

How to Promote Cooperative and Social Economy Ecosystems through Public Policies: The Valencian Case

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ABSTRACT

For the social economy to reach its potential to generate inclusive prosperity, it must be embedded in supportive ecosystems. The question arises whether, from a public policy perspective, government policies can effectively activate and promote such ecosystems. This article addresses the nature of social economy ecosystems, identifies key elements of a public policy aimed at promoting them, and investigates whether this action increases their institutionalization in a territory. To this end, following the presentation of a theoretical framework, an analysis focuses on a case of public policy to promote the cooperative ecosystem, the “Plan Fent Cooperatives” of the Valencian Community. The results indicate that this strategy, described as a second-generation public policy for the promotion of the social economy, contributes to consolidating a favourable cooperative ecosystem in the region.

RÉSUMÉ

Pour que l'économie sociale atteigne son potentiel de prospérité inclusive, elle doit être intégrée dans des écosystèmes favorables. La question se pose alors de savoir si, du point de vue de la politique publique, les politiques gouvernementales peuvent activer et promouvoir efficacement ces écosystèmes. Cet article traite de la nature des écosystèmes de l'économie sociale, identifie les éléments clés d'une politique publique qui pourrait les promouvoir, et étudie si une telle action augmenterait leur institutionnalisation sur un territoire. À cette fin, après la présentation d'un cadre théorique, une analyse porte sur un cas de politique publique visant à promouvoir un écosystème coopératif, à savoir le programme Fent Cooperatives de la Communauté valencienne. Les résultats indiquent que la stratégie employée dans le cadre de ce programme, décrite comme une politique publique de deuxième génération pour la promotion de l'économie sociale, contribue à consolider un écosystème coopératif positif dans la région.

Keywords / Mots clés : social economy, ecosystem, public policy, local development / économie sociale, écosystème, politique publique, développement local

INTRODUCTION

For the social economy to unfold its full potential to generate inclusive prosperity, it is essential that it is embedded in favourable social economy ecosystems. This key role of social economy ecosystems has been recognized by multiple agents (Krugman, 2023), governments and international institutions such as the International Labour Organization (ILO), the Organization for Economic Cooperation and Development (OECD), the World Economic Forum (WEF), the United Nations (UN), and the European Commission. The WEF in *Unlocking the Social Economy: Towards an Inclusive and Resilient Society* makes this explicit: “Governments play a key role in strengthening the ecosystem for the social economy to grow” (World Economic Forum, 2022, p. 32). The promotion of social economy ecosystems is in the core of the *European Action Plan for the Social Economy* (European Commission, 2021). In cooperation with the OECD, the European Commission has developed methodologies for diagnosing social economy ecosystems¹, aimed at identifying their strengths and weaknesses.

Social economy ecosystems are anchored in the territory (Itçaina & Richez-Battesti, 2018) where their meaning is shaped. From this perspective, three types of territories can be identified according to the degree of development of their social economy ecosystems: first are territories that lack a social economy ecosystem because they do not have the basic key elements inherent to it; second, territories with emerging and developing social economy ecosystems; and finally, territories with consolidated and mature social economy ecosystems, with a long history and impact in their area. Examples of the latter type are the well-known Mondragon Cooperative Group, the cooperative territory of Emilia Romagna in Italy, and the cooperative and social economy system of Québec. These latter social economy ecosystems have generally been activated and promoted from the initiative of civil society by grassroots leaders who have been able to articulate and generate collective identity and culture, as well as develop the necessary and integrating elements of the system.

In a context such as the current one, characterized by a political discourse favourable to the promotion of the social economy through government public policies, the question arises as to the role that governments can play. Specifically, whether it is feasible for government policies to effectively activate and promote social economy ecosystems in territories that lack such ecosystems or where they are incipient.

This general question makes it necessary to address, first, the concept of the social economy ecosystem and the key elements that characterize it, in order to identify the areas of action for policy of fostering the social economy ecosystem. Key elements include 1) the culture and identity of the social economy that include cooperation and solidarity as core values, which must be self-recognized by the actors, formed, reproduced with signs of identity with mechanisms that promote it (schools, athenaeums, meetings, gatherings, etc.); 2) alliances and networks, both between the social economy actors themselves in the territory and between them and other actors, public and private, developing joint and collective projects, structural (federations, platforms, etc.); 3) the existence of key actors/actors located in the different key elements of the social economy ecosystem (financing, administration, consultancy, training-research, network builders, etc.).

Secondly, a framework for analysing the policy of fostering the social economy ecosystem is required. This analytic framework must be linked to the former key elements of the social economy

ecosystem. In this respect, the vision of the 'soft' or ecosystem policies (Chaves, 2010) that establish institutional mechanisms (legislation, public social economy co-construction and co-production of social economy policies, cognitive measures), as well as the perspective of the new generation of social economy policies (Chaves-Avila, & Gallego-Bono, 2020), based on transversality, holism, public social economy collaboration, broad and complex strategies, and the institutionalisation of these policies (Catala, Savall, Chaves, & Bassi, 2024) have an interesting heuristic potential.

This article analyzes the concept of the social economy ecosystem, then the policies that promote ecosystems and the phenomenon of the institutionalization of social economy ecosystems. The second research challenge addressed is of an empirical nature. It is aimed at studying how a strategy to promote cooperativism, considered to be second generation, can boost the social economy ecosystem in a territory that has a social economy ecosystem with a certain degree of development, such as the region of Valencia in Spain. Finally, this strategy is studied, addressing the key elements on which it has had an impact and the effects it has had on the development of the social economy ecosystem.

