Understanding the dynamics of Social Solidarity Economy in Ecuador

– A multi-case PESTEL analysis of organizations in Ecuador

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Abstract

Ecuador faces persistent challenges of poverty, inequality, and informal employment that conventional economic models have failed to address. The Social and Solidarity Economy (SSE) is an alternative approach that prioritizes human wellbeing, cooperation, and community over profit, and has been constitutionally recognized in Ecuador since 2008. However, its practical implementation remains limited and underexplored in academic research.

This study examines how SSE initiatives, particularly cooperatives, operate within Ecuador's socioeconomic context. Through a qualitative multi-case study, data were collected from interviews with cooperative leaders, government representatives, and SSE experts, and analyzed using the PESTEL framework to understand how political, economic, social, technological, environmental, and legal factors shape these initiatives.

The findings reveal that cooperatives generate meaningful social and economic benefits for their members and communities, but face significant barriers, including weak institutional support, limited access to financing, and bureaucratic constraints. Based on these results, the study proposes concrete strategies to strengthen SSE initiatives and enhance their sustainability.

This research contributes to filling a gap in the literature on SSE in smaller developing nations in the Global South, offering insights relevant to practitioners, policymakers, and researchers working toward more inclusive and equitable economies.

Keywords: Social Solidarity Economy, cooperatives, Ecuador, Buen Vivir, PESTEL framework, inclusive development, poverty, institutional barriers, community-based organizations

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1. Introduction

Society faces a significant challenge: establishing a new way of consumption and production. The current profit-driven economy is focused on transforming resources and selling them according to demand. This model has become a serious concern because of the slow capacity of resource renovation and the population growth with increasing needs. The consequences of this reality lead to a critical conclusion, as Borglund et al. (2017) indicate: change is necessary to improve the actual outcome of the present economic model and its practices. Since the existing economic framework shows inequality in resource distribution, a new model could create the opportunity to develop fairer practices and a more equitable distribution of resources.

In recent years, various frameworks, models, and approaches have been developed to address the limitations and propose solutions to the existing challenges caused by the profit-driven economy. One emerging model that aims to mitigate the problems associated with the reduced scope of the current economic model is the Social Solidarity Economy (SSE). According to Sahakian (2016), SSE is focused on prioritizing human well-being, and its main objective is to shift the emphasis from profit to a new paradigm in which the central values are set by community, sustainability, and support networks, with social entrepreneurship and social movements as the protagonists. This approach incorporates elements of sustainable development and contrasts with traditional economic models that focus solely on profit. In this context, civil organizations such as cooperatives play an essential role in achieving the objectives of SSE.

The definition of a cooperative has evolved and varies across contexts and disciplines. For instance, the International Cooperative Alliance (ICA) is a global organization that represents and supports cooperatives worldwide. Founded in 1895, it is one of the oldest and largest non-governmental organizations, representing approximately 1 billion cooperative members worldwide (ICA 2026). The ICA defines a cooperative as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise” (ICA 2024a). Cooperatives are characterized not only by their legal structure but also by the social interactions that shape how they operate. They are rooted in core values

such as self-help, democracy, equity, and solidarity (ICA 2024b). These values support interpersonal relationships built on trust and collective action, differentiating cooperatives from conventional business models (Nilsson 1996). Social interactions and networks are fundamental to cooperative success, and collaboration becomes more effective when members trust each other and share mutual goals. Research shows that strong social ties within cooperatives help reduce issues such as free-riding and support initiatives to enhance commitment and improve product quality (Cai et al. 2016; Awoke 2021). There is also evidence that these networks can facilitate the enforcement of shared norms (Goetz & Marco 2025) and promote cooperation, especially in rural or economically vulnerable regions (Saz-Gil et al. 2021).

In many developing countries, socioeconomic disparities and limited institutional support have made community-based initiatives particularly relevant (Vargas-Cetina 2005). In these contexts, cooperatives often emerge as a collective response to economic exclusion and as a mechanism for social empowerment (Laville 2010). Following this line, one of the countries that is a representative example of this situation is Ecuador, due to significant inequalities persisting, especially between rural and urban populations. Here, community-based organizations play a central role in advancing SSE, and cooperatives stand out as one of the most widespread and resilient organizations (Villalba-Eguiluz et al. 2020).

To better understand this context and how cooperatives function within Ecuador's SSE framework, this project adopts a comprehensive perspective that considers the connection between social relationships, organizational dynamics, and institutional structures. It explores the interactions among cooperatives, government institutions, and other societal actors. The study uses a multi-case approach guided by the PESTEL framework. This analytical tool examines broad macro-environmental dimensions, including Political, Economic, Social, Technological, Environmental, and Legal factors (Whittington et al. 2019). This method allows a systematic assessment of the external conditions that influence the development and sustainability of SSE initiatives in Ecuador and contributes to a deeper understanding of the socioeconomic environment in which cooperatives operate.

Figure 1. Ecuador location map (https://ian.macky.net/pat/map/samr/samr.html)

Ecuador is a small but biodiverse country located in northwestern South America, bordering Colombia to the north, Peru to the east and south, and the Pacific Ocean to the west (see Figure 1). It has a land area of approximately 256,370 km^2 and is distinctively situated along the equatorial line parallel 0, dividing the country into two hemispheres (World Bank 2023c). It has an estimated population of 18 million persons and an annual growth rate of 0.9% (World Bank 2023b). The Andean mountains divide the continental country into three regions: the coast, the Andean highland, and the Amazon rainforest. Due to its location and geography, the Galapagos Islands are also part of the Ecuadorian territory, which is located in the Pacific Ocean 1,000 km from the continent. This rich ecological and cultural diversity offers a unique context for exploring alternative development models such as the SSE, especially concerning rural livelihoods, indigenous populations, and environmental conservation.

1.1. Problem statement

1.1.1. Empirical problem

Despite periods of economic growth in the last decades, inequality and poverty are persistent challenges in many regions of the Global South. Traditional economic models have often prioritized market expansion and Gross Domestic Product (GDP) growth, overlooking the social and environmental dimensions of development. In fact, economic growth has been the foundation of all systems, even under capitalist, socialist, or dictatorial governments (Latouche 2009). In this context, Joyce and Paquin (2016) argue that there is a critical need to redesign business models to ensure sustainable practices that reduce social inequalities and environmental impacts, in support of the well-being of future generations. For instance, part of the food sector shows an unequal distribution of market power by increasing the strength of the retail industry. The consequences of retailers' decisions can reduce farmers' livelihoods in developing countries that are heavily dependent on agriculture and lead to unemployment (Sexton & Xia 2018). These practices and strategies support this economic approach to growth, failing to consider social and environmental responsibilities, which leads to inequality and poverty.

In the Latin American context, these challenges persist, and a significant part of the population continues to endure economic and social hardships over extended periods. Poverty is commonly understood as a condition in which individuals lack sufficient income to meet basic needs such as food, shelter, and healthcare. However, this income-based perspective is limited, as it does not fully capture the multiple forms of deprivation experienced by vulnerable populations.

In this sense, extreme poverty can be understood as a more severe and complex condition, defined as the combination of income poverty, human development deprivation, and social exclusion, which together reflect a situation of extreme vulnerability (Sengupta 2010). Similarly, Alkire & Santos (2010) explain multidimensional poverty and expand the analysis beyond income, and consider simultaneous deprivations in areas such as education, health, employment, and access to basic services.

In this context, researchers Gallardo et al. (2024) estimate that approximately 150 million people in Latin America are exposed to multidimensional poverty. Similarly, Chang et al. (2024) indicate that one in three people live in poverty, while one in seven experiences extreme poverty, with 88% of this group being chronically poor. Although poverty rates are higher in urban areas in absolute terms, their

intensity is more severe in rural regions (Shilpa Sree R & Singh 2026). The most affected groups include individuals with lower levels of education, those in informal employment, as well as Afro-descendant populations, Indigenous communities, women, and children (Chang et al. 2024).

Despite periods of economic growth in the region, its benefits have not been equally distributed. For instance, Vakis et al. (2016) argue that many individuals remain chronically poor due to limited access to stable income, education, healthcare, and infrastructure, which restricts their participation in economic progress. Therefore, economic growth alone is insufficient if policies are not inclusive and fail to address these structural barriers.

Moving on to a more specific case, Ecuador reflects these regional patterns of structural inequalities and poverty while presenting other challenges unique to the country. For instance, in 2023, approximately 26% of Ecuadorians lived below the national poverty line, with 10.7% in extreme poverty (ReliefWeb 2023; Statista 2024). The country also continues to face high levels of income inequality, reflected in a Gini coefficient of 44.6 (World Bank 2023a). The Gini coefficient is a statistical indicator used to measure how equally or unequally income is distributed within a population, where higher values indicate greater inequality (Farris 2010). Even though the unemployment rate closed at 3.6% in 2024 (Trading Economics 2024), according to Instituto de Nacional Ecuatoriano de Censos (INEC) (2024), only 33% of the population had adequate employment by the end of 2024. Nevertheless, a more critical issue is the prevalence of informal employment, which reached 58% in December 2024 (INEC 2024), which is the highest rate since 2007 (Plenglish 2025). This last holds an important problem because the state does not regulate it and limits people's access to basic rights such as legal protection and social security, making them more vulnerable to economic shocks.

Moreover, the COVID-19 pandemic deepened those social and economic vulnerabilities, leading to significant job losses and pushing many people into informal employment due to reduced availability of formal job opportunities (Guevara-Rosero et al. 2024). In addition, Ecuador experienced a severe energy crisis during the regime of President Daniel Noboa, who implemented blackouts lasting up to 10 hours per day, affecting factories and resulting in estimated losses of $12 million per hour (País 2024; Reuters 2024). These crises primarily affected rural communities and exposed the fragility of Ecuador's infrastructure and the urgent need for sustainable, community-based strategies and development.

Considering these facts regarding systemic inequalities, the Organisation for Economic Cooperation and Development (OECD) (2024) suggested that SSE can present a favorable alternative to counteract them. SSE initiatives have

demonstrated their potential to promote inclusive growth and community resilience around the world. For instance, in Latin America, countries like Brazil and Colombia have incorporated SSE into national policy frameworks that support cooperatives and community-based organizations (Coraggio 2011), while in Ecuador, SSE has been constitutionally recognized since 2008 as part of the country's development model (Calvo & Morales Pachon 2014). However, the implementation of SSE remains difficult, and it faces limitations such as weak institutional support, limited financing, and inconsistent policy frameworks, among other issues.

Building on these observations, this study addresses the following empirical problem: Given these challenges, it is essential to assess how SSE initiatives, principally cooperatives, can promote inclusive and sustainable development in Ecuador, how they navigate structural barriers and socioeconomic crises, and how solutions to these challenges can be identified through cooperative models and community-based approaches according to the country’s unique context.

1.1.2. Theoretical problem

Although research on SSE has attracted attention in recent years, there is still no consensus on how to implement it effectively. Several studies highlight the potential of SSE to promote inclusive, community-driven development while offering alternatives to dominant market logics (Laville 2010; Utting et al. 2015). However, the exploration of SSE remains uneven in different contexts. Much of the current research has focused on the Global North, especially in Europe and Canada, where cooperatives and other SSE organizations are often studied within stable institutional environments and mature welfare systems (Sahakian & Dunand, 2015). For example, Kalogeraki et al. (2018) studied the SSE sector in Greece, Spain, and Switzerland during times of financial crisis, conceptualizing SSE mainly as a sector and focusing on countries with relatively stable infrastructures. As a result, there is limited understanding of how SSE operates in countries with fragile institutions, high informality, and relentless structural inequalities.

International organizations such as the International Labour Organization (ILO) and the OECD have significantly contributed to the conceptualization and promotion of SSE, focusing mainly on labor rights, policy frameworks, and sustainable development goals (OECD 2024). However, these contributions often remain distant from the realities of the Global South. Moreover, while the OECD has analyzed SSE data across Latin America, the focus has primarily been on Brazil, Argentina, and Chile, leaving smaller developing nations like Ecuador underrepresented.

In this sense, Ecuador presents a special context in which, although the country constitutionally recognized SSE in 2008 (Coraggio 2011), academic studies examining its implementation, challenges, and outcomes are limited. The existing literature on cooperatives in Ecuador tends to focus on isolated case studies or general development indicators, often without systematically linking them to broader theoretical debates on SSE, social capital, or state and society relations. For instance, Villalba-Eguiluz et al. (2020) highlight the gap between Ecuador's constitutional recognition of SSE and its practical application, while Ruiz Rivera & Lemaître (2017) recognize diverse institutional models of SSE organizations but note their lack of connection to broader theoretical frameworks. Similarly, Buendía-Martínez et al (2020) note the lack of systematic analysis of SSE policy impacts. Finally, Núñez-Naranjo et al (2024) point out that while social capital plays an important role in fostering cooperation, its role in the Ecuadorian SSE setting remains underexplored.

In this context, given Ecuador's socioeconomic landscape characterized by high informality, rural poverty, and institutional fragility, there is a critical need for research that bridges empirical observations with comprehensive theoretical insights. This study aims to address this theoretical gap by analyzing cooperatives and other key actors in Ecuador to understand their dynamics within the SSE principles through a multi-case study.

