

## THEMATIC ARTICLE

# Solidarity economy and its institutionalization stage: public policy contributions

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## Abstract

This study aimed to describe how public policies have contributed to the institutionalization process of the solidarity economy field. The study focused on four state public policies related to the solidarity economy. The data was collected through documentary research and interviews, and content analysis was conducted. The study examined the implementation of the instruments the selected public policies established and their contribution to fostering and supporting solidarity economic enterprises. The study identified actions related to commercialization, technical support, formalization, access to credit, and intra-governmental actions. The Tolbert and Zucker model was used to analyze the institutionalization process. The study concluded that two cases were in total institutionalization because they provided social recognition and legitimation to the solidarity economy through their actions.

**Keywords:** Solidarity economy. Public policies. Institutionalization process.

## *Economia solidária e seu estágio de institucionalização: a contribuição das políticas públicas*

### Resumo

O objetivo do estudo é descrever a contribuição das políticas públicas para o processo de institucionalização do campo da economia solidária. A análise se deu com base em 4 políticas públicas estaduais de economia solidária, identificadas por meio de pesquisa documental. Para a coleta de dados, foram usadas pesquisa documental em todos os estados da federação e entrevistas com 22 pesquisados em 4 estados. Para o tratamento desses dados, utilizou-se a análise de conteúdo. O processo de institucionalização foi analisado à luz do modelo de Tolbert e Zucker. O texto examinou a implementação dos instrumentos instituídos pelas políticas públicas selecionadas e como elas têm contribuído para fomentar e apoiar empreendimentos econômicos solidários. Para isso, foram identificadas e analisadas ações desenvolvidas nas áreas de comercialização, apoio técnico, formalização dos empreendimentos, acesso ao crédito e ações intragovernamentais, com a sociedade civil organizada e instituições de ensino. Verificou-se que as políticas públicas de 2 estados estão no estágio de total institucionalização por proporcionarem, por meio de suas ações, reconhecimento social e legitimidade à economia solidária.

**Palavras-chave:** Economia solidária. Políticas públicas. Processo de institucionalização.

## *La economía solidaria y su fase de institucionalización: la contribución de las políticas públicas*

### Resumen

El objetivo de este trabajo es describir la contribución de las políticas públicas al proceso de institucionalización del campo de la economía solidaria. El objeto de análisis fueron cuatro políticas públicas de economía solidaria. Para la recolección de datos, se utilizaron investigaciones documentales y entrevistas. Para el tratamiento de esas informaciones, el método elegido fue el análisis de contenido. La investigación examinó la implementación de los instrumentos instituidos por las políticas públicas seleccionadas y cómo contribuyen a fomentar y apoyar emprendimientos económicos solidarios. Para ello, se identificaron y analizaron acciones desarrolladas en las áreas comerciales, de apoyo técnico, formalización de los emprendimientos, acceso al crédito y acciones intergubernamentales, con la sociedad civil organizada y universidades. Se analizó el proceso de institucionalización con base en el modelo de Tolbert y Zucker y se verificó que las políticas públicas de dos unidades federativas están en fase de total institucionalización por proporcionar, por medio de sus acciones, reconocimiento social y legitimidad a la economía solidaria.

**Palabras clave:** Economía solidaria. Políticas públicas. Proceso de institucionalización.

Article submitted for the Call for Papers "Social and solidarity economy in the organization of decent work: sociological interpretations" on January 31, 2023 and accepted for publication on July 05, 2023.

[Translated version] Note: All quotes in English translated by this article's translator.

DOI: <https://doi.org/10.1590/1679-395120230024x>

## INTRODUCTION

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The solidarity economy is a subject of great importance in research and society in general due to its social, political, and economic dimensions. Utting (2016) states that the interest of academics, activists, and public policy formulators in the solidarity economy has increased in a striking manner in recent years due to the consequences of the global financial crisis and the search for alternative ways of generating employment. Within the academic environment this field is of great relevance, and it is the subject of undergraduate and graduate concentrations, as well as extension school projects such as technology incubators of solidarity economy enterprises.

This attention has also been perceived in civil society with the articulation of organizations linked to this field, such as popular movements and various public policies implemented on the federal, state, and municipal levels (França, 2007). The great institutional milestone was the creation of the Solidarity Economy National Secretariat (Senaes) in 2003, within the institutional structure of the Ministry of Labor. However, in 2016, Senaes lost its status as a secretariat, and became a sub-secretariat within the Ministry of Economics, with a sharply reduced budget devoted to executing its policies and actions (S. P. Silva, 2018). With a change in government, it is expected that the solidarity economy will once again become a priority and a protagonist in public policies.

The literature describes the solidarity economy as a field under construction which arose in the 1980s and 1990s in response to social transformations, such as the crisis in salaried work, unemployment, the incapacity of the formal job market to absorb all individuals, and the exclusion of those who did not manage to align themselves with the demands of the reigning system and instead earned a living in the informal job market. In the face of these difficulties, people organized and formed cooperatives, associations, exchange clubs, rural and urban social movements, agrarian settlements, low-cost banks, and self-employment based on self-management, solidarity, and collectives, practices which are known as the “solidarity economy” (Gaiger, 2013; Lechat, 2002; Leite, 2009; Pochmann, 2004).

The solidarity economy, through its enterprises, can offer great contributions to the social, economic, and political environment of Brazil, because it promotes local development, articulates and interacts with the state, and stimulates social cohesion and employment, in addition influencing the economy through the actions of its organizations (Andion, 1998). Nagem and S. P. Silva (2013), however, indicate the need for an institutional environment in which the solidarity economy is supported and recognized as a challenge to its existence, because only in this way can its enterprises be formalized and recognized.

