 2017).

The project of pillar that has been presented on 26 April 2017 contains twenty principles and basic rights to “support fair and well-functioning labour markets and welfare systems”. The principles and rights enshrined in the Pillar are structured

around three categories: equal opportunities and access to the labour market, fair working conditions and social protection and inclusion.

This approach, which re-opens the reflections and proposals that had been eluded since the elaboration of the EU Charter of fundamental rights more than ten years ago, embraces two dimensions: the first two parts are dedicated to the access to labour market and work conditions, and the third one to social protection and social inclusion, that is the whole “social” aspects, all those that concerns life conditions in our societies.

The 20th and last principle concerns the “Access to essential services: Everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need”. In accordance with the EU neutrality principle as regards the ownership regime of enterprises and operators (public, private, mixed, social or cooperative economy), the pillar of social rights project leaves Member States (national, regional and local authorities) the decision regarding the way and modes of organisation and implementation of these services: “Member States retain competence in defining, organising, delivering and financing essential services at national, regional or local level. Given that the Union measures embrace the principle that essential services should be available to all, as the core of the European social model, Member States are invited to go beyond these rules in order to give effect to the Principle”.

On a more general level, a book recently published (Barbier, 2017) clearly raises the question of a partnership between the social and solidarity economy and the State, where reciprocal distrust had prevailed for a long time. The author focuses on the perspectives of the renewed modes of elaboration of public policies and the delivery of public services by social and solidarity economy to create new dynamics and reorient public action.

Nevertheless, there remains doubts or delayed manoeuvres that are limiting the sketch of convergence. For instance, after the Elinor Ostrom’s visit in France in 2011, her works have been presented and placed by the coordinators of the book dedicated to that occasion under the title “A third way between the State and the market” (*Une troisième voie entre l’Etat et le marché*) (Antona & Bousquet, 2017). In fact, Elinor Ostrom’s works presented in this book are based on a scientific experimental approach of different manners of organising in common the organisation and management of resources, which is beyond the State and the market. She was never pretending there to develop her contribution as a “third way”.

The issue is not the search of a global alternative to public economy and social economy, to the State and the market, which would risk being marginalized, but to combine them in their diversity to co-construct together the answer to the needs of social life in the XXIst century.

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