1.2. Aim and Research questions

The current model of economic development, driven by financial profit, has contributed to growing inequalities that have negatively impacted both people and the environment. This reality highlights the urgent need for alternative methods and models that prioritize sustainability and social well-being. Therefore, the present project aims to examine SSE within the cooperative context in Ecuador, to identify both the benefits and the limitations these initiatives face. A multi-case study approach will be used to analyze different actors involved in the cooperative network. This analysis intends to contribute to understanding SSE as a viable and transformative alternative to conventional economic models.

This thesis aims to provide a broader perspective on Ecuador's SSE landscape by exploring the opportunities, positive impacts, challenges, and structural barriers faced by SSE initiatives in the country. The research questions are designed, on one hand, to highlight the value and potential that SSE can generate and, on the other, to identify the key obstacles that hinder its development. Moreover, they will propose solutions to overcome these challenges. Finally, the study seeks to strengthen the impact and sustainability of SSE efforts. Through a multi-case study

supported by the PESTEL framework, to contextualize how external factors shape the success or failure of SSE initiatives in Ecuador.

The guiding research questions that will be investigated are:

1. What are the main benefits and opportunities promoted by SSE initiatives in Ecuador?
2. What are the primary challenges and barriers that initiatives operating within the SSE framework face?
3. What strategies can be proposed to overcome these barriers and enhance the effectiveness of SSE initiatives?

1.3. Scope and delimitations of the study

In order to answer the research questions and provide a meaningful understanding of the subject of the present study, it is necessary to detail the scope and delimitations of the current project. The primary goal of the following study is to analyze the dynamics of cooperatives regarding SSE in the Ecuadorian context and to provide a general perspective grounded in the perspectives of various actors involved in or connected to the cooperative sector. Ecuador is a relevant case due to its constitutional recognition of SSE since 2008, though its practical implementation remains challenging. Cooperatives are used as the primary lens of analysis, as they represent one of the country's most established and widespread forms of SSE.

The research adopts a multi-case study approach, collecting data from diverse actors within the cooperative sector, including government institutions, cooperative leaders, support organizations, and other experts. It examines the strengths, challenges, and opportunities within the cooperative landscape, using the PESTEL framework to analyze different external factors that shape SSE development.

The scope of the study is limited to selected case studies within Ecuador and does not aim to provide a comparative analysis between countries. The research focuses on qualitative insights into quantitative data. Finally, it is important to note that practical constraints, such as time, language, access, and regional reach, have influenced the scope of the research.

1.4. Thesis outline

The report structure is presented below. The following figure provides an overview of the project outline; more details for each chapter will be provided briefly.

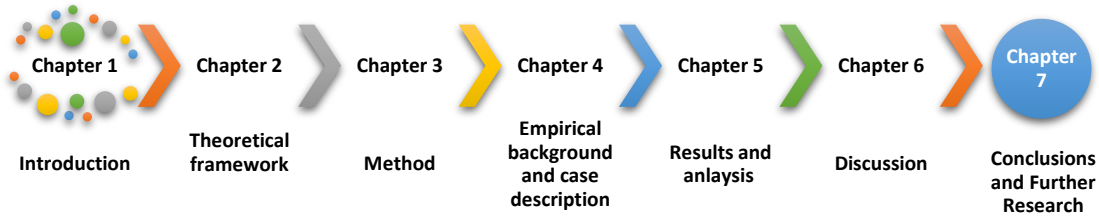

Figure 2. Thesis outline

This thesis is organized into seven chapters, each contributing to a comprehensive understanding of the SSE and the role of cooperatives in Ecuador.

Chapter 1 provides an initial explanation of the project, introduces the research problem, and outlines the aim, research questions, and scope of the study, giving the reader a sense of the research.

Chapter 2 presents the theoretical framework, discussing key concepts such as the Social and Solidarity Economy, cooperativism, social capital, and the PESTEL analytical model.

Chapter 3 explains the research design and methodology, including the case study approach, data collection strategies, and analysis methods. It also addresses the study's ethical considerations and quality criteria.

Chapter 4 provides the empirical background of the research, offering an overview of Ecuador's cooperative sector and SSE landscape. It also introduces the selected case studies.

Chapter 5 presents the research findings and analysis

Chapter 6 discusses the findings and compares them with other studies.

Chapter 7 concludes the thesis by summarizing the main results, outlining the study's limitations, and suggesting future research topics related to the project.

2. Theoretical framework

A review of the existing literature on the SSE and relevant related topics to this study reveals three main streams that formed the theoretical foundation of this thesis project. The first examines SSE as a conceptual and normative framework, focusing on its values, organizational forms, and its role as an alternative to market-driven development, based on the research of Laville 2010; Utting et al. 2015; Coraggio 2017; Giovannini 2020, The second centers on cooperative theory, exploring how cooperatives function as organizations, the conditions that sustain them, and the tensions that emerge between social objectives and market pressures from insights of the researches Bonus 1986; Nilsson 1996; Bijman et al. 2012; Boland 2017 among others. The third focuses on SSE in Latin American and Andean contexts, Indigenous philosophies, institutional frameworks, and post-crisis responses, considering authors like Acosta 2015; Nelms 2015; Villalba-Eguiluz et al. 2020; Flores et al. 2023.

However, the literature review revealed an important gap. Few studies combine these perspectives to empirically analyze Ecuador's SSE using qualitative methods that account for both institutional conditions and community-level realities. Much of the existing research focuses either on European cooperative systems, macro-level policy discussions in Latin America, or Ecuador's legal framework without examining how SSE organizations experience these dynamics in practice.

There were also three interconnected theoretical choices. First, cooperative theory provides the main lens for understanding the organizational dynamics, governance structures, and value-based foundations of SSE actors. Second, the PESTEL framework, used in this SSE research to examine external factors, supports a structured analysis of the political, economic, social, technological, environmental, and legal conditions shaping the Ecuadorian SSE sector. Third, indigenous perspectives, such as Sumak Kawsay, were incorporated as a complementary perspective on SSE in Indigenous-influenced territories, as noted by the authors: Acosta 2015; Villalba-Eguiluz & Etxano 2017; Malo Larrea et al. 2024. Together, these frameworks allow for an analysis that is both theoretically grounded and aligned with Ecuador's historical, cultural, and institutional context. Figure 3 illustrates the three-level theoretical framework guiding this study, showing how SSE normative foundations, cooperative organizational theory, and structural conditions interact within the PESTEL analytical lens.

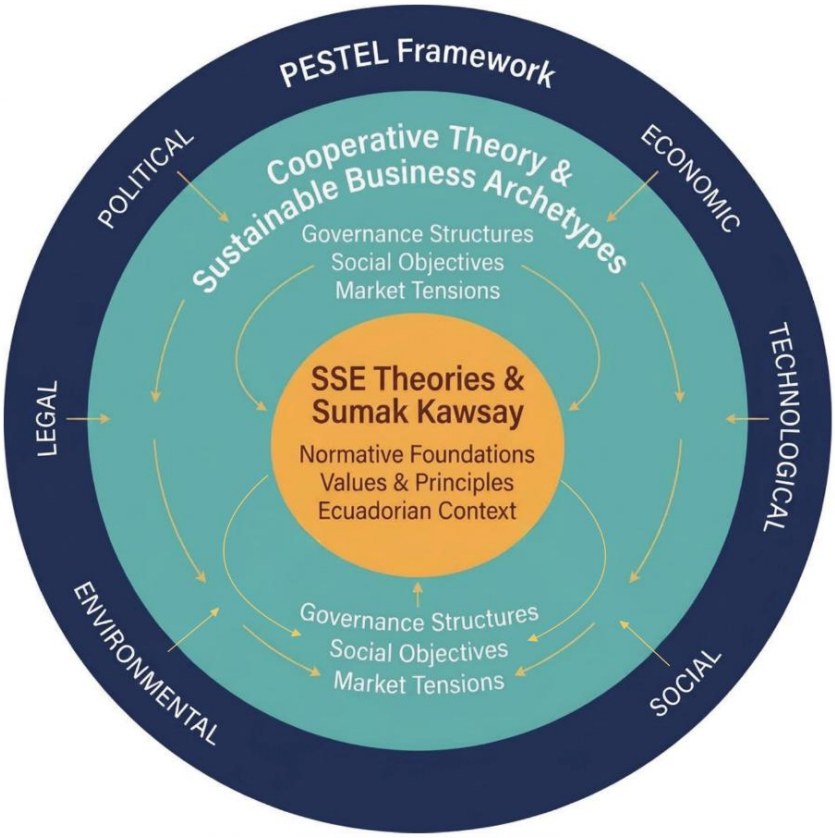

Figure 3. Theoretical framework of the study.

The author's own elaboration based on multiple sources cited in the text.

2.1. Foundations of the SSE

2.1.1. Conceptualizing the SSE: Values, Principles, and Definitions

First, it is vital to outline the concept of the Social and Solidarity Economy (SSE) to ensure it is clearly understood. Nonetheless, there is no universally accepted definition; this research analyzes the concept from several perspectives. SSE can be seen as both a conceptual framework and a living movement. It includes various organizational forms such as cooperatives, mutuals, and community enterprises that share core principles oriented toward social justice, democratic governance, and ecological sustainability (Laville 2010; Utting et al. 2015).

The SSE has emerged as a critical response to the prevailing capitalist system, which prioritizes profit maximization, competition, and individual accumulation. Instead, SSE prioritizes values such as solidarity, equity, democratic participation, reciprocity, and collective well-being (Laville 2010; Utting et al. 2015). These values challenge the economic logic that prioritizes financial gain over human and

environmental concerns, offering an alternative centered on people and communities.

International organizations have played a key role in promoting SSE as a strategy for inclusive and sustainable development. For instance, the United Nations Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSE 2022) recognizes SSE's potential to support the 2030 Agenda for Sustainable Development in areas such as decent work, social protection, and environmental preservation. Also, according to the OECD (2024), SSE contributes to social innovation, gender equity, territorial cohesion, and ecological transition, primarily when supported by strong policies and institutions. In the same direction, ILO (2019) defines SSE as a group of organizations that combine social and economic objectives, producing goods, services, and knowledge while encouraging solidarity as a central principle. Moreover, this institution emphasizes the relevance of SSE for the future of work, especially in expanding decent employment and social protection in contexts of rising informality and job insecurity. These reports highlight SSE's contribution to inclusive growth, job creation, social support, and environmental conservation, while also underlining the necessity of coherent public policy frameworks, support, and international cooperation.

At the same time, academic literature has deepened the conceptual understanding of SSE as a structural alternative. Wallimann (2014) describes SSE as a counter-system that rethinks not only economic relations but also cultural and democratic dimensions through the lens of how organizations are managed as a key. Giovannini (2020a) indicates that solidarity economy organizations often emerge from political mobilization, acting as collective responses to inequality and platforms for democratic participation. From this same perspective, Marier-Bienvenue et al (2017) suggest that social function is the primary goal of SSE, focusing on voluntary participation and collective engagement as essential elements and on the role of social entrepreneurs as agents of transformation and innovation.

Additionally, other scholars underline the deeper theoretical roots of SSE. For example, Laville (2010) portrays it as a set of civil society practices that aim to re-embed the economy in democratic and social relations. Following this approach, Coraggio (2011) describes SSE as a normative project that places labor, human needs, and ecological sustainability at the center of economic life.

Essentially, the SSE is not only a theoretical model, but also a movement that evolves through practice. SSE critiques neoliberal norms while proposing concrete alternatives grounded in ethical values, cooperation, and community resilience. In this sense, Malagón-Vélez (2021) argues that SSE challenges dominant ideas of competitiveness and growth, and instead promotes human well-being, ecological

responsibility, and territorial equity. He presents SSE as a path to integral sustainability, and not just a lighter version of the current system. While definitions vary, common principles can be found across different perspectives, such as solidarity, reciprocity, democratic governance, sustainability, and community engagement (Villalba-Eguiluz et al. 2020). These values shape how the SSE organization operates.

In summary, the SSE offers a multidimensional framework for rethinking the economy. It questions the dominance of market logic and opens space for democratic, inclusive, and sustainable alternatives. For this reason, it serves as a solid foundation for exploring the cooperative landscape in Ecuador, where SSE is formally recognized in policy but still faces many challenges and limitations in practice.

2.1.2. Academic Recognition and Policy Support for SSE

Beyond specific examples and local initiatives, SSE offers a broader perspective on how we understand value, the economy, development, and policy. Scholars like Laville (2010) and Wallimann (2014) argue that SSE invites us to rethink the economy not as something separate from society, but as deeply rooted in social relationships and culture. This is especially visible in Latin American SSE networks formed by rural cooperatives, agroecological movements, fair trade alliances, solidarity markets, community-based projects, and other initiatives. As Mariosa et al. (2022) claim, these initiatives are part of the resistance and survival strategies of family farmers across the region. Even though they are often left out of national statistics, these practices play a vital role in building local sustainability and economic autonomy (Malta & Baptista 2013).