In Brazil, few studies have focused on the institutionalization of the solidarity economy through public policies, but a few investigations along these lines can be cited. An essay by Schiochet (2009) traced the trajectory of the movement, the challenges it has overcome, and those that remain. In it, the author states that the solidarity economy has established itself as a strategy to promote sustainable development. Nagem and S. P. Silva (2013) studied the federal government’s solidarity economy policy implemented by Senaes in 2003, with the objective of understanding the way in which the subject was adopted in the government’s agenda and the mechanisms that were used to convert the solidarity economy into public policy.

Singer et al. (2014) demonstrated how the solidarity economy has consolidated itself as a development strategy, but argued that it still needs the support of public policies, with its greatest demands being technical assistance, professional training, the offering of credit, assistance in the creation of community banks, rotating funds, and credit cooperatives. They did not identify, however, consolidated data on the institutionalization phase of the field within Brazilian states.

Thus, this study seeks to identify and describe the contribution of public policies to the institutionalization process of the field of the solidarity economy. To accomplish our overall objective, we have elaborated the following specific objectives: to verify, through documental analysis, the existence of legislation which regulates the support and development of the solidarity economy in Brazilian states; to identify political, social and economic factors in the literature which affect solidarity economy enterprises; to characterize the solidarity economy in Brazil based on 4 Brazilian states; and to analyze the level of institutionalization of public policies in the studied solidarity economies.

## THE SOLIDARITY ECONOMY WITHIN THE BRAZILIAN CONTEXT

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Researchers investigating the field of the solidarity economy in Brazil have identified that it arose in the 1950s, when a crisis in the salaried work system affected the country, leading to great negative impacts, such as unemployment and economic instability, which led to a search for alternatives in terms of employment and income (Gaiger, 2013; Leite, 2009; Pochmann, 2004). Pochmann (2004) also affirms that the initial impulse of the solidarity economy is related to two specific movements in Brazil: the appearance of an excessive amount of labor and a movement formed by social militants and critics dedicated to seeking alternatives in terms of social and labor organization, the generation of jobs, income and changes in the way of life for people excluded by society.

From the perspective of Singer et al. (2014), the solidarity economy is a mode of collective production in which all of the members make a collective effort, benefitting from it in the same manner, to save a portion of the population from extreme poverty, which constitutes a strategy for sustainable development.

In terms of the solidarity economy and the attempt to overcome social exclusion, Singer (2008) affirms that, in fact, taking in people excluded from the job market was, and continues to be, a function of the solidarity economy in Brazil, or in other words, it has a social function, because at the same time, it includes people in production and social life. The solidarity economy, however, is not limited to this function; it seeks to establish another economy, which, unlike the market, is not alienating, to the extent that it provides people with a democratic and egalitarian work environment.

Even though the solidarity economy arose in Brazil as a response to a crisis in the salaried work system and was recognized as an alternative for generating work and income, this movement can be seen as extending beyond this gap. In terms of this debate, Andion (1998) presents the various roles of the solidarity economy and identifies the impact of its practices in terms of social, economic, and political dimensions. In this manner, the author presents the solidarity economy in terms of three main axes: first of all, as a way to promote local development and the interaction of these organizations with the state; secondly, as the capacity to generate social cohesion and jobs; and finally, the influence of solidarity economy practices on the economy.

To establish itself as a concrete strategy to deal with local problems, the solidarity economy still needs a legal or regulatory framework for its practices, because without the appropriate legislation, which takes into consideration the singularity and reality of the movement, these enterprises cannot achieve their full potential for change (França, 2008). A lack of legislation regulating the organization of these enterprises and their labor aspects ends up restricting the advances of these practices and their potential for change. In terms of this, a discussion arises about the importance of the legitimization of these practices and the institutionalization of the solidarity economy. We will now present several reflections and questions regarding this subject.

## PUBLIC POLICIES AND THE SOLIDARITY ECONOMY

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Public policies exercise a fundamental role in the solidarity economy, because it is through them that the field is institutionalized. Thus, Natividade et al. (2011) note that it has been developing in Brazil and is part of the state's agenda as a concern of public policies, even though this does not happen in an ideal manner.

The expansion of the solidarity economy and its transformational potential requires a wide array of supporting public policies on various levels, effective participation, and innovative forms of finance, as well as learning and experience in their implementation based on research, monitoring, and evaluation. Even though government support can play an important role in this field, it can also dilute its transformational potential if its processes are not constructed together with the state, and the state is not in tune with the other actors in the solidarity economy (Utting, 2016). However, the public policies of the solidarity economy frequently do not consider the assumptions and values of this field.

According to Alcântara (2005), the actions of the state through its projects are not sufficient to solve the institutionalization of this practice, because solidarity economy enterprises need a socio-institutional context to operate and become established.

To achieve this, the environment needs to be socially constructed with support from the state's public policies and institutional campaigns. The author also states that there is a lack of data about government initiatives regarding the institutionalization of the solidarity economy, therefore it's impossible to affirm the current level of this process.

The lack of an appropriate regulatory framework for the solidarity economy in Brazil is identified by R. F. Silva and S. P. Silva (2015) as a bottleneck, and it was a much discussed subject in the national conferences on the solidarity economy between 2006 to 2010. This framework is important to establishing the solidarity economy as a state policy, and in the authors' opinion, its axes of operation should concentrate their actions on education, technical assistance, access to credit and solidarity finance as well as markets, solidarity trade, and fair-trade practices.