THEORETICAL FRAMEWORK

The Social economy ecosystem: Elements, model and distinctive features

In the social sciences, the concept of an ecosystem has been extensively analyzed, particularly in relation to economic activity. Frosch and Gallopoulos (1989) discuss industrial ecosystems, Moore (1993) analyzes business ecosystems, Isenberg (2010) refers to the entrepreneurship ecosystem, while Domanski, Howaldt, and Kaletka (2020) focus on the regional innovation ecosystem. Ecosystems have been defined by numerous authors, some of whom have introduced differentiating and novel elements to the term itself (Jacobides, Cennamo, & Gawer, 2018). Although there is no exact definition and the various definitions in the literature are not always compatible, an ecosystem can be understood as a structure formed by different agents and elements that offer a specific value proposition, characterized by their complementarity and by being separated by thin crossing points (Cobben, Ward, Roikakkers, & Radziwon, 2022).

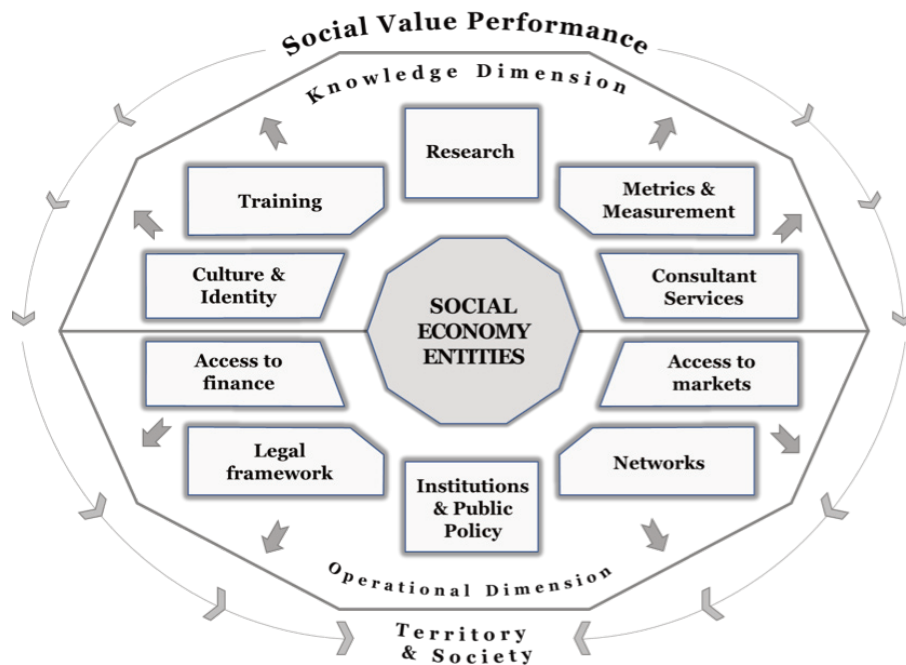
The diversity in the concept of ecosystems has led researchers to study the elements that characterize them (Jacobides, Cennamo, & Gawer, 2018). However, the primary focus has been on the different types of ecosystems (e.g., innovation, entrepreneurship, business, knowledge, platform, service, digital), the specific purposes they serve, and their main differentiating elements (Valkokari, 2015; Cobben, Ward, Roikakkers, & Radziwon, 2022). These distinctions help frame the broader theoretical understanding of ecosystems and provide clarity on the specific dynamics at play within each ecosystem type.

Additionally, in recent years, studies on social innovation and social entrepreneurship have increased, leading various authors and institutions to model their own social entrepreneurship and social innovation ecosystems (Vernis & Navarro, 2011; Roundy, 2017; Biggeri, Testi, & Bellucci, 2017; Carayannis, Grioroudis, Stamati, & Valvi, 2021; Silva-Flores & Murillo, 2022). Despite advances in the research of the social aspect of ecosystems, the various proposed models are insufficient to explain and characterize the uniqueness of the social economy and its impact on the territory. The social economy requires specific mechanisms that proactively promote, develop, and reproduce its business model, reconciling economic and social objectives (Catala, Savall, & Chaves-Avila, 2023).

Therefore, considering that it is not possible to explain the complexity of the social economy from a single perspective, Catala, Savall, and Chaves-Avila (2023) propose a model of the social economy ecosystem. According to the authors, the objective that characterizes this ecosystem is the creation or generation of social value through the development of economic activity, which is inseparable from the model and its ultimate purpose, thus achieving a greater degree of social cohesion in the territory where it operates. To achieve this objective, all agents of the ecosystem operate under the principles of the social economy, ensuring that, along with the creation of economic value, social value is also generated. This social value is generated through the various actors that make up the ecosystem, which, in line with Strokosch and Osborne (2020), incorporate processes of co-experience, co-production, and co-governance.

Figure 1 depicts the model of the social economy ecosystem that combines various elements within two dimensions: one related to knowledge (cognitive) and the other of an operational nature, creating a favourable environment for the development of social innovations (Catala, Savall, & Chaves-Avila, 2023). On the one hand, in the knowledge dimension, the related elements must be specific to social economy enterprises; otherwise, there is a risk of institutional isomorphism. On the other hand, the practical dimension is represented by the actors and elements that contribute to economic performance and, consequently, the creation of social value.

Figure 1: Social economy ecosystem model



Source: Catala, Savall, & Chaves-Avila (2023, p. 6)

The social economy ecosystem has a series of distinctive attributes. Its competitive advantage lies in relational capital, based on cooperation among various actors and a strong commitment to serving the territory and society. Geographically, the ecosystem is conceived from a territorial perspective, operating under a multilevel system in which national and international spheres act as catalysts for the development of regional ecosystems. This distinctive feature and explicit mention to social

economy ecosystems appear in statements from supranational institutions, such as the OECD, the African Union, the United Nations General Assembly and European institutions. For example, the OECD launched in 2023 a global action plan entitled “Promoting Social and Solidarity Economy Ecosystems.” The European Commission approved in 2021 its new Union industrial strategy based on 14 industrial ecosystems, among which is the proximity and social economy ecosystem. As well, the Council of the European Union (EU Council, 2023) adopted a Recommendation for EU Member States, citing on several occasions the social economy ecosystems, such as “promoting the inclusion of social economy entities in local and regional development through their integration into the existing business and innovation support ecosystems.” The European Commission also highlights this in its Action Plan for the Social Economy (European Commission, 2021) that “Many European local and regional authorities are empowered to develop strategies and support instruments for the development of local and regional social economy ecosystems. There is scope for better capitalise this potential” (European Comission, 2021, p. 10).