This broader understanding of SSE has not only shaped local practices but has also gained growing recognition in academic and policy debates. Researchers have suggested that these initiatives are more than local solutions and they represent a different way to organize the economy, based on solidarity and inclusion (Laville 2010; Utting 2019). In this sense, public policy plays an essential role in shaping and supporting the development of SSE. In some countries, governments have created laws and support systems to help SSE organizations. For instance, Brazil and Colombia have included SSE national institutions and legal frameworks to reduce inequality and support grassroots efforts (LEED & OECD 2023). International organizations such as the ILO and the United Nations Conference on Trade and Development (UNCTAD) (2024) highlight that strong legal frameworks can help SSE grow, especially in vulnerable contexts.

2.1.3. SSE in Ecuador

Ancestral Foundations and Historical Evolution

The SSE in Ecuador is a representative approach that has been built with different cultural, historical, political, and social components. Authors such as Benitez Herrera et al. (2021) argue that SSE in the country is grounded in ancestral indigenous traditions and philosophies that promote collective well-being. For instance, traditions such as "minga" (collective labor) and "trueque" (barter) have been used to organize rural life and meet community needs without relying on markets or state institutions (Jiménez 2016; Flores et al. 2023). Many of these practices are still active; for example, mingas are commonly organized in communities for collective harvests, infrastructure construction, or irrigation system maintenance (Jiménez 2016; D'Aloia 2025). Similarly, trueque continues to be practiced in regions like Pimampiro, where products are exchanged between the Andean highlands and valleys (Jiménez 2016). These traditional forms of economic and social organization are rooted in Indigenous cosmovision, such as the Andean principles of relationality, complementarity, and reciprocity (Villalba-Eguiluz & Etxano 2017). In this context, reciprocity serves as a key principle of Indigenous communities' development and their expression of solidarity, or, in Kwichwa words, "ranty, ranty," meaning giving-giving. (Benitez Herrera et al. 2021a; Flores et al. 2023).

Between the 1970s and the 1990s, rural workers and Indigenous groups began forming cooperatives mainly in the agricultural sector, as a strategy to improve their livelihoods (Goodwin 2017; Coral et al. 2021). According to Buendía-Martínez et al. (2020), these early cooperative efforts laid the organizational foundation for SSE in Ecuador. Later on, their role became more relevant after the 1999 financial crisis, when many banks went bankrupt and the collapse of"Sucre", the national currency, led the government to adopt the US dollar (Jácome 2004; Buendía-Martínez et al. 2020; Oleas-Montalvo 2020). These events triggered mass unemployment, migration, and a breakdown of trust in formal institutions (Banco Central del Ecuador (BCE) 2000; Hidrobo 2014). In response, people turned to cooperative networks, solidarity-based initiatives, NGOs, and fair trade organizations as alternative means of support and economic organization (Calvo & Morales Pachon 2014; Buendía-Martínez et al. 2020).

Between 2007 and 2017, Ecuador experienced a period of political stability under President Rafael Correa. His administration prioritized social inclusion and economic development, contributing to reductions in poverty and inequality (Flores et al. 2023). During this decade, the SSE gained significant institutional visibility and support. A major landmark was the 2008 Constitution, which formally recognized the *Economía Popular y Solidaria* (Popular and Solidary Economy)

(PSE). This marked a unique case in Latin America, positioning SSE not only as a policy instrument but also as a guiding economic principle centered on solidarity and sustainability (Buendía-Martínez et al. 2020).

After some years, the COVID-19 pandemic revealed how unstable formal economic structures can be, especially during crises. Nevertheless, it also highlighted the strength of community-based responses. For instance, in Ecuador's coastal province of Guayas, the Peasant Brigades for Food Sovereignty (PVFS), coordinated by the Federación de Organizaciones Campesinas del Litoral (FECAOL), stepped in when state support was not enough (Córdoba et al. 2021). Through coordinated efforts with local authorities and neighborhood groups, they delivered essential food supplies and supported small-scale farmers by promoting fair exchanges, bartering, and agroecological practices. As the authors emphasize, these actions reflected values such as cooperation, redistribution, and care for both people and the land. FECAOL's approach offers a powerful example of how alternative economic models, based on solidarity, can meet urgent needs, promote resilience, and support systems, even in the face of institutional failure.

Figure 4. Timeline SSE in Ecuador

Author's own elaboration based on multiple sources cited in the text

Popular and Solidarity Economy (PSE) in Ecuador

In Ecuador, SSE is directly related to PSE. PSE gained momentum in Ecuador after its recognition in the 2008 Constitution**,** which formally established the country's plural economy as a core component (SEPS 2024). To implement these commitments, the government enacted the Organic Law on Popular and Solidarity Economy (LOEPS), which provided a formal legal definition and established

mechanisms for state regulation and support. In this line, two institutions were created to support the law: the Instituto Nacional de Economía Popular y Solidaria (IEPS), whose task is to promote, support, and facilitate solidarity initiatives, and the Superintendencia de Economía Popular y Solidaria (SEPS), responsible for supervising and controlling EPS organizations to ensure compliance with financial and legal norms (Calvo & Morales Pachon 2014; D'Aloia 2025).

Within this legal framework, EPS is defined in Article 1 of the LOEPS as an economic organization in which individuals or groups organize and develop processes for the production, exchange, commercialization, financing, and consumption of goods and services, to meet their needs and generate income. This model is based on relationships of solidarity, cooperation, and reciprocity, prioritizing labor and human beings as the subjects and ultimate purpose of economic activity. It is oriented toward *Buen Vivir* (Good living), living well in harmony with nature, rather than the pursuit of profit, appropriation, or capital accumulation. (Author's translation from Spanish) (Ecuador 2011). In this context, the LOEPS recognizes three types of organizations according to Articles 15, 18, and 21, which are: 1) Community sector that are groups connected by territory, culture, or identity that work collectively to produce and share goods and services, 2) Associative sector which refers to individuals with similar or complementary economic activities collaborating in production and trade, and 3) Cooperative sector that implies cooperatives formed by people who voluntarily manage a jointly owned enterprise to meet shared needs, guided by cooperative values and democratic governance (Ecuador 2011; Ortega Pereira et al. 2017).

This framework placed the EPS alongside the public, private, and mixed sectors, highlighting its contribution to inclusion, redistribution, and the pursuit of Buen Vivir (Sumak Kawsay), or Good living.

Buen Vivir, Sumak Kawsay, Good living, practice, and challenges

Sumak Kawsay, also known as *Buen Vivir* or "Good Living". This concept comes from an Andean cosmovision, an ancestral worldview rooted in Indigenous knowledge and spirituality (Calvo & Morales Pachon 2014). As Malo Larrea et al. (2024) explain, it represents a way of living that seeks dignity and harmony among human beings and Pachamama (Mother Earth), and is understood as a single, interconnected, and whole living system. This vision, shared by different Indigenous communities across Abya Yala (the Americas), places life at the center rather than capital (Acosta 2015; Malo Larrea et al. 2024).

There is another point of view on this concept, which is more closely linked to political trends. In the Andean region, Ecuador and Bolivia gave "Good living and constitutional significance, where it was incorporated as a guiding principle into

their national constitutions of 2008 and 2009, respectively (Acosta 2015). In Ecuador, it has become a framework that redefines progress beyond economic growth, emphasizing social inclusion, ecological balance, and collective well-being (Flores et al. 2023). According to Article 14 of the Ecuadorian Constitution (2008), the right of all people to live in a healthy and ecologically balanced environment that ensures sustainability and Buen Vivir (Sumak Kawsay) is recognized (Ecuador 2008).

Kowii & Ariruma (2011) and Macas (2010) describe Sumak Kawsay through eight interrelated principles that reflect balance, harmony, and collective life. These are 1) Pakta Kawsay, personal and community balance, 2) Alli Kawsay, harmony, 3) Wiñak Kawsay, creativity and growth, and 4) Samay (serenity), which together lead to Runakay, the realization of human being. The remaining principles emphasize community values: 5) Randi-Randi, reciprocity, 6) Ruray Maki-Maki, collective work, 7) Ushay, community organization, and 8) Yachay, ancestral knowledge. Together, they form a holistic vision of life rooted in reciprocity, respect, and harmony with nature. Figure 6 illustrates these principles within the Andean Chakana framework.

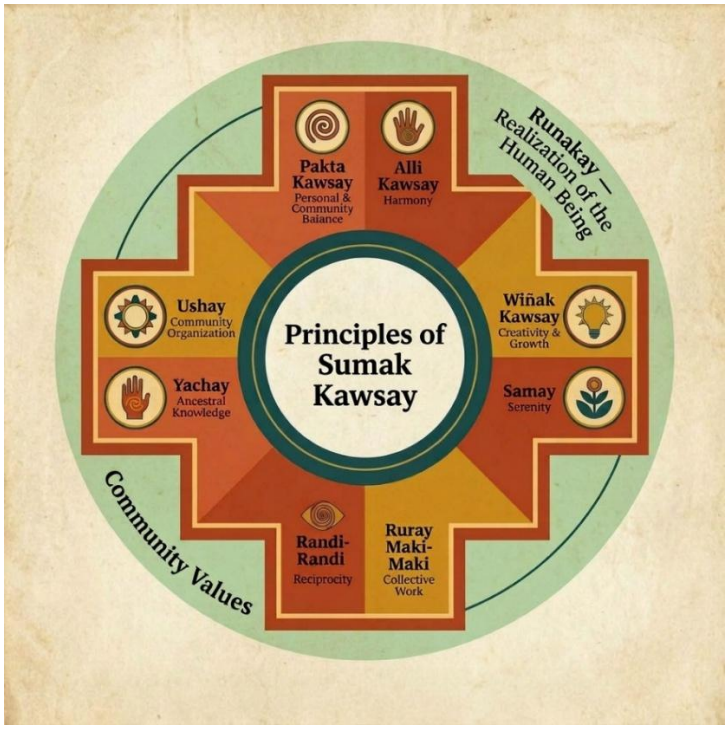

Figure 5 Principles of Sumak Kawsay based on Macas, 2010; Kowii, 2011

Some studies highlight the potential of *Sumak Kawsay* as a platform for Social and Solidarity Economies. For instance, the concept has been linked to cooperative movements and community initiatives that embrace the values of reciprocity and

cooperation, which are essential for building resilient and inclusive social structures (Calvo & Morales Pachon 2014; Jiménez 2016).

In this context, Sumak Kawsay emerges as both a response to the limitations of the current capitalist model and an alternative to traditional development thinking (Calvo & Morales Pachon 2014; Acosta 2015). This perspective offers a new paradigm that places life, community, and nature at the center of social and economic organization and, at the same time, promotes principles such as reciprocity, solidarity, and ecological sustainability as the foundations for collective well-being (Acosta 2015; Malo Larrea et al. 2024).

2.1.4. Structural and Organizational Tensions in the Ecuadorian SSE

The tensions and contradictions surrounding the EPS in Ecuador operate across multiple and interconnected levels. To understand their complexity, this section moves from the broader structural context toward the internal organizational realities of SSE initiatives. It begins with the macro-structural contradiction between solidarity principles and the neo-extractivist development model. Neo-extractivism is a development model based on the large-scale extraction of natural resources for export, where the state uses resource revenues to finance social programs and public investment. Despite these redistributive goals, the model has been criticized for maintaining environmental damage, social conflicts, and economic dependency on extractive industries (Gudynas 2010; Lalander 2016).

It then examines the institutional dynamics of bureaucratic delimitation and compliance requirements, followed by the market-oriented pressures that risk diluting solidarity values. Finally, it addresses the internal organizational limitations that affect governance, cohesion, and sustainability. This layered approach provides a comprehensive understanding of how structural, institutional, and internal factors interact to shape the trajectory of the EPS in Ecuador.

Structural Contradictions between SSE and Neo-Extractivism

The EPS operates within a broader development model that remains heavily dependent on neo-extractivism. Despite the constitutional recognition of Buen Vivir and the Rights of Nature, the state continues to rely on oil and mining revenues to finance social policy. Scholars argue that this extractivist orientation is structurally incompatible with the ecological and biocentric principles that underpin the solidarity economy (Lalander 2016; Villalba-Eguiluz & Etxano 2017). The expansion of large-scale mining and the abandonment of initiatives such as Yasuní-ITT illustrate this contradiction (Goeury 2021). As a result, the EPS does not emerge in a neutral environment, but within a macroeconomic framework that

prioritizes capital accumulation and primary exports. This creates a foundational tension between transformative discourse and structural economic dependence.

Bureaucratic Institutionalization and Sector Delimitation

Within this structural context, the institutionalization of the EPS has generated additional tensions. Nelms (2015) describes a persistent "problem of delimitation": the difficulty state officials face in defining who genuinely belongs to the solidarity economy in a highly heterogeneous sector. To operationalize the EPS, bureaucrats rely on provisional tools such as scoring thresholds, path dependency toward already registered cooperatives, and delegated identification through provincial offices. These mechanisms allow governance to function, but they translate moral and political ideals such as solidarity, reciprocity, and collective commitment into technical criteria. This separation between discourse and administrative practice narrows the transformative scope of the project (Nelms 2015).