A relevant issue which should be considered in the construction and implementation of a solidarity economy public policy is the interaction among the various social actors of the movement, which are solidarity economy enterprises, support and development entities, solidarity economy networks and forums, as well as new state institutions such as Senaes and other political structures of the state – for example secretariats, directories and superintendencies (França, 2007). These interactions further greater democratization in public policies dealing with the solidarity economy and also drive social participation and control (França, 2007; Praxedes, 2009).

Given these factors, we have identified that the institutional environment in which the solidarity economy is situated imposes rules, norms, and demands on organizations, which need to adhere to them to acquire legitimacy, social recognition and support for themselves as well as their followers. In this manner, the solidarity economy seems to be seen as an attractive alternative to the unemployment problem and not as a new development proposal, limiting its economic, political, and social potential.

## **INSTITUTIONAL THEORY AND THE INSTITUTIONALIZATION PROCESS**

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Institutional theory is an approach that has gained force since the 1970s with the purpose of contributing to the understanding of changes in the structural arrangements of organizations (Tolbert & Zucker, 1999). However, it is not specifically restricted to organizational analysis to the extent that it is the result of a group of theoretical suppositions that originated in political science, sociology, and economics, uniting concepts regarding institutions, behavior patterns, norms, values, and beliefs for the study of individuals, groups, and organizations (Machado-da-Silva & Gonçalves, 1997).

The precursor of the institutional approach, according to Carvalho et al. (2001), is Philip Selznick, who conceived of organizations as a structural expression of rational actions that are subject to the pressures of the social environment over time and transform themselves into organic systems. The author also argues that organizations go through a institutionalization process through which “values substitute technical factors in the determination of organizing tasks” (Carvalho et al., 2001).

In this manner Tolbert and Zucker (1999) developed a contribution to Institutional Theory through a review of the literature which discusses the absence of the establishment of central variables, a standardized methodology, and specific methods. Thus, the authors developed a general model of the institutional processes of formal organizations, based on an adaptation of the work of Berger and Luckmann (1967), who presented a model that was focused on individual actors.

To Tolbert and Zucker (1999), the institutionalization process consists of the appearance and permanence of lasting social groups, and its result is the institution. The institutionalization model developed by the authors consists of three stages: pre-, semi- and total institutionalization, which are termed respectively habitualization, objectification, and sedimentation.

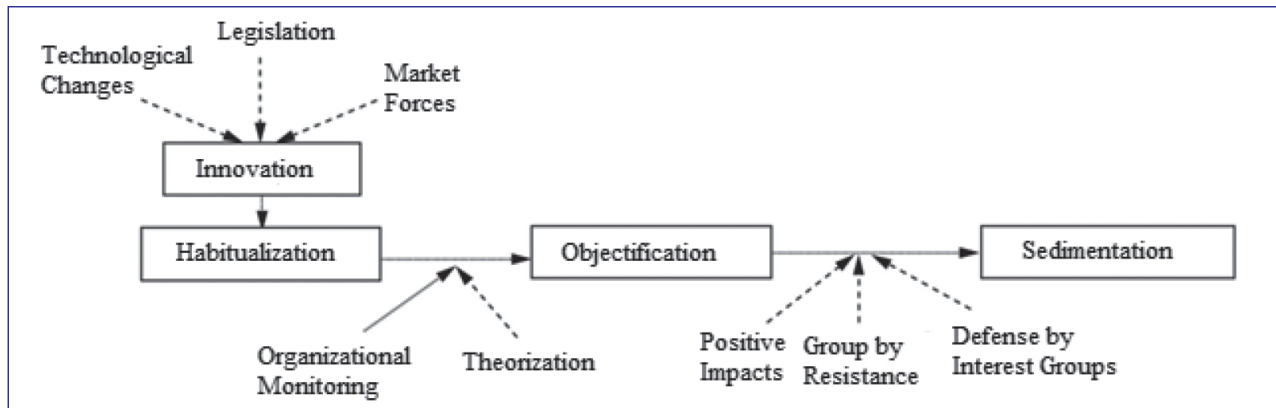
The first phase, known as habitualization or the pre-institutional stage, refers to the creation of structural arrangements in response to organizational problems and the formalization of these policies or procedures. This phase contemplates innovations or changes to deal with organizational problems, which are driven by factors such as technological changes, legislation, and/or market forces. However, the organizational arrangements developed during this phase are not very permanent.

Objectification or semi-institutionalization is the second phase, in which the organization is conferred a more permanent status. Within this phase, there is a degree of social consensus among the decision makers regarding the value of the organization as a function of two different mechanisms: inter-organizational monitoring and theorization. The former has to do with the

monitoring process of competitors in search of information to obtain an advantage over their competitors, while the latter is the factor that confers overall cognitive and normative legitimacy to the organizational structure.

Finally, the sedimentation or the total institutionalization stage is characterized by the propagation of actor group structures and their perpetuation for a long period of time as a function of three factors: little resistance from opposing groups, promotion and continual support by the defending groups, and a positive correlation with results.

**Figure 1**  
**Phases of the Institutionalization Process**



Source: Tolbert and Zucker (1999).