In the social economy ecosystem, civil society actors, particularly grassroots ones, play a central role. Their action is reinforced by the system of networks and alliances that has been forged over the years and which has driven socio-economic transformation at a local level and acted as a catalyst for its dynamics. These networks are woven both between social economy actors and between them and public and private partners’ alliances that create synergies and focus efforts on achieving common objectives that generate social value (see Table 1,

Table 1: Characteristics of the social economy ecosystem

| Characteristics | Social Economy Ecosystem |
|-----------------------|---|
| Competitive advantage | Territorial and social focus |
| Geographic scope | Regional; multilevel approach |
| Temporal scope | Evolutionary focus with intent for replication |
| Orchestration | Does not have a business-oriented focus |
| Actors | Based on multifaceted types of partners |
| Structure | Cooperative network |
| Value creation | Emphasis on the creation of social value through knowledge and practice |

Source: Catala, Savall, & Chaves-Avila (2023, p. 6)

The ecosystem is marked by the multifunctionality of its participants, where individual actors often take on multiple roles in the territory, allowing for various forms of collective action: some oriented toward economic objectives and others toward political and cultural objectives. For example, they cultivate a sense of shared identity and collective belonging among ecosystem actors and collectively address systemic economic gaps or inefficiencies in the ecosystem.

Public policies for ecosystem promotion

An increasing scientific literature focused on the social economy and public policies has been produced around the world during the last two decades (e.g., Chaves, 2002; Laville, Lemaitre, & Nyssens, 2006; Chaves & Demoustier, 2013; Utting, 2017; Vaquero, Bastida & Vázquez, 2023; Seo, 2024; Chaves-Ávila, Palau, Catala & Correcher, 2025). One of its main lines of research is the analysis of how governments can deploy effective public policies to promote the social economy in order to maximise the impact of the social economy, in line with the political discourse of international in-

stitutions such as the United Nations Resolution for the Promotion of the Social Economy for Sustainable Development on April 18, 2023 (United Nations, 2023).

In this context, Chaves (2002) and Chaves and Demoustier (2013) have proposed a typology of public policies to promote the social economy that include the policy of improving the ecosystem as “soft policy.” They start from the fact—analyzed by the economic literature, such as the one presented in this article—that the creation and development of enterprises, including social economy enterprises, require favourable external conditions, understood as an institutional and socio-cultural framework that favours their emergence. These favourable conditions mainly concern public policies, socio-economic conditions (including social beliefs and attitudes towards social entrepreneurship and its social value), training and skills, financial support, and other support mechanisms such as consultancy and the existence of networks between private and public actors. When these factors cooperate with each other and feed back into the territories, they create ecosystems that are particularly suitable for entrepreneurial dynamism. In this context, they distinguish two groups of policies: first, soft policies, which aim to create an environment, an ecosystem, favourable to the creation and development of social economy enterprises. This includes institutional policies and cognitive policies. Second, hard policies, aimed specifically at the enterprises themselves to improve their competitiveness and business performance.

Chaves-Avila and Gallego-Bono (2020) identify a new wave of policies to promote the social economy, known as second-generation policies. In contrast to the first generation of social economy policies, which were more sectorized and adopted a top-down approach, these policies adopt a holistic and cross-cutting approach, involving social economy actors as policymakers in a complex process of co-construction and co-production of the policies. They are distinguished by their high degree of sophistication and long-term horizon. They involve a greater diversity of policymakers, have higher budget allocations, and place the social economy at the centre of their objectives. Additionally, these policies are promoted from a multidimensional perspective, using a variety of instruments and coordinating different levels of government. Finally, their evaluation includes qualitative variables that enhance understanding of the value these policies bring to both the territory and society. These policies are emerging as ideal tools to strengthen social economy ecosystems and increase the degree of institutionalization of this economy in the territories where they are implemented. This ecosystem approach aligns with the vision of international institutions such as the UN and the OECD, which promote comprehensive sustainable development with a strong focus on territoriality.

From an ecosystem development approach anchored in territories, the main challenge for territories with emerging and developing social economy ecosystems that wish to transform into territories with consolidated and mature social economy ecosystems lies in the institutionalisation of the ecosystem. We can understand institutionalization as “the process by which socio-economic ideas and realities transition from being informal, unstable, and immature to crystallizing into rules, resources, and organizational structures” (Catala, Savall, & Chaves-Avila, 2024, p. 129).

Several elements favour the institutionalization of the social economy (Catala, Savall, & Chaves-Avila, 2024; Fontan & Levesque, 2023). Firstly, the visibility and recognition of the social economy by society and various actors (Chaves, 2010; Astudillo, 2020); the presence of an adequate legal regulation level that acknowledges the uniqueness of the social economy and its actors (Utting,

2017; Astudillo, 2020); the existence of government bodies and departments promoting the social economy (Mendell & Allain, 2015; Utting, 2017); the presence of plans, public policies, and programs for development and consolidation of the sector (Laville et al., 2006; Utting, 2017); and finally, the representative presence of the social economy in various social, economic, and political institutions (Correa, 2022).

From an institutional perspective, although international organizations are calling for “strengthening the institutional development of SSE [social and solidarity economy] entities” (ILO, 2022, p. 6) and the “creation of supportive institutional frameworks” (OECD, 2022, p. 5) it has been especially within the European Union that the concept of ecosystems has been used to provide greater visibility and recognition to the social economy. Specifically, the European Commission has declared the proximity and social economy ecosystem as one of the 14 industrial ecosystems within the European Industrial Strategy (2021). Other documents, such as the Action Plan for the Social Economy, advocate for facilitating the development of these ecosystems and strengthening the creation of partnerships within them (European Commission, 2021, p. 14).