Administrative Compliance and Fragmented State Support

Beyond definitional challenges, organizations face heavy compliance requirements. Villalba-Eguiluz et al. (2020) show that regulatory bodies such as SEPS often prioritize formal paperwork compliance over evaluating whether organizations truly embody solidarity principles. Public procurement systems impose rigid conditions, centralized catalogs, high-volume demands, and delayed state payments that small-scale producers struggle to meet. At the same time, institutional support programs are frequently fragmented, short-term, and distributed without participatory diagnoses (Luque et al. 2020; Gómez-Ceballos et al. 2021). Instead of strengthening long-term capacities, these mechanisms create administrative pressure and dependency. Compliance becomes a technical hurdle rather than a process aligned with local realities.

Market Pressures and the Risk of Principles Dilution

State policies have also promoted the integration of EPS organizations into public markets and private corporate supply chains. However, when small-scale and agricultural producers enter these spaces, they face asymmetrical power relations, strict quality controls, and delayed payments (Villalba-Eguiluz et al. 2020). More critically, the pressure to compete in capitalist markets can lead organizations to prioritize efficiency and financial survival over democratic governance and solidarity values. Rather than transforming market logic, many organizations gradually adapt to it, risking the dilution of their founding principles and reinforcing external dependency (Luque et al. 2020; Villalba-Eguiluz et al. 2020).

Internal Organizational Limitations and Socio-Cultural Constraints

These external and institutional pressures intersect with significant internal challenges. Research highlights opportunistic associativity, where individuals join

organizations primarily to access subsidies or contracts rather than out of collective commitment (Luque et al. 2020). Cultural individualism, lack of collaboration, and low motivation often weaken internal cohesion (Gómez-Ceballos et al. 2021). Governance problems are frequent, including authoritarian leadership practices, lack of transparency, and internal rivalry (Luque et al. 2020).

Educational and technical limitations further constrain sustainability. Many members face low levels of formal education, financial and legal illiteracy, and weak production planning capacities, leading to administrative paralysis and poor coordination (Luque et al. 2020). Gender inequalities deepen these internal tensions. Patriarchal structures restrict women's participation in decision-making, despite their strong presence in agricultural labor. Data from SEPS shows that men continue to dominate directive roles (Verzosi Vargas & Carvajal Brito 2023). These gendered and organizational dynamics reveal that the challenges of the EPS are not only external but also embedded within social and cultural structures. The next graphic (figure 7) illustrates how structural, institutional, regulatory, and market pressures interact and condition internal organizational dynamics within the Ecuadorian SSE.

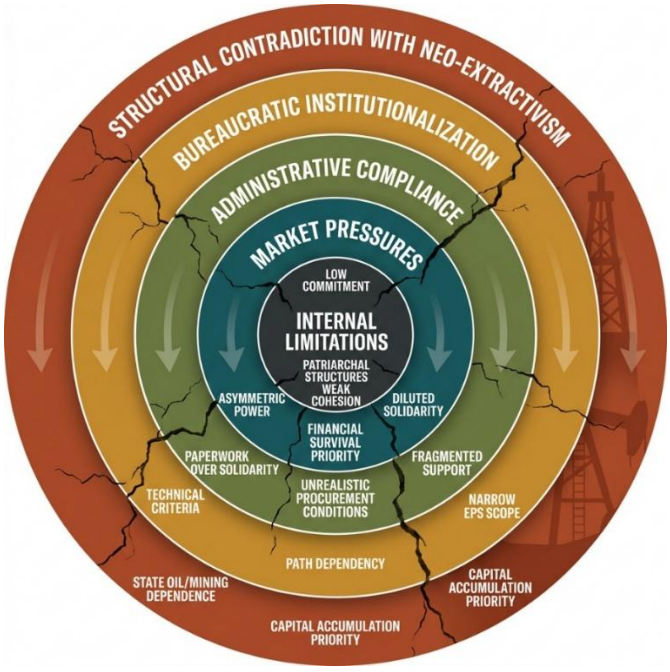

Figure 6 Multi-level tensions shaping the Popular and Solidarity Economy in Ecuador

Author's own elaboration based on multiple sources cited in the text

2.2. Cooperative theory

Cooperative associations hold distinct characteristics and objectives, as outlined in the introduction of this thesis. Although profit is not their primary goal, they still

operate within the market and produce goods and services. This reflects their dual nature as organizations that combine social objectives with economic activities.

A cooperative can be defined as an organization formed by a group of individuals who come together to achieve common goals through mutual assistance and shared decision-making. This definition encompasses different types of cooperatives, including agricultural, consumer, and worker cooperatives, which operate under principles of democratic member control and equitable distribution of benefits among members (Tak 2017; Nikolić et al. 2021; Zeng et al. 2023).

Across literature, a common understanding emerges regarding cooperative formation and base. It generally requires legal recognition under cooperative-specific legislation or equivalent regulatory frameworks, a member-based initiation process, and the establishment of clear bylaws that define roles, responsibilities, and decision-making procedures (Chaddad & Iliopoulos 2013; Di Cecco 2014; Boland 2017). This organizational structure is designed to translate members' needs into collective action, while ensuring accountability and maintaining democratic control, elements central to cooperatives within the framework of the Social and Solidarity Economy. This structure could be better explained with the graphic that follows and summarizes the bases of SSE.

Figure 7 Foundation of cooperative formation

Author's own elaboration based on multiple sources cited in the text

Cooperatives are characterized by a multi-actor structure in which different stakeholders play distinct roles within the organization. Members constitute the core of the cooperative, acting as both owners and decision-makers, typically exercising their rights through democratic mechanisms such as voting and participation in assemblies. In many cases, members are also the cooperative's

primary beneficiaries, reinforcing the alignment between governance and organizational objectives (Yu 2013; Larner & Mason 2014; Wolf & Mair 2019).

In addition to members, beneficiaries may also form a distinct group, particularly in social and community-based cooperatives, where their participation helps ensure that services respond to real needs. Workers and employees are responsible for the daily operations of the cooperative and, in some cases, may also participate in governance structures, especially in worker cooperatives. The board of directors or governing body oversees strategic decisions, ensures accountability, and balances the interests of different stakeholders, while managers are responsible for implementing these decisions in practice. External actors, such as funders and government institutions, influence the cooperative through financial support, regulation, and accountability requirements (Boesso et al. 2013; Schnurbein 2013; Filho & Bronstein 2016). The following figure presents a graphic representation of the cooperative structure and its actors.

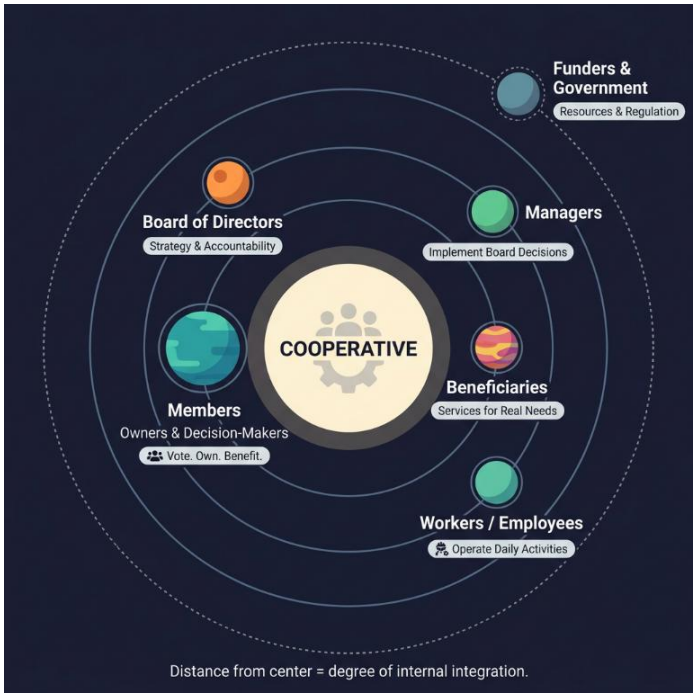

Figure 8 Actors and cooperative structure and actors

Author's own elaboration based on multiple sources cited in the text

Based on the definition and structure, three main characteristics can be identified. First, the beneficiaries hold decision-making power within the organization. Second, ownership may involve different stakeholders, including investors, employees, customers, and suppliers. Third, members' rights are based on the principle of "one member, one vote," ensuring democratic governance (Diaz-Foncea & Marcuello 2013).

The formation and governance of cooperatives are framed by specific legal and organizational requirements. As noted by Yimam et al. (2020), cooperatives

typically operate under a three-tier governance structure consisting of the general assembly, the board of directors, and the management team. This structure ensures both democratic participation and effective operational control.

From an economic perspective, as Bonus (1986) proposes, cooperatives can be analyzed as business enterprises within the framework of market transactions. Cooperatives offer key advantages, such as the ability to achieve economies of scale in production and to strengthen bargaining power in the market. These elements allow members to improve their economic position and increase their share of value-added. However, the balance between collective organizational benefits and individual member interests is not guaranteed. This creates a delicate equilibrium that can be affected by market conditions and the cooperative's performance (Bonus 1986).

Internally, cooperatives rely on factors that play a crucial role in strengthening their functioning and long-term sustainability. As suggested by O'Brien et al. (2013), trust among members is essential, as it fosters long-term relationships and supports stability within the organization. Selective incentives also contribute to member engagement by providing economic security and tangible benefits. Additionally, social capital at the grassroots level enhances transparency and reinforces positive relationships between formal and informal institutional arrangements. These elements support cooperation rather than competition within the organization (O'Brien et al. 2013).

These characteristics, which generate direct benefits for members, are closely linked to the objectives of the Social and Solidarity Economy, particularly its focus on social welfare and collaborative forms of organization. Therefore, this relationship becomes a central element in the analysis of how cooperatives influence and contribute to the SSE.

Cooperatives are guided by a set of values and principles that define their identity. According to the International Cooperative Alliance (ICA 2024b), cooperatives are based on values such as self-help, self-responsibility, democracy, equality, equity, and solidarity, as well as ethical values including honesty, openness, social responsibility, and care for others. These values are translated into practice through seven core principles, including democratic member control, member economic participation, autonomy and independence, and cooperation among cooperatives.

As Nilsson (1996) explains, cooperative values reside primarily within the members, shaping their expectations and perspectives, while principles are reflected in the organizational structure. When alignment exists between members' values and organizational practices, communication is strengthened, and decision-making processes are more likely to reflect members' interests. These elements reflect the foundational principles of the Social and Solidarity Economy, positioning cooperatives as one of its most representative organizational forms.

However, theory alone is not sufficient to understand cooperative performance, as context plays a significant role. As Bijman et al. (2012) argue, in their study of

European cooperatives, highlight both strengths and limitations. While cooperatives can improve market position and income stability, they may also face high transaction costs and challenges related to incomplete vertical integration. Furthermore, there is a need for professional management to strengthen their role within value chains.

These findings suggest that cooperative efficient and successful performance is not guaranteed and depends on both internal dynamics and external conditions. Within the framework of the Social and Solidarity Economy, this highlights the need to analyze further how cooperatives operate in practice, beyond their normative principles.

This opens the possibility to explore how cooperatives function within the Social and Solidarity Economy, by analyzing how its principles and values are translated into practice, and by identifying the benefits, structural tensions, and operational challenges that emerge in practice.

2.3. Social practices in business

There is an increasing need to promote organizational practices that place social and environmental objectives at the center of business activities. In this context, Bocken et al. (2014) propose a framework of sustainable business model archetypes, including the category "re-purpose the business for society/environment." This archetype refers to organizations that prioritize social and environmental value creation over profit maximization, redefining the purpose of the business to serve broader societal goals.

The relevance of this archetype can be further understood through three key characteristics identified by Bocken et al. (2014). First, profit is not the primary goal; instead, economic activities are oriented toward achieving social and environmental outcomes. Second, organizations can generate positive externalities for society, for example, by supporting rural development and strengthening local communities. Third, the entrepreneurial function plays a central role, as organizations create opportunities for individuals to develop their ideas while building relationships that align individual initiatives with collective objectives. In this context, effective planning and management are essential to ensure competitiveness, while also enabling individuals to participate in different roles within the organization, such as suppliers, employees, or customers.

This perspective reflects the integration of economic and social objectives, which is also central to the functioning of cooperatives within the Social and Solidarity Economy. In this sense, it provides a useful framework to understand how organizations can combine value creation with social impact, reinforcing their role as mechanisms for inclusive and sustainable development.

2.4. PESTEL Analysis

The PESTEL framework, which stands for Political, Economic, Social, Technological, Environmental, and Legal factors, is a widely used analytical tool to examine the macro-environmental conditions that influence organizations, industries, and broader systems. It enables a structured assessment of external dynamics, supporting strategic decision-making by identifying potential opportunities and constraints (Ivana & Arsić 2020; Sigcha et al. 2021). As a macro-level framework, PESTEL is particularly useful for understanding how external forces shape organizational behavior beyond internal capabilities.

In the context of this thesis, the PESTEL framework is used to analyze the Social and Solidarity Economy (SSE) in Ecuador from a systemic perspective. Given that SSE initiatives operate in complex environments, this framework enables a structured examination of how different macro-level factors influence their development. Additionally, it provides a clear basis for organizing both data collection and analysis, as the interview questions and findings are structured around its six dimensions.