## METHODOLOGICAL PROCEDURES

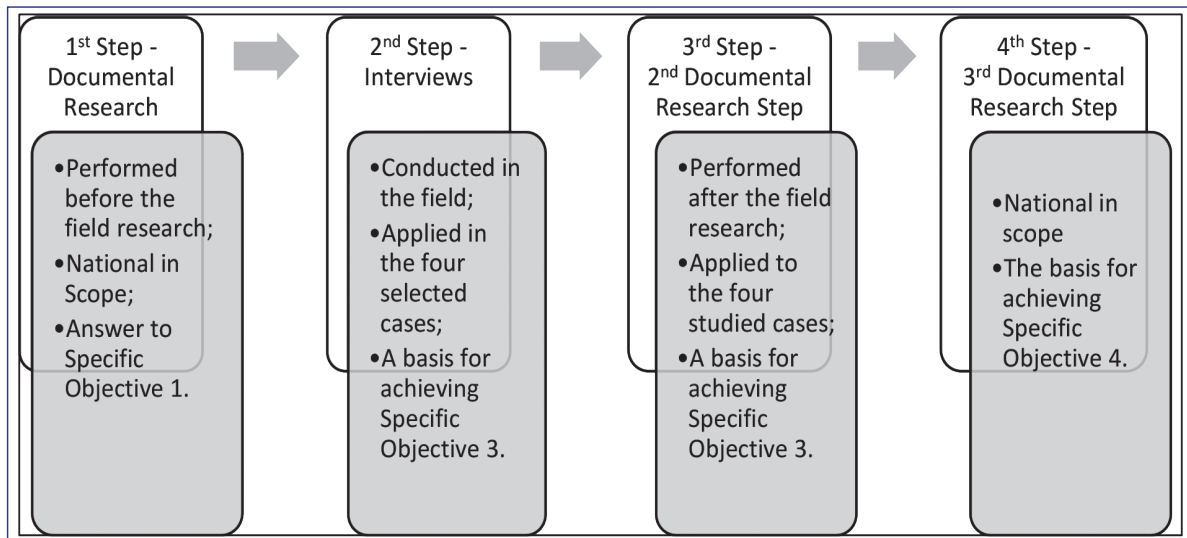
This study is qualitative, exploratory, and descriptive in nature and uses case studies (Saunders et al., 2009; Yin, 2015) to identify and describe the contribution of public policies to the institutionalization process within the solidarity economy field. The object of study consists of public solidarity economy policies in three states and the Federal District which were in implementation in 2018. The units of investigation were the state level public policies which focus on the solidarity economy within governmental structures, as well as governmental actions in the implementation of these policies. This methodological strategy is justified by the fact that what we have sought to investigate are the local institutional environment, social recognition, and the support that the solidarity economy has received or not received in these states.

The data was collected from primary and secondary sources in the form of interviews and documental research. In selecting the studied policies, a preliminary step was necessary which corresponds with the first specific objective of this study: to verify which states had legislation which regulated the support and development of the solidarity economy. During this phase, we conducted documental research to map the policies in these states. We found that 18 of the 26 Brazilian states and the Federal District had a public policy that supported and developed the solidarity economy: Acre, Alagoas, Bahia, Espírito Santo, the Federal District, Goiás, Maranhão, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Pará, Pernambuco, Piauí, Rio Grande do Norte, Rio Grande do Sul, Rondônia, São Paulo, and Tocantins. We also verified that Rio de Janeiro had a law which just approved a program that develops the solidarity economy, but it did not constitute a state policy.

Based on this national panorama of state solidarity economy policies, we selected four of them: the Federal District, Minas Gerais, Bahia, and Pernambuco. Eisenhardt (1989) believes there is no ideal number of cases to be investigated. In general, between 4 and 10 is sufficient, especially considering the number of states and the fact that not all of them had these policies at that time. Based on this argument, with the triangulation of the data and attaining theoretical saturation, we understand that this number of cases is sufficient to perform our analyses and achieve our proposed objectives.

In the second step of the data collection, we conducted field research in the units of analysis through interviews which are fundamental for case studies, because the interviewees can provide relevant insights on the subject (Yin, 2015). We interviewed public servants who were responsible for implementing the solidarity economy public policy in each state as well as the development of other governmental actions. These public servants included those who had passed entrance exams and those who were commissioned. The selection of the interviewees was decided by negotiation with the authority responsible for the solidarity economy area or correlated area. There were 4 interviews conducted in the Federal District, 5 in Minas Gerais, 10 in Bahia, and 3 in Pernambuco for a total of 22.

**Figure 2**  
**Methodological Path of the Data Collection**



Source: Research data.

After the interviews, we conducted more documental research to use the responses obtained in the previous phase. We searched for news reports related to the solidarity economy actions, programs, and events of the government body responsible for this area in the state. The search for these documents also was justified by the fact that these actions characterize the institutional environment and contribute to the legitimization of the field. The data was accessed through the websites of the implementing body as well as results directly related to this subject. This strategy triangulates and validates the data obtained through the interviews. According to Yin (2015), multiple sources of evidence permit the triangulation of the data, which is defined by the author as information collected from various sources, but which all have to do with the same phenomenon or fact. Triangulation is associated with the quality of qualitative research and broadens the researcher's possibilities, facilitating a greater understanding of the object of study (Flick, 2009).

The organization and analysis of the data were performed using the NVivo® software. The integral transcriptions of the interviews, the news collected from the government websites, the state legislation approving the solidarity economy in the researched states, regulatory decrees, and the state solidarity economy ordinances and plans were codified into categories of analysis. Data collected from various sources makes triangulation possible, and it can be verified whether there is consonance between what is established by the legislation (first step), the messages of the interviewees (second step), and what has been developed or published by the state (third step).

The analysis categories consist of the responses to the second specific objective of this study: to identify the political, social, and economic factors in the literature which affect solidarity economy enterprises. They were identified in the theoretical review and consist, in a general manner, of the political, social, and economic factors which affect solidarity economy enterprises. Based on our theoretical review, we defined five categories of analysis *a priori*: commercialization, technical support, formalization, access to credit, and intra-governmental actions with organized civil society and universities.