However, despite these efforts, most of the problems and challenges faced by the social economy, according to the Council Recommendation on developing social economy framework conditions (EU Council, 2023), include a lack of clarity around the principles and scope of the social economy, insufficient recognition of the social economy’s added value, inconsistency of support measures, fragmentation of legal frameworks, limited administrative and policy capacity of member states, lack of data and statistics on the sector, and a lack of tailored funding for social economy entities. These challenges have a common core: the lack of institutionalization.

Certain well-known social economy ecosystems, such as Mondragon (Ruiz & Bretos, 2023), Emilia Romagna (Catala, Savall, & Chaves-Avila, 2023), and Québec (Levesque, 2020), exhibit characteristics identified in the literature based on the institutionalization of the social economy.

STUDY DESIGN

In order to analyse whether a second-generation social economy policy reinforces the key elements that constitute the ecosystem and, with them, increases the level of institutionalization, a qualitative methodology is developed, based on the case study technique.

The analysis of social economy promotion plans and their contribution to strengthening the ecosystem and greater institutionalization is a complex social phenomenon with multiple actors and dimensions, making it necessary to adopt a qualitative research method (Yin, 1994). The qualitative research approach is effective for investigating underlying assumptions, analyzing novel relationships, and understanding abstract concepts and operational definitions (Weick, 1996). Additionally, the case study technique allows focusing on complex aspects of the analyzed reality (Perren & Ram, 2004) and obtaining empirical evidence that enhances the robustness of the findings (Eisenhardt, 1989).

The case study focuses on the policy promoting the cooperative ecosystem in the Spanish region of Valencia, named the “Fent Cooperatives Plan” (“Making Cooperatives Plan”) (Alba, Barreiro, Chaves, Gómez, García, et al., 2021). In this region there is evidence of a social economy ecosystem, with a particular predominance of the cooperative sector, which accounts for more than 50 percent

of the market entities in the social economy (VALESTAT, 2024). The Fent Cooperatives Plan incorporates the strengthening of the cooperative ecosystem as a strategic axis, explicitly recognizing its importance. This concept is actively used and shared among policymakers, researchers, and social economy actors in the Valencian community. The study by Catala, Savall, and Chaves-Avila (2023) demonstrates that all the specific elements of social economy ecosystems can be clearly identified in the Valencia region. This region possesses both cognitive elements (culture and identity, training, research, impact measurement, and consultancy) and operational elements (access to financing, legal framework, institutions and public policies, networks, and market access) that foster the creation and consolidation of their entities.

The Fent Cooperatives Plan is a strategy to support and promote cooperatives with continuity, as it has already implemented two editions and is awaiting approval for its third edition. It is a plan specifically designed for cooperatives, without prejudice to the possibility that, in the implementation of some of its measures, it may indirectly and subsidiarily benefit other entities within the social economy. The main features of the Plan are its alignment with global European policies on energy, digitization, and the environment; a stronger emphasis on public-private collaboration to respond to citizens' issues; a focus on territorial development and combating depopulation; the pollination of cooperatives in the whole economy; and a focus on contributing to the sustainable development goals (SDGs) (Alba et al., 2021).

In terms of structure, the plan consists of six strategic axes, seven strategic lines, 21 objectives, and 50 specific measures. The strategic axes are concretized in the following priorities: 1) recovery and transformation of the Valencian economy, 2) development of cooperative business strength, 3) development of cooperative pollination of the Valencian economy, 4) development of cooperative social innovation, 5) strengthening the social commitment of cooperatives, and 6) improving the quality of the cooperative institutional ecosystem in the Valencian community. These strategic axes are further articulated into the following seven strategic lines: L1) economic-business development, financing, and employment; L2) societal development; L3) environmental and territorial development; L4) public-private collaboration; L5) communication, training, and research; L6) representative structure and institutional participation; and L7) governance of the public administration of cooperativism.

To determine whether the Fent Cooperatives program can be considered a second-generation policy, if it has contributed to strengthening the Valencian cooperative ecosystem, and if it has ultimately improved the level of institutionalization of the Valencian social economy, it is necessary to systematically analyze both in data collection and interpretation (Anderson et al., 1994). Therefore, based on a documentary analysis and its cross-reading, and considering previous literature, the following theoretical bases are established.

To determine if the Fent Cooperatives Plan is an appropriate political program for promoting and strengthening the ecosystem, the authors will base it on the characterization of the aforementioned second-generation policies (Chaves & Gallego, 2020). First, this article will analyze whether the plan meets the characteristics that define a second-generation policy.

Second, to determine the extent to which the Fent Cooperatives Plan has strengthened the Valencian cooperative ecosystem, the theoretical framework of the social economy ecosystem

(Catala, Savall, & Chaves-Avila, 2023) will be used. Specifically, the authors will analyze which strategic lines of the plan reinforce each of the elements of the two dimensions.

Finally, to identify whether the implementation of Fent Cooperatives has increased the level of institutionalization, the five theoretical components for classifying and systematizing the analysis of best practices that promote institutionalization of the social economy in the Valencian Community will be analyzed (Chaves, 2010; Astudillo, 2020; Laville et al., 2006; Utting, 2017; Mendell & Allain, 2015; Correa, 2022; Catala et al., 2024): 1) awareness and recognition, 2) level of legal regulation, 3) organic institutionalization supporting social economy, 4) plans, policies, and programs for the development of the social economy, and 5) external institutional leadership.

In general, for data collection, documentary analysis has been used. In particular, legislation, published reports, websites of various institutions and social economy entities, professional reports, and databases have been consulted. One of the reference documents is the *Evaluation of the Fent Cooperatives Plan 2021–2022* (Chaves-Avila, Catala, & Savall, 2023). Part of the analysis proposed in this work has been conducted based on the evaluation results of the plan's monitoring.

The following presents the results derived from the proposed analysis to answer whether the Fent Cooperatives Plan is a second-generation political program that has strengthened the Valencian cooperative ecosystem and increased the level of institutionalization of the social economy in the Valencian case.