The political dimension refers to government policies, political stability, and regulatory frameworks that shape organizational activities. These factors influence strategic decisions through legislation, public policies, and institutional support mechanisms such as regulatory approvals, subsidies, tariffs, and government continuity or uncertainty (Ivana & Arsić 2020; Niu 2024). In the context of SSE, political conditions are particularly relevant, as they determine the level of state support and regulation affecting these organizations.

Economic factors relate to macroeconomic conditions such as economic growth, inflation, exchange rates, and overall market stability. These variables influence purchasing power, access to resources, and the financial sustainability of organizations (Ivana & Arsić 2020; Sigcha et al. 2021). For SSE initiatives, economic conditions are crucial, as they often operate under financial constraints while balancing social and economic objectives.

The social dimension includes demographic trends, cultural values, and consumer behavior, which shape demand patterns and organizational practices. Understanding these dynamics allows organizations to align their activities with societal expectations and needs (Sigcha et al. 2021; Hatoum et al. 2023). In SSE, social factors are central, as these initiatives are rooted in values such as solidarity, cooperation, and collective action.

Technological factors shape the pace of innovation and the adoption of new technologies, creating both opportunities and challenges for organizations. The ability to adapt to technological change is essential for maintaining competitiveness and improving efficiency (Matović & Arsić, 2020; Sigcha et al., 2020). In SSE contexts, technological access can either enable growth or represent a limitation.

Environmental factors refer to ecological conditions, sustainability concerns, and environmental pressures such as climate change. Organizations are increasingly required to respond to environmental challenges and integrate sustainable practices into their operations (Sigcha et al. 2021; Thakur 2021). This is particularly relevant for SSE initiatives, which often emphasize environmentally responsible approaches.

Finally, the legal dimension involves the regulatory framework, including labor laws, consumer protection regulations, and compliance requirements. These factors define the legal boundaries within which organizations operate and are essential for minimizing risks and ensuring proper functioning (Sigcha et al. 2021; Hatoum et al. 2023). In Ecuador, legal structures play a key role in shaping the organization and operation of SSE initiatives.

Although traditionally used as a qualitative tool, recent approaches suggest that PESTEL can be complemented with more structured, quantitative methods to enhance its analytical capacity (Rizopoulos et al. 2022; Karadzhov & Patarchanova 2025). However, in this thesis, it is primarily used as a qualitative framework to organize and interpret empirical data.

In summary, the PESTEL framework provides a comprehensive structure for analyzing the external environment affecting SSE in Ecuador, allowing for a systematic understanding of the opportunities and challenges present across different dimensions. Figure 10 illustrates the PESTEL framework as applied in this thesis, where each dimension serves as a category for both data collection and analysis of SSE in Ecuador.

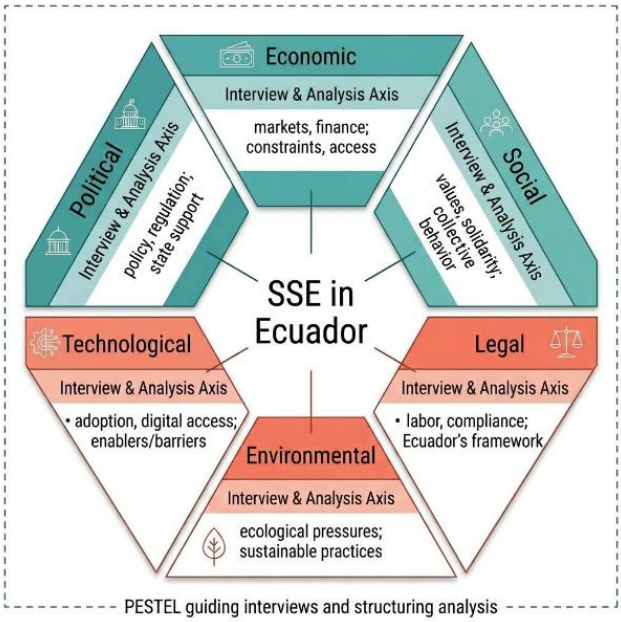

Figure 9 PESTEL framework as structure to collect and analyze information for the thesis

Author's own elaboration based on multiple sources cited in the text

2.5. Analytical Framework

The concepts and theories presented in this chapter provide the foundation for understanding the opportunities, challenges, and proposed solutions identified in the SSE in Ecuador. To connect these theoretical perspectives with the empirical material, this study uses a combined analytical framework based on the PESTEL framework and thematic analysis.

At the first level, the PESTEL framework was used to organize and analyse the empirical data across six dimensions: Political, Economic, Social, Technological, Environmental, and Legal. Within each dimension, the findings were further categorized according to the three research questions, focusing on opportunities, challenges, and proposed solutions. This structure was used to guide both the interview process and the initial organization of the data.

At the second level, thematic analysis was used to identify broader patterns that appeared across the different PESTEL dimensions. While some findings were specific to a single dimension, others appeared repeatedly across several areas. These themes helped connect the empirical findings to the broader theoretical discussions presented in this study. Table 1 summarizes the analytical structure applied throughout the research and provides an overview of how the empirical material was organized and analysed.

Table 1. Analytical Framework Structure

Dimension PESTEL	Key Opportunity	Key Barrier	Key Solution
Political			
Economic			
Social			
Technological			
Environmental			
Legal			

3. Method

3.1. Research Philosophy

Research philosophy refers to the assumptions that shape how a study understands reality and how knowledge is produced. As explained by Bell et al. (2019), it influences how research questions are approached and how findings are interpreted. Similarly, Saunders et al. (2023) highlight that philosophical assumptions guide methodological decisions and the way data is collected and analyzed.

Research philosophy is often described through three dimensions: ontology, epistemology, and axiology, which relate to reality, knowledge, and values in the research process. As noted by Chege & Otieno (2020), these dimensions are interconnected, and as Melnikovas (2018) points out, they are linked to the methodological choices of the study.

Based on this, the present study follows an interpretivist and constructivist orientation. This perspective is suitable for analyzing the SSE in Ecuador, as it recognizes that social reality is shaped by human experiences and interactions. Mackenzie & Knipe (2006) explain that this approach focuses on understanding social reality through lived experiences.

In line with this, the study adopts a qualitative research approach. As described by Creswell & Poth (2023), qualitative methods are useful for exploring complex social processes. Therefore, this approach supports the objective of understanding the dynamics, relationships, and values within SSE in the Ecuadorian context.

Data was collected through semi-structured interviews, allowing for flexibility while maintaining a common structure across participants. This makes it possible to capture different perspectives and identify shared patterns, contributing to an understanding of how SSE operates in practice. The interview guide used during the data collection process can be found in Appendix section.

3.2. Research Design

Research design refers to the overall structure that connects the research objectives with the methodological approach and guides how data is collected, analyzed, and interpreted. As explained by Saunders et al. (2023), it ensures coherence between the research philosophy, research strategy, and the empirical material used in the study.

In line with this, the present study adopts a qualitative research design, focusing on understanding participants' perspectives and experiences within their specific

social and institutional contexts (Bell et al. 2019). This approach is particularly suitable for analyzing the Social and Solidarity Economy (SSE) in Ecuador, where context, relationships, and values play a central role.

Within this qualitative approach, the study follows a multi-case study design. As argued by Simons (2009), case studies allow for an in-depth understanding of complex social phenomena within their real-life context. Also, Lillis & Mundy (2005) suggest that multiple-case design enables the comparison of different cases within a shared framework, treating each case as a distinct unit of analysis (Lillis & Mundy, 2005). As highlighted by Yin (2017), this design strengthens the robustness of findings by allowing patterns to be identified across cases.

This design aligns with the interpretivist orientation of the study, as it prioritizes the understanding of meanings, experiences, and perspectives. It allows the research to explore SSE in Ecuador as a socially constructed and dynamic field, capturing how different actors understand and apply cooperative values, perceived benefits, and structural limitations in their specific contexts.

In addition, the study uses the PESTEL framework as an analytical lens. In this thesis, PESTEL is not applied as a business planning tool, but as a structured approach to examine how political, economic, social, technological, environmental, and legal factors shape SSE development. This framework supports the connection between macro-level conditions and micro-level experiences and provides an initial structure to guide both the design of the interview questions and the organization of the data.

The overall research process is summarized in Figure 11, which presents the methodological steps followed in this study.

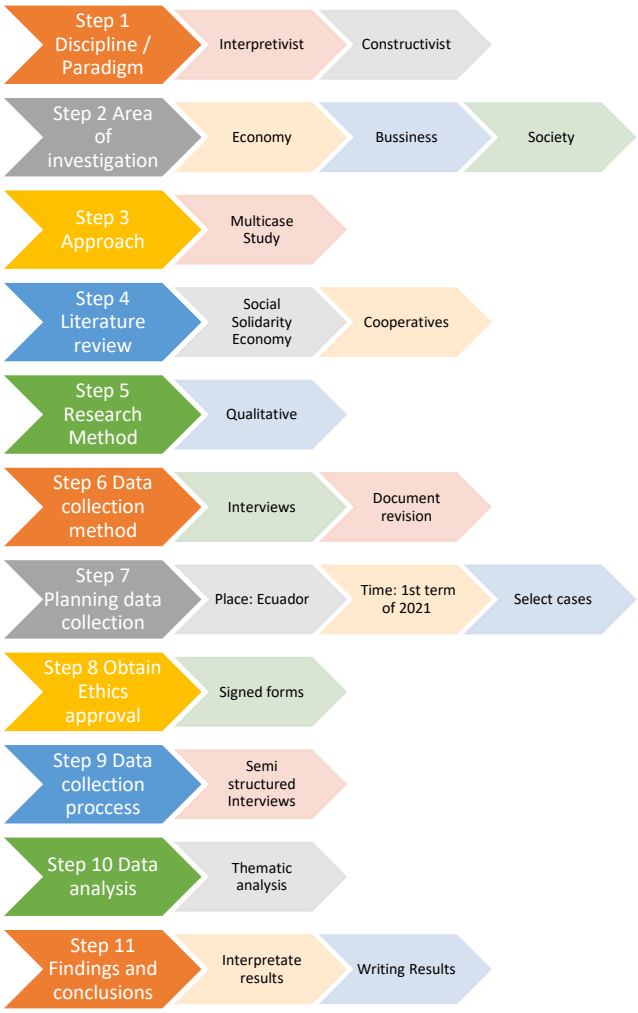

Figure 10 Methodological steps followed in this study. Figure based on Mackenzie and Knipe (2006)

3.2.1. Sampling and Case selection

Case selection refers to the process of choosing units of analysis to address the research objectives. In qualitative research, as Saunders et al. (2023) propose, cases are not selected to be statistically representative, but to provide a deeper understanding of the phenomenon under study.

This study applies a purposive sampling strategy with a total of 9 interviews. As explained by Creswell & Poth (2023), this approach is appropriate when participants are selected based on their relevance to the research questions and their ability to provide rich, contextually grounded information.

The selection focused on actors actively involved in the SSE sector in Ecuador, with particular attention to the cooperative sector. The cases were intentionally chosen to reflect diversity across organizations, roles, and positions within the SSE. This included cooperative organizations, academic institutions, non-governmental organizations, public institutions, and support entities related to SSE policy and development.

This diversity allows the study to capture multiple perspectives on cooperative values, perceived benefits, structural limitations, and challenges within the SSE. By including actors from diverse institutional and territorial contexts, the research can explore how stakeholders interpret and engage with SSE practices differently.

This multi-actor sampling strategy supports a broader understanding of the SSE sector. As noted by Lewis (2015) and Patton (2015), qualitative interpretivist approaches, such as case studies, are particularly useful for exploring subjective perspectives and generating in-depth insights into complex social phenomena. This approach also aligns with the inductive nature of the study, as it prioritizes depth and contextual understanding over representativeness.

3.2.2. Data collection

Data collection refers to the process of gathering empirical material that allows the researcher to address the research objectives in a systematic and coherent way. In qualitative research, this process is essential, as it supports the exploration of participants' experiences, perspectives, and interpretations within their contexts (Lewis 2015; Creswell & Poth 2023).

In this study, data were collected through two main sources: primary and secondary data. By combining these sources, the study is able to compare lived experiences with existing literature and institutional perspectives. As Eisenhardt (2009) states, the combination of different data collection methods contributes to a more accurate and comprehensive understanding of the research phenomenon. This approach also supports triangulation, which refers to the use of multiple data sources or perspectives to strengthen the depth and interpretation of a study (Denzin 2012). According to Denzin (2012), triangulation should move beyond validation alone and contribute to a deeper and more interpretive understanding of social reality. In this sense, the selected data sources contribute to a more comprehensive and contextualized understanding of the SSE in Ecuador. The use of both primary and secondary data allows the research to capture empirical insights from actors directly involved in the SSE while situating these perspectives within existing academic and institutional knowledge.

Secondary data

Secondary data consists of written documents that provide the conceptual and contextual basis for the study (Bowen 2009; Creswell & Poth 2023). In this study, these sources include academic literature, policy documents, legal frameworks, and institutional reports related to SSE and the cooperative sector in Ecuador. These materials provide context for understanding how SSE is structured and regulated and allow comparison between empirical findings and existing knowledge. The sources were selected based on their relevance to the research questions, institutional authority, and capacity to establish the Ecuadorian SSE within both national and international contexts. Table 1 provides an overview of the secondary data sources used in this study, organized by type, purpose, and the sections where they are primarily mentioned.