## RESULTS AND DISCUSSION

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In this section we will present the results of the content analysis of the researched cases in which analysis categories were used to establish relationships among the investigated subjects. To register the evidence which led to the presented results, selected excerpts of the material collected in the field work and the documental research were transcribed.

### Support instruments for the commercialization of solidarity economy enterprises

One of the main points of vulnerability of solidarity economy enterprises is their difficulty in accessing markets and commercialization policies (Leite, 2009; R. F. Silva & S. P. Silva, 2015). Support for the commercial activities of these enterprises is one of the themes of incentive policies implemented by Senaes, which has sought to support solidarity economy fairs throughout the country by supplying the necessary material resources (Singer, 2009).

Policies supporting the commercialization of these enterprises existed in all of the states we analyzed. In the Federal District, one of the actions executed during our study was the Ecosol Circuit, which consisted of a monthly itinerant fair which occurred in various places in the city, such as shopping centers and the patio of the public center.

In Minas Gerais, an annual fair was held in each of the territories of the Minas solidarity economy forum, with a total of 11 per year. These fairs were held with funds budgeted in the Minas Gerais Government's Multiyear Plan for an activity called "The structure and maintenance of spaces for the commercialization of products" (Interview 1, Minas Gerais).

In Bahia, one of the main forms of support for the commercialization of enterprises was public centers. Solidarity stores were created in these multifunctional spaces, which were places where regional enterprises were able to commercialize their products for sale, and they selected people to work on a rotating basis among the members of the group. Some of these solidarity spaces managed to expand beyond public centers and established themselves in other commercial centers, such as shopping centers (Interview 5, Bahia).

The commercialization actions in Bahia were focused on the structuring of enterprise networks. Bidding competitions for the formation of networks began to be launched, and the second featured roughly 12 million reais in resources, including incentives for networks which already existed as well as the formation of new ones (Interview 9, Bahia). Another important advance of the Bahian policy was the approval of an exemption from the Tax on the Circulation of Merchandise and the Providing of Services (ICMS) for products produced by solidarity economy enterprises (Decree nº 15,661, 2014), as well as a law that regulated access to government purchases by these groups (Interview 10, Bahia).

In Pernambuco, to implement actions that supported commercialization, the solidarity economy management executed a project called Integra, which supports fairs, commercialization networks, and multifunctional cultural spaces. Integra, in addition to permitting the sale of products, also holds cultural presentations, exchange fairs, and publicizes the solidarity economy movement among the local population (Interview 2, Pernambuco).

Given these results, it may be perceived that in the Federal District there still are no incentives for the creation of networks and the public spaces for this function are few. In Pernambuco, these types of actions are more numerous. Minas Gerais also promotes many commercialization actions, holding fairs in various territories in partnership with city governments to utilize their physical spaces. However, of all the analyzed cases, Bahia is ahead in the number and scope of its actions, bearing in mind that in addition to performing the actions that have already been done in other states, it also promotes the creation and development of networks through bidding competitions. The state also holds fairs and circuits which are directly promoted by the superintendency, and through public centers it establishes partnerships with private entities such as shopping centers to arrange more spaces for commercialization.

## Technical support actions

The need for technical assistance is one of the greatest problems faced by solidarity economy enterprises, and support for this demand should be one of the objectives of the thematic axes of public policies that seek to develop the solidarity economy (Nagem & S. P. Silva, 2013; Pochmann, 2004; S. P. Silva, 2017; R. F. Silva & S. P. Silva, 2015). Public investments of this nature contribute to the development of a capacity for self-organization and self-management in these enterprises, and they are justified by the fact that these enterprises are characterized by social vulnerability. Once they have received this type of support and aggregated the necessary knowledge, these enterprises come to depend less and less on government assistance (Singer et al., 2014).

The four public policies analyzed in this work instituted actions of this nature. Bahia stands out in this category and presents technical support which is distributed through the four divisions of the superintendency of the solidarity economy, each one executing the assistance activities relevant to their themes. The division for the formation and publicizing of the solidarity economy and its cooperative nature runs the project entitled “the fight against institutional racism: the contribution of the solidarity economy to raise awareness among public managers”, and vocational technology centers (VTCs) play a role in training through courses and workshops on various subjects, as well as the dissemination of technology to improve production processes and work productivity (Interview 7, Bahia).

The solidarity micro-credit and finance division also plays a role in technical support related to its attributes. The CrediBahia credit program provides the necessary space and physical structure, as well as a credit agent to provide guidance and clear up any doubts. The innovation and development division physically structures the fairs and provides retraining when necessary, supporting waste pickers who search for recyclable materials and stimulates the creation of enterprise networks. The technical assistance and socio-productive inclusion division is mainly devoted to managing Solidarity Economy Public Centers, multifunctional spaces managed by social organizations through management contracts which offer continual training to enterprises which are in the public center region (Interview 6, Bahia).

The Federal District has partially fulfilled the legal objective to provide technical support to solidarity economy enterprises, because despite the creation of public centers their actions have been very timid. In Minas Gerais, the actions have been more robust, especially the value provided by municipal solidarity economy councils which drive the creation of these spaces and the training of advisors. Bahia stands out in terms of the number of actions, the size of the public affected, articulation with other governmental bodies, and even the publication of bidding competitions and sharing agreements to meet the demand for technical assistance in these enterprises. Another factor which distinguishes this state is the quantity of public centers and vocational technological centers located there. Pernambuco also provides solid technical support, especially support for artisans and enterprises in the state’s interior.