RESULTS

Fent Cooperatives Plan as a second-generation policy

The Fent Cooperatives Plan (2021–2022) is a public policy that embodies the characteristics of a second-generation policy (Chaves-Avila & Gallego-Bono, 2020). First, it is categorized as a *complex and systematic policy*. It consists of a collection of independent but interrelated measures that collectively contribute to a broader general objective. Each measure involves diverse and varied financial, human, and material resources, and its achievement depends on the coordinated work of different institutional bodies.

Second, it was created under a *partnership approach*, with extensive participation in its development from various social agents, including representative cooperative entities, representatives of different regional and local Valencian administrations, public university representatives, and entrepreneurship representatives.

Third, the policy is implemented with significant *involvement from policymakers*. Public administrations are the main responsible entities and financiers, particularly the General Directorate of Entrepreneurship and Cooperativism of the Generalitat Valenciana (Legislature X 2019-2023).

Fourth, the policy is structured with a *holistic and strategic approach*. This is evidenced by the wide variety of measures in the plan, and the steps that are comprised in the plan (i.e., vision, strategic axes, strategic lines, objectives, measures, and indicators).

Fifth, the *instruments* used to achieve its objectives are *more complex* than those employed in first-generation policies. These include specialized training, the creation of financial instruments and dissemination elements, legislative modifications, the creation of networks and promotion of structures,

the encouragement of public procurement, the development of new legal figures, and institutional support. However, traditional instruments such as various subsidies for job creation, investment, or dissemination are still utilized.

Sixth, it is a policy integrated into other general policies, under a *mainstreaming approach*. Fent Cooperatives is directly related to Line 5 of the *Action Plan for the Transformation of the Valencian Socioeconomic Model 2017–2027*, a plan dedicated to promoting sustainable employment creation and the social economy. At the national level, it aligns with the policies derived from the Spanish 2017–2020 and 2023–2027 *Social Economy Strategy*; and at the European level, it is fully in line with the 2021 Action Plan for the Social Economy.

The final distinguishing characteristic between the two generations of policies relates to their *evaluation*. The Fent Cooperatives Plan has been evaluated using quantitative criteria through the assessment of monitoring indicators but has also incorporated qualitative criteria through techniques such as focus groups, where aspects such as the degree of satisfaction with the plan have been evaluated (Chaves-Avila, Catala, & Savall, 2023).

In conclusion, the characteristics of the Fent Cooperatives 2021–2022 Plan demonstrate a marked differentiation from previous policies in the Valencian territory, even those outlined in the first Fent Cooperatives Plan 2018–2019. Its comprehensive and strategic approach, extensive participation of social agents, coordinated involvement of public administrations, and use of complex instruments distinguish it from first-generation policies. Additionally, its integration with other regional, national, and European policies and its innovative evaluation system consolidates its effectiveness.

Fent Cooperatives: Measures to strengthen the cooperative ecosystem of the Valencian community

The characteristics of second-generation policies are especially favourable for the promotion of ecosystems, particularly when they are structured as a strategic plan. An example of this perspective is Fent Cooperatives Plan. The set of 50 measures that make up the plan specifically focuses on promoting each of the elements that constitute the ecosystem. By implementing these measures simultaneously and in a coordinated manner, synergies are created that collectively enhance the ecosystem as a whole.

This comprehensive approach not only ensures that all elements of the ecosystem receive the necessary support to develop but also facilitates interconnection and collaboration between them, generating a multiplier effect. As a result, cooperatives experience significant strengthening, improving their capacity to offer sustainable and effective solutions to the socio-economic challenges faced by the Valencian territory. This strengthening translates into a more robust and resilient ecosystem. Table 2 details the relationship of the measures with each of the elements of the ecosystem.

The following are the results obtained from the selected measures, highlighting the specific contribution of the Fent Cooperatives Plan to each of the ecosystem components. This section analyzes in detail how each measure has impacted the different elements, providing a comprehensive view of the plan's effectiveness in strengthening the social economy ecosystem.

Table 2: Relationship of Fent Cooperatives' measures with ecosystem elements

| Ecosystem elements | Promoting measures in the Fent Cooperatives Plan ² |
|------------------------------|--|
| Culture & identity | 15. Identification and dissemination of cooperative best practices. 18. Certification as "Socially Responsible Valencian Entity." |
| Training | 5. Development of human capital in cooperatives. 27. Cooperatives as a mechanism for environmental education. 28. Dissemination of public-private collaboration in cooperatives. 39. Training module on comprehensive management of cooperatives. 40. Positive evaluation of the module in subsidies. 41. School cooperative programs in education. 42. Labour insertion of cooperatives in vocational training. |
| Research | 36. Dissemination materials and cooperative reports. 37. Partnership research between cooperatives and universities. |
| Measurement | 38. Cooperatives included in the official statistics of the regional government. Assessment of the contribution of the Fent Cooperatives Plan to SDG. |
| Consultant services | 12. Review of cooperative self-employment incentives. 13. Cooperative Single Office in entrepreneurship. 14. Cooperative self-employment programs for specific groups. 16. Access for young people and women to management positions. 17. Sustainability and social responsibility reports. 24. New business models for the circular economy. 25. Support for ecological transition and efficiency. 26. Promotion of agri-food cooperativism in the Green Deal. |
| Networks/alliances | 19. Local network of cooperative advisors. 20. Collaboration with local governments on joint projects. 21. Active participation of cooperatives in local structures. 29. Local cooperative projects for public services. 43. Integration of new cooperatives in the regional federations. 44. Cooperation with other "families" of the regional social economy. 45. Cooperatives in consultative bodies of the regional government. |
| Legal framework | 30. Public procurement reserved for cooperatives. 31. Legislative advances for social and non-profit cooperatives. 32. Legislative advances on cooperative energy communities. 33. Legislative advances for housing cooperatives. 35. Social clauses in public procurement. |
| Institutions & public policy | 34. Introduction of coops in the registry of public land assets. 46. Creation of a parliamentary intergroup on cooperativism. 47. Development of the strategic plan for the cooperativism council. 49. Reforms in aid programs for cooperatives. 50. Improvement in bureaucracy and digitalization of the cooperative's registry. |
| Access to finance | 8. Financial guarantee system for cooperatives. 9. Credit cooperative agreement with the Generalitat Valenciana. 10. Specific fund in the Valencian Institute of Finance. 1. Better information of government financial support. |
| Access to markets | 1. Adaptation of cooperatives to new labour requirements. 2. Transformation of companies in crisis into cooperatives. 3. Strategic plans for cooperative innovation. 4. Promotion of platform and multifunctional cooperativism. 6. Increase in the business size of cooperatives. |