Table 2. Overview of secondary data sources

Source type	Key sources	Purpose	Sections
Legal and constitutional frameworks	Constitution of Ecuador (2008); LOEPS (2011); Reglamento General (2012)	Establish the legal basis and regulatory structure of the SSE in Ecuador	2.1.3; 4.2.1; 4.2.2
Institutional and statistical reports	SEPS Statistical Dashboard (2024); SEPS institutional portal (2024); INEC labour statistics (2024)	Provide current data on registered SSE organizations, sectoral distribution, and labour market context	4.2.3; 4.2.4
International organization reports	ILO (2019); UNCTAD/ILO (2024); UNTFSSE (2022); OECD (2024); LEED & OECD (2023); World Bank (2023)	Situate the Ecuadorian SSE within global and regional policy frameworks	1.1; 2.1.2; 4.1
Academic literature	Villalba-Eguiluz & Etxano (2017); Villalba-Eguiluz et al. (2020); Coraggio (2011); Utting (2019); Laville (2010); Buendía-Martínez et al. (2020); Gómez-Ceballos et al. (2021); D'Aloia (2025); among others	Provide theoretical and empirical grounding for SSE concepts, cooperative theory, and the Ecuadorian context	2.1; 2.2; 2.3; 4.1; 6
News and media sources	Reuters (2024); Plenglish (2025); Statista (2024); Trading Economics (2024)	Capture recent socioeconomic and political developments in Ecuador	1.1.1; 4.2.4
Cooperative movement sources	ICA (2024a; 2024b; 2026)	Provide normative foundations of cooperative identity, values, and principles	2.2

Primary data (Interviews)

Primary data was collected through semi-structured interviews. In this thesis, 9 interviews were conducted. This method, as argued by Bell et al. (2019), allows participants to express their perspectives in their own words while maintaining a common structure across interviews. It provides direct access to participants' lived experiences, meanings, and interpretations (Brinkmann & Kvale 2015).

An interview guide was developed based on the research questions and informed by the PESTEL framework, ensuring that key topics such as cooperative values, benefits, challenges, and limitations were addressed consistently. See Appendix no. 1 Interview guide.

All interviews were conducted in Spanish. For analysis and reporting, the researcher translated the material into English. Special attention was given to preserving the original meaning and context of participants' responses. To support consistency, digital tools, including AI-based assistance, were used as a technical aid in the translation process.

It is important to note that, to address the time gap between the original interviews and the final stage of the research, a follow-up question was sent to participants. The objective was to capture any relevant updates and ensure that the data remained current. Participants received the transcript of their original interview together with the follow-up question, allowing them to review and update their previous responses if necessary. All nine participants responded to the follow-up inquiry. The responses generally confirmed that the structural conditions and main challenges discussed during the original interviews remained consistent, although some participants highlighted ongoing developments within their organizations and the broader SSE sector. More detailed findings from the follow-up responses are presented in the results chapter.

Participants were selected through purposive sampling based on their direct involvement with the SSE in Ecuador. The sample included actors from different organizational types and institutional levels, such as cooperatives, associations, public institutions, academia, and support organizations. This diversity helped capture multiple perspectives and strengthened data triangulation. Table 2 provides an overview of the respondents and the rationale for their selection..

Table 3. Overview of selected respondents and selection

Code	Type of organization	Profile	Selection reason
C1	Agricultural cooperative	Small-scale producer cooperative (pitahaya, Morona Santiago)	Selected to provide insights into grassroots SSE implementation, collective commercialization, and the challenges faced by rural

			producers under vulnerable conditions
C2	Financial cooperative	Large savings and credit cooperative with national presence	Selected to represent the financial dimension of the SSE, including cooperative governance structures, financial inclusion, and regulatory challenges
C3	Artists association	Collective of artists in process of formalization (Quito)	Selected to represent a non-agricultural, non-financial SSE organization and provide insights into alternative forms of collective organization in the cultural sector
C4	Agricultural cooperative initiative	Smallholder farming initiative undergoing legalization (Chimborazo)	Selected to provide a comparative perspective on an SSE organization at an earlier stage of development, highlighting formalization barriers and institutional support gaps
G5	Consulting group	Private consulting firm supporting cooperatives and rural enterprises	Selected to represent the technical and managerial support dimension of the SSE, offering an external practitioner perspective on cooperative development challenges
U6	Postgraduate university	Academic institution with research focus on cooperatives and SSE	Selected for its expertise in SSE theory and Ecuadorian development processes, providing academic and contextual insights to complement empirical data
O7	NGO	Organization supporting Amazonian indigenous communities in agroforestry and bioeconomy	Selected to represent the enabling role of civil society in SSE, particularly regarding environmental sustainability, indigenous rights, and capacity building
I8	Government supervisory institution	National public body responsible for regulating and supervising SSE organizations	Selected to provide the regulatory and institutional perspective on the legal framework governing SSE in Ecuador
A9	International cooperative support organization	Regional organization providing technical assistance to cooperatives (Mexico, Ecuador, Peru, Honduras)	Selected to provide a broader comparative and institutional perspective on cooperative development beyond the national context

3.2.3. Data analysis

Data analysis, as referred to by (Creswell & Poth 2023) is the process of organizing and interpreting data in order to understand what is happening and to answer the

research questions. For instance, thematic analysis in qualitative research, involves identifying patterns and linking them to the broader context in which participants operate (Ahmed et al. 2025). As authors Braun & Clarke (2006) and Srivastava & Hopwood (2009) suggest, the process is inherently iterative and reflexive, as the researcher moves back and forth between the data and emerging interpretations rather than following a strict linear path. In this thesis, the process is summarized in the following figure 12.

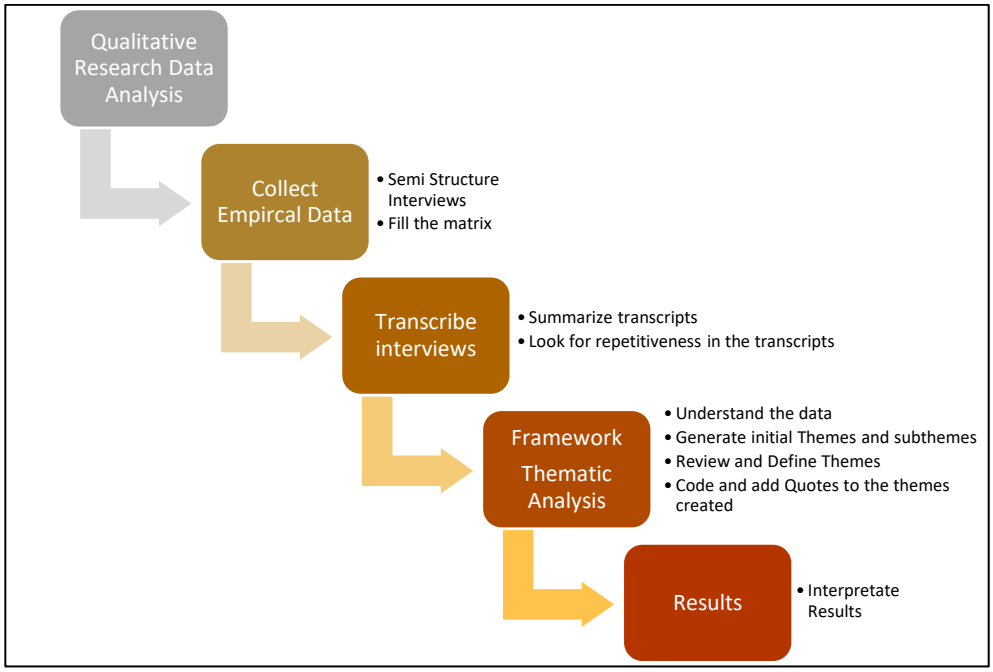

Figure 11 Research Framework

Author's own elaboration based on multiple sources cited in the text

Qualitative analysis begins with immersion in the data, which allows the researcher to gain a holistic understanding of the dataset (Parkinson et al. 2016). According to the authors Braun & Clarke (2009 and Tracy & Hinrichs (2017), this process goes beyond mechanical categorization, requiring active interpretation and continuous reflection to construct meaning from the data. Maintaining reflexivity throughout the analysis is essential, as it enables the researcher to critically engage with the data and question underlying assumptions (Srivastava & Hopwood 2009).

This study adopts a hybrid analytical approach that combines elements of Framework Analysis and thematic analysis. The PESTEL framework was used as an initial analytical lens to structure both the interview guide and the data organization. This provided a consistent framework to support systematic comparison across cases and actors.

At the same time, a thematic analysis was conducted to identify recurring patterns and themes across the interviews (Braun & Clarke 2006). This allowed the analysis to remain open to emerging issues beyond the predefined PESTEL categories, supporting an inductive interpretation of participants' perspectives while maintaining analytical consistency. The analysis was conducted in several stages:

1. Familiarization

The researcher engaged in repeated reading of transcripts and listening to audio recordings to gain a comprehensive understanding of the data, including tone and context (Parkinson et al. 2016). Initial notes were taken to capture early impressions, emerging issues, and potential patterns.

2. Coding and Indexing

Relevant segments of the data were systematically coded to capture key ideas and issues. As acknowledged by Burnard (1991), coding was used to summarize meaningful units of data and assign initial labels. These codes were then reviewed, refined, and grouped into broader categories.

The coding process was guided by the PESTEL framework, with interview responses initially organized according to the six PESTEL dimensions and classified as opportunities, challenges, or proposed solutions. More specific codes were then developed to capture recurring issues and experiences identified in the interviews. Similar codes were grouped into broader analytical categories, which were subsequently consolidated into cross-cutting themes through iterative review and comparison of the data. These themes included shared values, institutional and legal conditions, economic and market conditions, social and organizational conditions, and systemic articulation. Table 3 provides examples of how interview excerpts were transformed into codes, categories, and broader themes.

Table 4. Example of coding process: from raw data to cross-cutting themes

Raw quotation	PESTEL code	Emerging code	Analytical category	Cross-cutting theme
"The requirements are very difficult for small organizations."	Legal Challenge	Regulatory requirements	Bureaucratic pressure	Institutional and legal conditions
"There is no coordination between the institutions that should support us."	Political Challenge	Lack of institutional coordination	Weak policy support	Institutional and legal conditions

3. Development of Analytical Framework

Codes were organized into both predefined categories derived from the PESTEL framework and emergent themes identified during the analysis. As the analysis process progressed, the data were organized using two complementary levels of analysis. First, interview responses were classified according to the PESTEL framework and categorized as opportunities, challenges, or proposed solutions. This provided a consistent structure for organizing and comparing the findings across cases. Second, recurring patterns that appeared across the different PESTEL dimensions were identified through thematic analysis. Through this process, broader cross-cutting themes emerged, allowing the analysis to move beyond individual categories and provide a more integrated understanding of the factors shaping SSE organizations in Ecuador.

4. Charting and Data Reduction

Following the approach developed by Ritchie & Spencer (2002), the data were summarized into matrices structured by analytical categories, enabling comparison across participants while maintaining a clear link to the original data.

5. Mapping and Interpretation

Relationships between themes were explored to identify patterns across cases. As outlined by Srivastava & Hopwood (2009), the interpretation was guided by iterative questioning of the data, focusing on what the data reveal, how they relate to the research questions, and how different themes interact.

In addition, responses to the follow-up question were incorporated into the analysis to complement and update the original interview data. While the PESTEL framework guided the structure of the analysis, the final interpretation was not limited to its categories. Instead, the analysis identified cross-cutting themes that emerged across different dimensions. These include shared values as foundational principles of SSE, institutional and legal conditions, bureaucratic constraints, market pressures, social and organizational dynamics, participation and gender, and broader structural conditions.

These cross-cutting themes are not used as the primary structure of the results. Rather, they serve as an analytical layer that supports interpretation and is further developed in the discussion section. Consistent with the recommendations of Patton (2015), triangulation was applied by comparing interview data with relevant secondary sources to strengthen the credibility of the findings.

3.3. Ethical and quality assurance issues

Ensuring quality and rigor in qualitative research requires transparency, consistency, and critical reflection throughout the research process. This study adopts an interpretivist qualitative approach, where the aim is not statistical generalization but a contextual and in-depth understanding of the Social and Solidarity Economy (SSE) in Ecuador.