## Incentives for the formalization of solidarity economy enterprises

Informality is one of the great obstacles to solidarity economy enterprises in Brazil (S. P. Silva, 2017; R. F. Silva & S. P. Silva, 2015). A mapping realized by Senaes in 2013 stated that of the 19,708 enterprises identified between 2010 and 2012, 30.5% were constituted as informal groups (Sistema de Insumos Estratégicos, 2013). Singer (2009) considers this number quite large and believes this is due to the fact that these enterprises do not have the resources to register themselves with the appropriate bodies, because this requires money, effort, and patience, due to the demands of commerce registries, whose protocols are not adapted to the realities of this type of organization.

Seeking to give visibility and public recognition to formal and informal solidarity economy enterprises, the federal government created the National Registry of Solidarity Economy Enterprises (Cadsol) through the Ministry of Labor’s Ordinance No. 1,780/2014. In addition to this objective, through this database they hope to obtain information to inform the formulation of public policies and the elaboration of an appropriate legal framework for the solidarity economy (Ministry of Labor’s Ordinance No. 1,780/2014).

In the Federal District, Minas Gerais, and Pernambuco, the concern of the implementors was the Cadsol registry. In Bahia, the solidarity economy superintendency also had the mission to orient registering with Cadsol at their public centers. There was a team which publicized this registry, while the rest of the orientation was the job of the public centers. We should also



mention the articulation which the superintendency does with the state's commerce registry and the cooperative council so that the service provided to these enterprises is appropriate for their reality. Despite the variety and breadth of the strategies to support formalization and the registration of these enterprises, some of them are resistant due to the quantity of bureaucratic demands which still exist in the three levels of government (Interviews 9 and 10, Bahia).

In terms of the actions implemented in the four units of analysis to support the formalization and registration of these enterprises, we therefore found that the general understanding was that they need to register with Cadsol, because this is the appropriate registration for the solidarity economy which takes into account the enterprises' characteristics, principles, and reality. The legislation in these four units basically has the same objective for this subject, but it does not clearly present the most appropriate way to accomplish this. The depth of the actions necessary for formalization in the analyzed states is the same except in Bahia which has created and executed a state registry, providing technical assistance to orient and perform enterprise registration in all cases, and it has a partnership with the state's commerce registry to try to adjust the bureaucratic requirements of this body to the reality of these enterprises, thus encouraging registration.

### Access to credit programs

Access to credit refers to programs which offer credit to solidarity economy enterprises, stimulating community banks and solidarity rotating funds. To Singer (2008), the greatest obstacle to the solidarity economy is credit, because enterprises are poor and are not constituted with a capital base from shareholders or owners, and are instead formed through the joint force of collective work. The formal financial system is oriented towards companies and governments and does not cover enterprises of this nature: therefore, we identify what the author terms as "financial exclusion", as well as how the solidarity economy seeks to overcome this scenario using several instruments, such as community banks, rotating funds, and micro-credit programs.

In the Federal District, there is not a specific program to meet the investment and capital demands of solidarity economy enterprises (Interview 1, Federal District). In Bahia, the law envisions special lines of credit, but the actions implemented are broader in nature. Within the structure of the superintendency of the solidarity economy, they have created a specific micro-credit and finance division for the implementation of credit activities. They launched a bidding competition featuring 3.5 million reais in funds to develop community banks, credit cooperatives, and rotating funds. The superintendency also offers credit directly through a micro-credit program called CrediBahia (Interview 6, Bahia).

In Pernambuco, the managing body of the solidarity economy develops actions to stimulate the creation of community banks, inexpensive credit associations, and solidarity funds through the Integra project. This managing body has its own fund that concedes credit to enterprises, which is run by the Development Agency of the State of Pernambuco (Agefepe) (Interview 1, Pernambuco).

The objective of providing credit is described in a very summary manner in the legislation that supports the solidarity economy, and some states go beyond what is envisioned in this succinct regulation. The Federal District does not make credit directly available to solidarity economy enterprises. What it has done is include artisans linked to the solidarity economy on the list of programs that receive micro-credit from the Federal District government's Prospera program (Interview 2, Distrito Federal).

The other three cases concentrate their support on community banks, solidarity rotating funds, and credit cooperatives, as well as other cooperatives and associations. Bahia stands out in terms of offering various forms of credit through bidding competitions, partnerships with city governments, and their own specific programs. The actions in this state are more numerous, broader, and have a greater volume of resources.

### Intergovernmental actions with organized civil society and universities

In this category, we will verify whether the analyzed public policies have as one of objectives interactions with the other actors in the solidarity economy field and how this occurs. To França (2007), the solidarity economy is a singular social movement which occurs due to the characteristics of the participating social actors. As a result of this dynamic among the movement's actors, the expressions of the field progress from forms of socio-economic self-organization to forms of socio-political self-organization, and with the participation of governments this process develops and becomes more complex.

All of the analyzed states promote actions to integrate with governmental bodies and other actors in the field. What can be inferred in terms of this category is that in the Federal District this relationship between actors occurs in a very embryonic manner which is restricted just to solidarity economy networks and forums. The reality in the States of Pernambuco and Minas Gerais is broader because there is interaction among networks, forums, and support and development entities, as well as the three levels of governmental bodies.

Bahia is notable compared to the other analyzed cases due to its greater number of interactions, breadth, and volume of financial resources involved, and it even publicizes bidding competitions for partnership projects. There are also partnerships and actions with other superintendencies, state secretariats, and city governments; higher education institutions for the creation and maintenance of public centers and vocational technology centers (VTCs); companies, including a partnership with two of the largest shopping centers in the capital to establish solidarity spaces; and federal and state representatives as well as the solidarity economy superintendency. Finally, there is a consolidated dialogue with representatives to make amendments available to provide assets for solidarity economy enterprises (Interviews 6, 8, 9 and 10, Bahia).