Source: Own elaboration

Culture and identity

The measures aimed at strengthening the cooperative culture and identity of the ecosystem are primarily identified with the strategic lines 2 and 6 of the plan, focusing on societal development and representative structure and institutional participation.

Key results include the legislative amendment of Law 18/2018, which details the procedure for cooperatives to be recognized as socially responsible Valencian entities. These achievements highlight progress in building a cooperative identity and shared culture among all citizens of the Valencian community, evidenced by the fact that 84.2 percent of the population is aware of cooperativism and its values, 50 points higher than in 2000 (CONCOVAL, 2024).

Training

The training aspect is embedded transversally across various lines of the plan, with more detailed focus in line 5. In terms of training for cooperative members, 25,000 workers participated in over 700 training actions in 2021. Additionally, cooperativism has been promoted as a mechanism for environmental education dissemination, increasing awareness among citizens and various Valencian public administrations about the concept of public-private collaboration through cooperative action. This effort resulted in the creation of five practical guides and training sessions.

Moreover, a legislative change has been promoted in article 110 of the *Cooperative Law of the Valencian Community*, incorporating the concept of school cooperatives, which are currently in the development and consolidation phase. Finally, the presence of cooperativism has been strengthened in Valencian promotional programs, with 23 training sessions conducted in vocational training modules. The ESCOOP platform has also been launched, which is a network to promote the social and solidarity economy in education, aiming to build shared action frameworks in vocational training and compulsory secondary education.

Research

In terms of research, informative and scientific materials have been promoted. Additionally, as part of the objective to support the design and evaluation of public policies on cooperatives with objective data, the evaluation of Fent Cooperatives was commissioned and materialized in 2023.

To incentivize research, awards are funded for the best studies in social economy and cooperatives from the Universities of the Valencian community, in the form of bachelor's theses, master's theses, and doctoral dissertations. Financial support has also been provided for collaborative research projects between universities and cooperatives, materialized in the Social Transformation Laboratories program, which resulted in the establishment of three laboratories and a public expenditure of €280,000 for the years 2021 and 2022.

Finally, the Generalitat Valenciana annually announces the ESAFOM program, which provides grants for the training, promotion, and dissemination of the social economy. These grants amounted to approximately €750,000 during the years 2021 and 2022.

Impact measurement

Measuring impact and analyzing social economy figures are essential to assess the effectiveness

and sustainability of the ecosystem. In the Fent Cooperatives Plan, measure 38 refers to integrating cooperativism as a distinct sector in the official statistics of the Generalitat Valenciana. Currently, cooperativism is represented in three thematic areas and 15 variables. Additionally, although it is an action framed within the ecosystem components of training and metrics and measures, the Valencian Social Economy Statistical Portal VALESTAT has also been promoted.

Consultant services

The consulting and business support services within the plan are primarily focused on employment and guiding cooperatives towards emerging paradigms. In this regard, the plan aims to create a “co-operative single office” to help businesses centralize all their bureaucratic procedures in a single centre and to promote business support programs. Among these programs are Llamp and Betacoop, which support entrepreneurship, and Niuada, Migracoop, and Business Schools, which aim to promote cooperative entrepreneurship from a territorial perspective. Additionally, the policy promotes the development of sustainability reports, business models based on the circular economy, support for ecological transition, and the promotion of agro-food cooperatives. These measures are directly related to support through consulting networks and the provision of grants to finance this assistance.

Networks

The measures to strengthen the networks of ecosystem actors, as well as the networks among comparativists themselves, are diverse. The plan aims to encourage cooperative self-employment by incorporating 658 new members in 2021 and 2022. It has also promoted the creation of the Network of Municipalities for the Social Economy, established on March 22, 2023, which included 24 proactive municipalities in social economy matters within the territory. Furthermore, the plan encourages the participation of local entities in collaborative projects and the involvement of municipalities in these types of structures.

This component of the ecosystem, while featuring some specific measures, is one of the most transversal elements of the plan. The other measures, though indirectly, also contribute positively to strengthening cooperative networks.

Legal framework

The measures aimed at facilitating legislative changes have been primarily developed in the realm of public-private collaboration. Among the various changes resulting from their inclusion in the Fent Cooperatives Plan are: 1) the regulatory development of social initiative contract reservations in article 99 bis of the Legislative Decree 2/2015, of May 2, which approves the revised text of the *Cooperative Law of the Valencian Community*; 2) the regulatory development of energy communities under the cooperative model, through article 52.1 of Law 6/2022, of December 5, of the Generalitat, on climate change and ecological transition of the Valencian Community; and 3) the inclusion of social content clauses in the different phases of awarding business assets in various contracts made by the Generalitat Valenciana.

Additionally, the plan calls for legislative modifications to facilitate the participation of the Generalitat Valenciana in the share capital of cooperatives, the reactivation of the Public Land

Heritage Register, and the publication of the plan as a decree of the Valencian parliament. However, these measures have not been implemented, partly due to the complexities inherent in making legislative changes.

Institutions and public policy

In addition to Fent Cooperatives Plan being a holistic policy to strengthen the ecosystem, the plan also promotes various measures to improve the effectiveness of institutions and the representation of cooperativism. Therefore, most measures related to this element are concentrated in strategic line 7, focusing on the governance of the public administration of cooperativism.