In qualitative research, the criteria for evaluating quality differ from those used in quantitative studies. Instead of focusing on validity, reliability, and objectivity, Guba & Lincoln 1994 proposed the concept of trustworthiness as a more appropriate standard for qualitative rigor, an approach later supported by Bell et al. (2019). Trustworthiness includes four interconnected criteria, each operationalized throughout this study. First, credibility, which refers to how accurately the findings reflect participants' realities. This was strengthened through triangulation, combining interview data with academic and institutional secondary sources, and through the multi-actor design incorporating perspectives from different stakeholders within the SSE sector (Guba & Lincoln 1994; Patton 2015; Creswell & Poth 2023). Second, transferability, which means the extent to which findings may be recognizable in similar contexts, was supported by detailed descriptions of the cases, the Ecuadorian institutional setting, and the broader SSE landscape. Third, dependability that means the consistency and transparency of the research process was ensured through systematic documentation of analytical decisions, coding procedures, and theme development, creating a clear audit trail (Nowell et al. 2017). Fourth, confirmability that is the degree to which findings are grounded in the data rather than the researcher's assumptions, this was reinforced through structured analytical procedures, critical review and validation of AI-assisted transcription and translation outputs, and the informed consent process, ensuring data derived from real participants who voluntarily agreed to participate and understood how their information would be used.

In addition to trustworthiness, the study also considered authenticity, a criterion proposed by Guba & Lincoln (1994) that focuses on the broader social and interpretive value of qualitative research. While trustworthiness addresses the rigor and credibility of the study, authenticity emphasizes the fair representation of different participant perspectives and the capacity of research to contribute to greater understanding and reflection among stakeholders. In this study, authenticity was supported through the inclusion of multiple actors from different areas of the SSE sector, allowing diverse experiences, viewpoints, and institutional realities to be represented. This multi-actor approach contributed particularly to fairness and educative authenticity by incorporating different perspectives and encouraging a

more comprehensive understanding of the complexities surrounding the SSE in Ecuador.

Ethical considerations were addressed in accordance with core research principles. Participants were informed about the purpose of the study, how their data would be used, and their right to withdraw at any stage. Participation was voluntary, and informed consent was obtained before data use. Confidentiality was ensured by anonymizing personal and organizational information where necessary, using case codes and role descriptions instead of personal names.

3.4. Limitations and potential problems

One limitation relates to the time gap between data collection and the final stage of analysis. The interviews were conducted in 2021. To address this, a follow-up question was sent to participants to capture any relevant updates and support the continued relevance of the findings.

Another limitation concerns the sample size. The study is based on a limited number of interviews, meaning that findings are not statistically generalizable but instead aim to provide analytical depth.

A further limitation relates to language and translation. The interviews were conducted in Spanish and later translated into English, which may involve a minor loss of linguistic nuance. This risk was reduced, as suggested by Squires (2009), through the researcher's positionality as a bilingual researcher and cultural insider, which enabled a context-sensitive translation process that prioritized conceptual meaning over literal translation.

Regarding transparency, it is important to mention that AI tools such as Claude, Scite, Gamma, and Grammarly were used in a supportive capacity throughout this project. These tools assisted with organizing ideas and structuring data, planning and sequencing the research workflow, searching for reliable academic sources, improving the figures and graphics, and reviewing grammar and written expression. It is important to note that data analysis, findings, and conclusions remain the exclusive responsibility of the researcher. All interpretation, critical analysis, and argumentation presented in this work are the author's own.

Finally, AI-based tools provided technical support during the transcription and translation stages of the research, to reduce dependence on the researcher's individual interpretation and to promote consistency across the dataset. While these tools contribute to consistency, minor variations may still occur. To mitigate this,

all AI-generated outputs were carefully reviewed and validated by the researcher to ensure faithful alignment with the original meaning of participants' responses.

4. Empirical background and case description

4.1. SSE in Latin America

The Social and Solidarity Economy (SSE) in Latin America emerged strongly during the 1980s as a response to the social and economic impacts of neoliberal reforms promoted under the Washington Consensus (Laville 2010; Coraggio 2011; Utting 2019). In this context, many communities developed collective and community-based economic practices grounded in solidarity, cooperation, and mutual aid as alternatives to exclusionary market structures (Coraggio 2011; Annoni et al. 2021). Over time, SSE in the region evolved not only as a mechanism for economic survival, but also as a space for political participation, collective organization, and social resistance, particularly in contexts of inequality, economic crisis, and weak institutional support , authors such as (Giovannini 2020; Mariosa et al. 2022). As shown in Figure 12, the historical development of SSE in Latin America includes the emergence of grassroots practices such as barter networks, social currencies, solidarity cooperatives, and community-led responses to crises, including the COVID-19 pandemic (Laville 2010; Singer & Primavera 2017; LEED & OECD 2023). These experiences demonstrate the role of SSE organizations in strengthening local resilience, cooperation, and collective action across the region. A more detailed explanation of the historical development of SSE in Latin America can be found in Appendices.

Figure 12. Timeline SSE in Latin America

The author's own elaboration based on multiple sources cited in the text.

In summary, Latin American SSE experiences reflect community strength, political action, creative responses to crisis, and resilience by focusing on reciprocity and inclusion. This region has shown how alternative economic models can emerge from below, challenging dominant models and opening the opportunity to build a more caring society and a more sustainable future. This context lays the foundation

for understanding how smaller countries in the region, such as Ecuador, have sought to institutionalize SSE while still struggling to apply it.

4.2. SSE and PSE in Ecuador, Institutional and Structural Context

4.2.1. Legal Framework

As explained in Chapter 2, the PSE in Ecuador is constitutionally recognized as part of the country's economic system. The 2008 Constitution established the social and solidarity-based model as one of its pillars (Ecuador 2008). This recognition was later implemented through the Organic Law of Popular and Solidarity Economy (LOEPS), enacted in 2011, and its General Regulation issued in 2012 (Ecuador 2011; 2012) These legal instruments define the types of organizations included in the system and establish the institutions responsible for regulation, supervision, and promotion. Based on this framework, the following sections describe the PSE institutional structure and its operational practices.

4.2.2. Institutional Structure

The PSE's institutional structure combines supervision and promotion functions. The main supervisory authority is the Superintendencia de Economía Popular y Solidaria (SEPS), which regulates and monitors registered PSE organizations. It oversees legal compliance and financial control, particularly within the financial sector. The Instituto Nacional de Economía Popular y Solidaria (IEPS) focuses on promotion and technical support. It strengthens organizational capacities, supports associative processes, and provides training, especially within the non-financial sector (Ecuador 2011). Unlike SEPS, IEPS does not exercise regulatory control.

Other public institutions may also support PSE organizations depending on their economic activity. For example, ministries related to agriculture, production, or economic development interact with cooperatives in accordance with their specific mandates. Together, these actors shape the governance environment in which PSE organizations operate.

4.2.3. Sectoral Division

According to the LOEPS, the PSE is divided into two main sectors: financial and non-financial (Ecuador 2011). This distinction shapes the regulatory framework and the level of supervision applied to different types of organizations.

The financial sector includes savings and credit cooperatives and other community-based financial entities. Because they manage deposits and financial intermediation, they are subject to stricter prudential regulation and continuous

financial supervision by SEPS. The non-financial sector includes production cooperatives, associations, and community organizations active mainly in agriculture, commerce, services, and small-scale production. Although these entities are also supervised by SEPS, their regulatory requirements differ from those of financial institutions and are adapted to their productive and associative nature. This division helps explain the diversity of organizational forms within the PSE and the differentiated governance mechanisms under which they operate.

4.2.4. Statistical Overview

The PSE represents a relevant component of Ecuador's productive structure. According to official data from SEPS and related public sources, the sector includes a significant number of registered organizations distributed between financial and non-financial entities. The non-financial sector is largely composed of associations and production cooperatives, many of them operating in agriculture and small-scale economic activities. The financial sector is mainly formed by savings and credit cooperatives, which play an important role in expanding financial inclusion, particularly in rural and peri-urban areas.

The PSE in Ecuador comprises a significant number of registered organizations across diverse economic activities. According to official sector statistics compiled by the SEPS, the statistical database includes the number of organizations, their types, economic activities, and geographic locations, as well as the number of members linked to these organizations. The data reflects both financial and non-financial organizations registered in the official SEPS registry, and the statistics are updated periodically through the SEPS statistical portal. For example, broader historical data reported that, as of May 2026, the PSE included approximately 17,407 active associations, cooperatives, and community organizations (SEPS 2024). The next graphic details that Associations represent the largest organizational form, with 84% (14,562) of all registered entities. Cooperatives represent 15% (2,690), while community organizations account for only 1% (155).

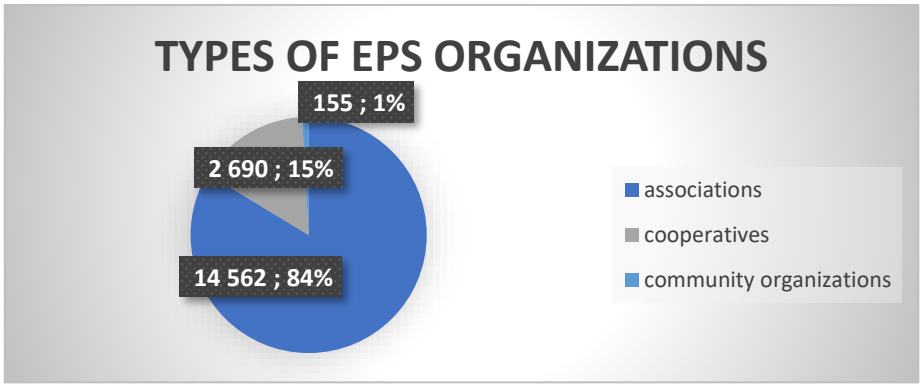

Figure 13 Types of EPS organizations

Author's own elaboration based on SEPS statistical portal (https://data.seps.gob.ec/)

Detailed distribution by **sectoral activity**, the following subsection presents updated statistics on the number of organizations, and their sectoral distribution

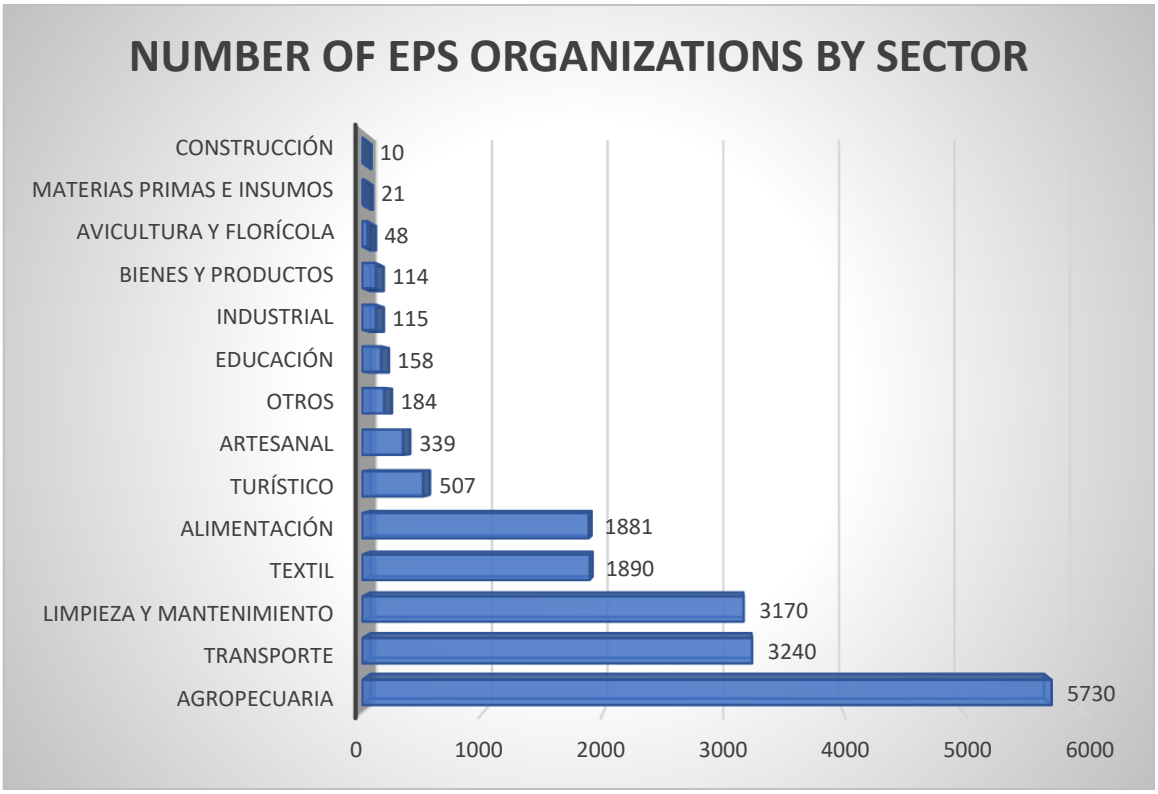

Figure 14 Number of EPS organizations by sector

Author's own elaboration based on SEPS statistical portal (https://data.seps.gob.ec/)

4.3. Case studies

This section provides the necessary background to understand the interviews by describing the main characteristics and contexts of the nine selected cases. The study is based on diverse cases within the SSE, including cooperatives, support organizations, academic institutions, government bodies, and international actors. While they differ in sector, organizational form, and geographical context, all operate within the framework of SSE and share associative principles. The focus of this section is to provide contextual information that facilitates a clearer understanding of the findings presented later in the thesis. Table 5 summarizes the key characteristics of each case.