### Evaluation of the institutionalization of the analyzed public policies

In this section, using an adaptation of Tolbert and Zucker's institutionalization process model (1999), we will analyze these solidarity economy public policies. The authors cite various implications of the institutionalization process model for empirical studies, including data collection procedures and the analysis of this process, recommending the use of content analysis to obtain indicators to measure the cultural state of the structures. Thus, Box 1 presents a summary of the previous sections, organized by analysis categories and their respective analysis dimensions and elements. This systemization provides the basis for analyzing the level of adherence in each case, and as a result the level of institutionalization of each policy in accordance with the stages of the institutionalization process developed by the authors.

**Box 1**  
**Summary of the analysis categories**

Category	Dimensions	Elements of analysis	Results			
			BA	FD	MG	PE
Commercialization	Sales	Fairs and fixed public sales spaces	Yes	No	Yes	Yes
		Fairs and itinerant public sales spaces	Yes	Yes	Yes	Yes
		Support for the organization and the publicizing of these fairs	Yes	Yes	Yes	Yes
		Commercialization development networks	Yes	No	No	No
		Access to government purchases	Partial	No	No	No
	Support for the commercialization process	Sales technique training	Yes	Partial	Yes	Yes
		New product development training	Yes	No	Yes	Yes
Product quality training		Yes	No	Yes	Yes	
Technical support	Physical structure	Public centers and formation spaces	Sim	Sim	Sim	Sim
		Machines and equipment	Yes	No	Yes	Yes
	Assistance	Technical assistance (administrative, economic, accounting, and technical)	Yes	No	Partial	Partial
	Training	Technical, professional technology, and self-management courses and workshops	Yes	Partial	Yes	Yes

*Continue*

Category	Dimensions	Elements of analysis	Results			
			BA	FD	MG	PE
Formalization	Legal registration	Orientation to register with the appropriate governing bodies	Yes	No	No	No
	Own registration	Own database for enterprise registration	Yes	No	No	No
		Incentives to register with Cadsol	Yes	Yes	Yes	Yes
Access to credit	Credit for enterprises in general	Access to credit programs	Yes	Partial	Yes	Yes
	Credit for solidarity financial service enterprises	Development of community banks	Yes	No	Yes	Partial
		Development of solidarity rotating funds	Yes	No	Yes	Partial
Intragovernmental actions and actions with other policy actors	Partnerships	Articulation with other state secretariats	Yes	No	Yes	Yes
		Articulation with municipalities and other states	Yes	No	Yes	Yes
		Articulation with civil society	Yes	Yes	Yes	Yes
		Articulation with universities	Yes	Partial	Yes	Yes

Source: Elaborated by the authors.

The stages of institutionalization were analyzed in accordance with Tolbert and Zucker (1999), but adapted to analyze solidarity economy public policies. Thus, the analysis factors of the three phases of institutionalization are: 1) habituation, which refers to the adoption of this new structure in response to problems, which may be the approval of legislation or even isolated instances of facing a public problem, without necessarily having approval of a law; 2) objectification, which refers to regulation through legislation and consolidated spaces to coordinate the actions of the solidarity economy within the government's structure – factors which concede overall cognitive and normative legitimacy to the implementation of the public policy –; 3) sedimentation, which involves the volume of resources, the breadth of actions, partnership, and the support of the actors in the field, as well the promotion of solidarity economy culture.

These determinants of the analysis have to do with Tolbert and Zucker's argument (1999), which indicates that one of the factors that should have an impact on institutionalization is the correlation between the actions and incentives to maintain the desired structure and results. A positive correlation indicates a high degree of institutionalization. The analysis of the institutionalization process is summarized in Box 2, in which factors identified in each case are described as present (P), average (M), satisfactory (S), or unsatisfactory (U).

### Box 2 Determinant Factors of the Institutionalization Process

Steps of the institutionalization process	Institutional factors	Factors identified in these cases			
		BA	FD	MG	PE
Habituation (pre-institutionalization)	Identification of the public problem	Present	Present	Present	Present
	Legislation	Present	Present	Present	Present
	Actions to deal with the issue	Present	Present	Present	Present
Objectification (semi-institutionalization)	Regulation of the legislation	Present	Present	Present	Present
	Space within the government structure	Satisfactory	Unsatisfactory	Satisfactory	Average
Sedimentation (total institutionalization)	Volume of resources	Satisfactory	Unsatisfactory	Satisfactory	Average
	Scope of the actions	Satisfactory	Unsatisfactory	Satisfactory	Average
	Support of the field actors	Satisfactory	Unsatisfactory	Average	Average
	Promotion of solidarity economy culture	Satisfactory	Unsatisfactory	Average	Average

Source: Elaborated based on Tolbert and Zucker's institutionalization process (1999). The other elements were elaborated by the authors.

In the analysis of the institutionalization process, we can identify that the Federal District is in the habitualization phase, because its institutionalization is still very embryonic. The solidarity economy exists within just one division within the State Secretariat of Labor, Social Development, Women, Racial Equality and Human Rights, and does not have its own financing. It therefore has no consolidated space, and despite the actions that have been implemented, it is small in scope.

The solidarity economy public policy in Pernambuco is in the objectification phase. Its semi-institutionalization is due to the fact that although the solidarity economy exists within the state structure regarding labor and entrepreneurship as a division within the Secretariat of Micro- and Small Companies, Labor and Training, its volume of resources is not satisfactory, and its dependence on the other areas is great. Its resources come from a fund made available to it by the Pernambuco Development Agency.