The most notable proposals include the creation of a parliamentary intergroup on cooperativism in Valencian parliament, improving the implementation of Fent Cooperatives in the Valencian government policies, restructuring the cooperative registry, and aligning aid programs with the realities of cooperatives to enhance their effectiveness. Regarding this last measure, the results have been very positive. The aid allocation has doubled since 2018 (the first year of the plan), with 46 grants awarded in 2021 and 501 in 2022 in specific programs promoting cooperativism, each year allocating approximately €5.5 million for their funding.

Access to finance

In financial matters, the plan aims to establish a specific system of guarantees and warranties for cooperatives. In line with these measures, the Valencian Institute of Finance (IVF) allocated €1,000,000 to guarantee cooperative transformation processes and €2,000,000 for housing cooperatives, which ultimately have not yet been utilized.

Access to markets

The promotion and consolidation of cooperatives in the market is one of the fundamental axes of the Fent Cooperatives Plan, with measures aimed at fostering this goal framed within line 1 on economic-business development, financing, and employment. The five proposals for this ecosystem element involve various managing centres and a significant budget allocation.

The first proposal aims to support cooperatives in adapting to new labour environment requirements. This measure has involved three managing centres and 13 programs, benefiting 493 cooperatives in 2021 and 2022 with an expenditure of over €5.5 million. The second proposal aims to transform struggling commercial enterprises into cooperatives, resulting in the transformation of 12 cooperatives and the addition of 34 new members. The third proposal seeks to promote strategic plans to improve market implementation, benefiting 37 cooperatives with grants to implement these plans. The fourth proposal aims to boost innovative cooperative training programs, with housing cooperatives standing out through the Base Viva program (Fajardo, Vañó, Merino, 2021). Finally, the fifth measure aims to increase the business scale of cooperatives through external growth, internal growth, and strategic alliances. This is supported by two programs: ESCREA and the grants for agro-food cooperative integration in the Valencian Community (TECG), from which 37 cooperatives benefited in 2021 and 2022 through public expenditure of €1.8 million.

The analysis of the ecosystem elements shows that the policy has had a positive impact on each of them. Specifically, and in order of the highest to lowest degree of measure implementation, Fent Cooperatives has contributed to access to markets (100%), research (100%), consultancy services (100%), metrics & measurement (100%), training (71.4%), networks (70%), culture & identity (60%), legal framework (58.3%), access to finance (50%), and institutions & public policy (41.6%). In this regard, six ecosystem elements have an implementation degree above the average plan execution, which stands at 66 percent (Chaves-Avila, Catala, & Savall, 2023).

Institutionalization of cooperativism and social economy in the Valencian Community

In the region of Valencia, the components of the cooperative ecosystem have significantly stood out, and its presence and implementation have permeated and strengthened the other elements that promote institutionalization (Catala, Savall, & Chaves-Avila, 2024). The existence of a public policy such as the Fent Cooperatives Plan has had a notable impact on the visibility and promotion of cooperativism. In turn, this policy has facilitated the incorporation of legislative improvements, the creation and strengthening of bodies promoting the social economy, and the consolidation of alliances and representation in social dialogue bodies. In this context, and based on the elements identified in the literature, the components for the Valencian territory are analysed in terms of the ecosystem.

Awareness and recognition

The Valencian cooperative ecosystem, driven by Fent Cooperatives with a strategic line (L5) dedicated to communication and dissemination of cooperativism, has shown its impact both regionally and internationally. Three significant events have greatly contributed to the recognition of cooperativism in the region: first, the declaration of Valencia as the Spanish Capital of the Social Economy in 2024. This recognition is awarded to the most prolific Spanish cities in this field, where the development and consolidation of the Valencian ecosystem through the plan has significantly contributed to this national accolade. Secondly, the imminent inclusion of cooperativism in the future identity law of the Valencian community, currently being drafted by the Consell of the Generalitat Valenciana. This regulation is aimed at recognizing, protecting, and promoting the distinctive identity markers of Valencian society. It establishes a legal framework to adopt measures and take actions to safeguard the cultural, historical, and social elements that shape Valencian identity. Cooperativism is due to be included in the regulation because it represents a key component of the socio-economic and cultural fabric of the Valencian Community. Last, the hosting of the 22nd International CIRIEC Congress in Valencia in 2022, an event that made the Valencian territory the global epicentre of social economy and cooperativism research. These events highlight the growing importance and recognition of the cooperative model in the Valencian territory.

Level of legal regulation

In the legislative realm, a significant reform of the Valencian cooperative law has been carried out, involving the modification of 28 articles. This legislative change is the result of an extensive period

of debate and consensus among the cooperative sector, institutions, and other social actors. The reform not only reflects a collaborative effort but is also influenced by the Fent Cooperatives strategic plan, which has served as the basis for many of the new legal provisions.

The relationship between the Fent Cooperatives Plan and the legislative modification is notable, as the strategic plan has guided the nature of the legal reforms. Many of the measures outlined in the Fent Cooperatives Plan have directed the course of the legislative changes, ensuring that the new law aligns with the plan's objectives. Moreover, the impact of these legislative changes on the Valencian cooperative ecosystem has been significant. The updated law has strengthened and adapted the sector to new realities and challenges, for example, in public-cooperative collaboration or the promotion of school cooperatives.

Government bodies and departments promoting cooperativism

The presence of bodies promoting cooperativism has also been strengthened thanks to the Fent Cooperatives program, particularly highlighted by the creation of the Valencian Social Economy Municipal Network. This development has allowed greater coordination and collaboration among municipalities, promoting a more integrated and effective approach to supporting cooperativism. Additionally, indirectly but significantly, the plan has influenced cooperation and coordination among 28 managing centres of various Valencian institutions, strengthening their commitment to cooperativism.

The institutional nature of the plan is revealed in the fact that it is now possible to identify the competences in cooperativism of numerous institutions and administrative bodies, something that was not possible before the plan, beyond what was performed by the General Directorate of Cooperativism of the Generalitat Valenciana. This institutional clarity has contributed to a more coherent and coordinated approach to promoting cooperativism.

Plans, policies, and programs for the development of cooperativism

In terms of plans, policies, and programs, Fent Cooperatives is the highest representation of public policy promoting cooperativism. Its strategic nature institutionalizes the cooperative sector, ensuring its promotion, development, and sustainability.

Alliances and participation in consultative bodies

The representation of cooperativism in political, economic, and social bodies institutionalizes the matter. The incorporation of representative entities of Valencian cooperatives into the platforms and consultative bodies of the Generalitat is one of the strategic measures of Fent Cooperatives that strengthens institutional presence. Currently, these entities are present in more than 50 representative bodies. However, there is still a need to enter certain bodies where requests have been made, such as the Social Dialogue Table, Labora, the Valencian Council for Vocational Training, and the Decent Work Observatory of the Valencian Community (Chaves-Avila, Catala, & Savall, 2023).

This set of components provides the Valencian community with a high degree of institutionalization towards its cooperativism and social economy, reflecting the permeable nature of a central public policy.

DISCUSSION AND CONCLUSIONS

Starting from the premise that, for the social economy to unfold its full potential to generate inclusive prosperity, it is essential that it is embedded in favourable social economy ecosystems, rooted in specific territories, this article has addressed the issue of the role of governments in developing effective policies to promote these ecosystems.

In this context, the concept of the social economy ecosystem has first been addressed, highlighting the key elements that make up the ecosystem. Policy should focus on these key elements to promote such an ecosystem. Then, a framework of analysis of public policies aimed at the social economy was developed, first, by offering the typology of “soft” and “hard” social economy policies, and second, by analyzing the perspective of the new generation of social economy policies.

We have considered that three types of territories can be distinguished according to the stage of development of their social economy ecosystems: territories lacking a social economy ecosystem, territories with emerging and developing social economy ecosystems, and territories with consolidated and mature social economy ecosystems. A possible focus of analysis is the sustainability of both the social economy ecosystem itself and the policies to promote the social economy and its ecosystems over time, overcoming socio-political and economic changes as well as possible external shocks when these ecosystems already exist. However, this work has focused on the second type of social economy ecosystem, studying how the ecosystem transforms itself into a mature ecosystem. The authors have considered that the dimension of institutionalization is crucial for the ecosystem and, therefore, have addressed the dimensions of this process of institutionalization.

In order to develop the analysis with empirical evidence, the Valencian Community and the regional strategy for the promotion of cooperativism, known as the Fent Cooperatives, was presented as a case study. The authors found that, on the one hand, this strategy, this Plan, can be considered as a second-generation strategy for the promotion of cooperativism and, on the other hand, it has an important component of institutionalization, and therefore, it is a policy that favours the transition from a developing social economy ecosystem to a mature social economy ecosystem.

Once this research has been carried out, new questions arise, which in turn raise new lines of research. The first lies in the limits of what is analyzed, from a double perspective: the type of territorial ecosystem and the level of that ecosystem. In relation to the first perspective, this work has focused on territories with already existing ecosystems, albeit in development. It is worth reflecting on whether public policy to promote ecosystems should be adapted to the type of ecosystem (non-existent, developing, or mature) and its own needs. One line of research with heuristic potential would lie in identifying the differences and similarities between three potential policy types, depending on the territorial ecosystem of reference. In this sense, this study has shown that, for a developing ecosystem such as the Valencian one, it is optimal to combine soft and hard social economy policies, promoting holistically. This enhances synergies between them with multiple impacts and favours the development of the system. It is worth considering whether in a mature and consolidated ecosystem, supply measures or measures that develop the operational practice of the ecosystem as well as reproduction elements and avoiding degeneration and isomorphism processes should prevail, while in an ecosystem in the process of creation, the emphasis should be on soft policies, especially in the socio-cognitive dimensions.

The other reference is the relevant level of government or territorial level from which to approach the promotion of social economy ecosystems. In its *European Action Plan for the Social Economy*, the European Commission³ proposes regional and local levels of government as particularly relevant. We understand, with Catala, Savall, and Chaves-Avila (2023) and Itçaina and Richez-Battesti (2018), that the regional territory is the most appropriate level, not excluding the usefulness of others. It is in the territory where the elements of the ecosystem as addressed in this article nest best. Another question, assuming the existence of different levels, albeit of unequal importance, in the multilevel articulation of actions to foster the social economy and its ecosystems and how international and national resources and assets are most effectively channelled to lower levels of governance. The latter has already been explored in Catala and Chaves (2022) but requires further progress.

Another reflection lies in studying the role that public policies can play in the institutionalization of the social economy. In the literature, public policies and plans are identified as an element that in themselves provide the social economy with institutionalization. But what we reflect on and see in the Fent Cooperatives Plan is that it also generates and promotes institutionalization through the development of other elements. Likewise, the joint co-construction and co-implementation of the Fent Cooperatives Plan between the cooperative sector, regional and local administrations, and other actors, such as training and research centres, in itself favours the process of institutionalization, insofar as it involves, commits, and generates stable consensus among the agents of the ecosystem. This “acting collectively” drives the institutionalization of the social economy ecosystem.

NOTES

1. Assessment social entrepreneurship ecosystem toolkit (European Commission & OECD). <https://betterentrepreneurship.eu/en/assessments/social-entrepreneurship>
2. Measures 7, 22, and 23 have not been incorporated due to their classification as non-evaluable in the Implementation Evaluation of the Fent Cooperatives Plan conducted by Chaves-Avila, Catala, and Savall, 2023.
3. Many European local and regional authorities are empowered to develop strategies and instruments to support the development of local and regional social economy ecosystems. There is scope to better exploit this potential: “Exchange and cooperation between regional and local authorities is an effective way to enhance mutual learning about the social economy” (European Commission, 2021,10).

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