Bahia and Minas Gerais are in the sedimentation phase, given that both have instituted solid solidarity economy superintendencies within their governments which have their own resources and satisfactory scopes of action. In Bahia, however, the public policy has achieved total institutionalization through its propagation of actions which have been perpetuated over a long period of time.

In Bahia, the solidarity economy exists within the context of work and income, through a superintendency structured around strategic axes of action divided into five divisions which employed 51 public servants during the analyzed period and has its own budgetary resources from the Fund to Fight and Eradicate Poverty in the State of Bahia. The superintendency has succeeded in developing actions for the implementation and maintenance of public centers throughout the state through competitive bidding, giving it a large scope, and it also grants credit to all types of solidarity economy enterprises, encouraging and giving incentives to the movement's own credit through competitive bidding by community banks and rotating funds. All of these factors indicate that the state has a strong solidarity economy culture, which denotes the highest level of institutionalization according to Tolbert and Zucker's proposal (1999).

## FINAL CONSIDERATIONS

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This study has analyzed how public policies in three Brazilian states and the Federal District have contributed to the institutionalization of the solidarity economy field. With the identification of 18 state solidarity economy public policies and an analysis of their objectives and instruments, we have observed that the basic structure of the laws and regulations of the solidarity economy are quite similar. This demonstrates that in general there has been a convergence of understanding of the solidarity economy on the state level, including its principles and values and the demands of its enterprises, as well as how governments can act to support the development of this movement.

In terms of the institutionalization process considered in this study, the Federal District is in the pre-institutionalization phase, while Pernambuco is in the semi-institutionalization phase due to the space that the solidarity economy has within the structure of the government and its dependence in terms of resources. Bahia and Minas Gerais are in the total institutionalization phase due to the scope and volume of their actions. However, when examined more closely, it can be affirmed that Bahia has a high level of institutionalization and has become a national reference for the policies, research, and best practices of the solidarity economy. Its actions fulfill the provisions of the law, create an institutional environment, and disseminate the culture of the solidarity economy throughout society, because it proposes actions in various physical spaces, such as shopping centers, fairs, government secretariats and public centers, propagating the movement as an instrument in other spheres of public life, such as the fight against institutional racism and the development of black entrepreneurship.

This study contributes to the proposal of new public policies designed to develop the solidarity economy and can serve as a guide for the implementation of those which have been approved but remain unregulated. According to Alcântara (2005), there is a lack of data about governmental initiatives to institutionalize the solidarity economy, and therefore there is no way to affirm the levels that have been attained in this process. Nonetheless, this study based on empirical findings has shown the level of implementation of these policies as well as the institutionalization process in the analyzed cases. A national database would be necessary to provide the quantitative data needed to evaluate the size of the entire solidarity economy sector in Brazil.

We suggest that future studies should analyze the perceptions of the benefits of these policies, as well as the expectations of public policies that support the solidarity economy. This would provide important input for the reorientation of the support for this sector provided by the federal and state governments. Another suggestion is to analyze the interpretations of other social actors in this field, such as civil society organizations, forums, councils, and the national network of managers, which are fundamental for the construction of a large support network for the formulation of public solidarity economy policies. Future studies can also take a deeper look at the purpose of this work to analyze the institutionalization of these policies and verify whether the implemented policies were maintained with the changes in administration of 2019 and 2023. It should be added that after the data collection for this study, four more states approved development policies for the solidarity economy: Parana (December 2018), Santa Catarina (2019), Paraiba (2019), and Ceara (2022).

Finally, the solidarity economy is a field under construction, so it was not possible to restrict the analysis in this study, but new perspectives can be offered in terms of its institutionalization in Brazil. The great challenge is the approval of a federal regulatory framework to orient the formulation of public solidarity economy policies as well as cross-sectional policies that affect their actions, such as tax and labor legislation, because a common legal environment affects the scope of legitimacy. Without the practices and institutionalization of the solidarity economy, the movement will lose force as we have already seen with the demotion of Senaes to a sub-secretariat.

Even though the acronym persists, there has been a marked decrease in this area's budget and capacity to operate, creating an uncertain scenario which, according to S. P. Silva (2018), even places in doubt the continuity of the solidarity economy on the government's agenda. This uncertainty became reality with the exclusion of Senaes on January 1, 2019, and the removal of the solidarity economy from the federal budget (Chiariello, 2020).

Considering that the scenario of the solidarity economy is recent, especially in terms of its recognition as a public policy, it has to be admitted that there have been great advances in a short period of time. Its reason for existence has been explored in depth. It should be recognized that, in addition to creating occupations, job opportunities and income for people, the solidarity economy promotes sustainable development, but the consolidation of this field will only be possible when the regulatory and normative elements of this environment have been adapted to its principles, expressions, practices, and culture.

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**Daiane da Silva Lima:** Conceptualization (Lead); Data curation (Lead); Formal analysis (Lead); Investigation (Lead); Methodology (Lead); Writing- original draft (Lead); Writing- review & editing (Lead).

**Vicente da Rocha Soares Ferreira:** Project administration (Supporting); Supervision (Supporting); Validation (Supporting); Visualization (Supporting); Writing - review & editing (Supporting).

#### AVAILABILITY OF THE DATA

The entire dataset supporting the results of this study is available upon request to the corresponding author (Daiane Lima da Silva).

#### ACKNOWLEDGEMENTS

The authors would like to thank the Research Support Foundation of the State of Goiás (FAPEPE) for its support in the realization of this study.

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