Table 5. Cases description

Code	Type	Location	Description	Main objective	Relation to SSE	Relevance
C1	Agricultural cooperative	Palora, Morona Santiago	Non-profit association of 26 small-scale producers cultivating pitahaya, established in 2021. No entry fees due to members' economic vulnerability.	Improve members' living conditions through collective organization, direct market access, and fair commercialization.	Operates under principles of cooperation, democracy, solidarity, and fair trade. Emerged in response to market speculation and distrust.	Illustrates how rural producers organize collectively under vulnerable conditions, reflecting grassroots SSE motivations and barriers.
C2	Financial cooperative	National presence	Large financial cooperative with around 25,000 members and branches in major cities, offering credit, microfinance, insurance, and emergency funds.	Provide financial services under a non-profit, democratic model with equal voting rights per member.	Based on mutual aid, equality, and financial inclusion, prioritizing people over capital.	Represents the financial dimension of the SSE, including governance structures and regulatory challenges.
C3	Artists association	Quito, with international collaboration	Network of more than 20 experienced artists working collectively for over a decade, currently formalizing as a legal cooperative.	Promote collective artistic production, international visibility, and social-cultural development.	Emphasizes cooperation, shared knowledge, equity, and community impact beyond profit.	Shows how SSE principles operate in the cultural and creative sector.
C4	Agricultural cooperative initiative	San Luis, Riobamba, Chimborazo	Initiative involving 24 small and medium farmers currently undergoing formalization and registration.	Strengthen collective commercialization and improve market access.	Reflects cooperation, mutual support, and the pursuit of fair economic conditions.	Represents formalization challenges in rural Ecuador, with strong collective motivation but significant institutional barriers.
G5	Consulting group	Quito	Private consulting initiative supporting small agricultural enterprises and cooperatives with management, strategy, and productivity.	Professionalize rural enterprises and improve organizational and strategic capacities.	Works closely with cooperatives and promotes cooperative values in rural development.	Represents the technical and managerial support dimension of the SSE.

Code	Type	Location	Description	Main objective	Relation to SSE	Relevance
U6	Postgraduate university	Quito	Postgraduate university with presence in Ecuador and Bolivia, established in 1985.	Contribute to social and economic development through research, education, and engagement with cooperatives.	Promotes cooperative values, inclusive development, and knowledge production in an underexplored field.	Represents the academic and knowledge-generating dimension of the SSE.
O7	NGO	Amazon region	NGO supporting indigenous and rural associations in agroforestry, bioeconomy, tourism, and biodiversity-based value chains since 1990.	Promote sustainable livelihoods while conserving forest ecosystems and strengthening local capacities.	Strongly aligned with collective ownership, equitable benefit distribution, and environmental sustainability.	Shows the enabling role of civil society in overcoming capacity and market-access barriers in the SSE.
I8	Government supervisory institution	National level	Public body responsible for supervising financial and non-financial SSE organizations.	Regulate, formalize, and supervise cooperatives, ensuring stability and compliance.	Shapes how cooperatives operate in practice through regulatory structure and oversight.	Provides insight into the institutional and regulatory conditions governing SSE organizations.
A9	International cooperative support organization	Regional (Mexico, Ecuador, Peru, Honduras)	International organization with over 25 years of experience providing technical assistance and training to cooperatives, mainly in the financial sector.	Strengthen cooperative governance, tools, and inclusive models.	Promotes cooperative principles, financial inclusion, and democratic governance at the regional level.	Provides a broader institutional perspective on how SSE is strengthened beyond the national context.

5. Results and analysis

This chapter presents a synthesis of the findings derived from the analysis of the interview material. The full analytical tables, including classification of responses across all PESTEL dimensions, are included in the appendices. The analysis was guided by the analytical framework presented in Chapter 2 and the coding process described in Chapter 3. Interview responses were first organized according to the PESTEL framework and subsequently analyzed to identify recurring opportunities, challenges, and proposed solutions across the cases. This chapter summarizes the most recurrent patterns identified through that process.

The findings are presented across the six PESTEL dimensions: Political, Economic, Social, Technological, Environmental, and Legal. Within each dimension, the findings are grouped into three analytical categories: opportunities and benefits, challenges and barriers, and proposed solutions.

In addition, a cross-cutting thematic analysis was conducted to identify broader patterns emerging across interviews and PESTEL dimensions, they were grouped as shared values, institutional and legal conditions, economic conditions and market pressures, social and organizational conditions, and systemic articulation. These themes are further interpreted and discussed in Chapter 6, where the findings are contrasted with the theoretical framework and existing literature.

5.1. Cooperative Values

Solidarity emerges as the most recurrent value across the SSE actors, followed by cooperation, responsibility, and democratic governance. Leadership, commitment, reciprocity, and integrity also appear frequently as operational principles supporting collective structures, while equity, participation, and transparency are particularly linked to governance and financial contexts. Other values mentioned by participants include mutual support, respect, trust, social commitment, and collective well-being. Although trust was mentioned less frequently, it was consistently described as a necessary condition for sustaining collective action and organizational stability. Figure 13 below presents the complete list of values identified across the cases together with their frequency of mention.

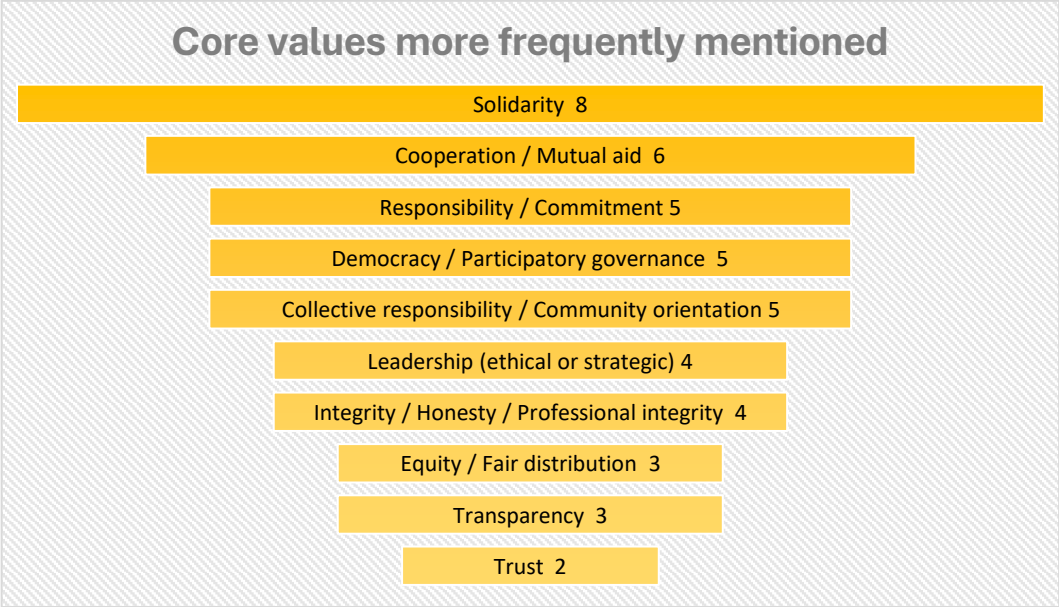

Figure 15 Core values most frequently mentioned across interviews

5.2. PESTEL results

The findings presented in this section are the result of the analytical process described in Chapter 3 and guided by the analytical framework presented in Chapter 2. Responses were first organized according to the PESTEL dimensions and then analyzed to identify recurring opportunities, challenges, and proposed solutions across the cases. The complete analytical tables used during this process are included in the appendices. Table 2 provides a synthesized overview of the most recurrent findings identified through the analysis, while the following sections present the findings within each PESTEL dimension.

Table 6. Summary of PESTEL key answers

Dimension	Key Opportunity	Key Barrier	Key Solution
Political	Constitutional recognition	Weak institutional coordination	Multi-actor coordination
Economic	Income stability for members	Financial exclusion & intermediaries	Adapted credit lines
Social	Community resilience	Weak internal governance	Capacity-building & leadership
Technological	Digital tools emerging	Uneven access & limited training	University cooperative partnerships
Environmental	Sustainable production	Climate vulnerability	Context-sensitive strategies
Legal	LOEPS framework & legitimacy	Excessive bureaucracy	Simplified regulation

5.2.1. Political Dimension Findings

The Political dimension reflects both institutional recognition and persistent structural limitations within the SSE in Ecuador. Several participants highlighted the importance of legal and constitutional recognition in strengthening the legitimacy and visibility of SSE organizations, while associativity was also described as a mechanism that increases political representation and collective bargaining capacity.

At the same time, weak or inconsistent public policy support emerged as one of the most recurrent challenges across the cases. Participants frequently referred to bureaucratic obstacles, fragmented institutional coordination, and regulatory approaches that fail to fully recognize the social nature of cooperatives and associative organizations.

To address these challenges, participants proposed strategies focused on strengthening institutional coordination, simplifying administrative procedures, and promoting more participatory and differentiated regulatory approaches. Several actors emphasized the importance of permanent dialogue spaces between SSE organizations and public institutions to improve policy articulation and institutional support.

5.2.2. Economic Dimension Findings

Regarding the Economic, participants highlighted associativity as a mechanism to strengthen bargaining power, reduce intermediaries, improve commercialization, and support institutional sustainability. Economies of scale and collective commercialization were particularly relevant in agricultural and cooperative contexts.

At the same time, commercialization barriers, intermediary dependency, and financial vulnerability emerged as persistent challenges. Several participants referred to limited access to credit adapted to cooperative realities, as well as weaknesses in managerial and business capacities that affect competitiveness and long-term sustainability.

To address these challenges, participants proposed strengthening direct commercialization channels, developing financial instruments adapted to production cycles, and promoting professionalization processes in areas such as management, marketing, and strategic planning.

5.2.3. Social Dimension Findings

Regarding, the Social dimension eight cases emphasized solidarity, cooperation, and collective identity as foundational elements sustaining SSE organizations and strengthening community support and shared responsibility. Democratic governance, participation, and community inclusion were also identified as important social benefits within cooperative and associative structures.

At the same time, participants referred to challenges related to distrust, low participation, weak sense of belonging, and leadership deficits across different contexts. Individualistic attitudes and limited engagement in organizational processes were also identified as barriers affecting internal cohesion and sustainability.

To address these challenges, participants proposed strategies focused on leadership development, participatory governance, and trust-building processes. Capacity-building, member engagement, and generational renewal were highlighted as important actions to strengthen collective commitment and organizational sustainability.

5.2.4. Technological Dimension Findings

The Technological dimension reflects both modernization efforts and structural limitations. Several cases identify digital tools and technological innovation as opportunities to improve commercialization, production efficiency, and financial control systems.

However, limited technological capacity and high implementation costs appear frequently, particularly among smaller cooperatives and rural associations. Capacity-building and the development of affordable, proportionate technological systems are recurrently proposed as necessary steps to strengthen sustainability within the SSE sector.

5.2.5. Environmental Dimension Findings

The Environmental dimension appears mainly in agricultural and territorial cases. Several actors highlight the potential of agroecological practices and sustainable production systems as part of cooperative development.

At the same time, environmental risks related to monoculture expansion, agrochemical use, and deforestation are identified in agricultural contexts. Forest-based economic models and biodiversity-compatible production systems emerge as specific approaches within the SSE framework. Overall, environmental considerations are present but vary in intensity across sectors.

5.2.6. Legal Dimension Findings

The Legal dimension reflects both institutional consolidation and structural constraints. Several cases highlight the importance of a formal legal framework and supervisory mechanisms in strengthening the legitimacy and stability of the SSE sector.

At the same time, complex registration procedures, compliance burdens, and governance weaknesses appear across different actors. Intellectual property protection and informality in non-financial cooperatives are also identified as relevant concerns. Legal capacity-building and proportional supervision emerge as recurrent proposed resolutions.

5.3. Cross-Dimensional Analysis

Beyond the individual PESTEL dimensions, this section presents the cross-cutting analysis of the empirical material, identifying patterns that emerge across interviews and dimensions and interpreting them in relation to the analytical framework presented in Chapter 2. This analysis revealed five central themes that cut across the SSE in Ecuador: shared values as foundational principles of the SSE; institutional and legal conditions under bureaucratic constraints; economic conditions related to market pressures and sustainability limits; social and organizational conditions associated with governance, participation, and gender; and systemic articulation as a broader structural condition.

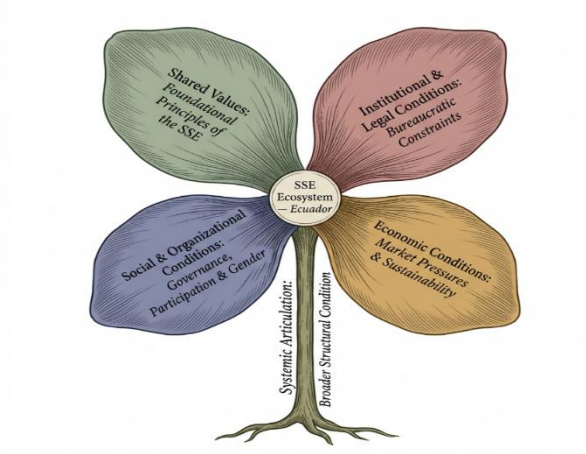

Figure 16 Central themes from thematic analysis SSE in Ecuador

Author's own elaboration based on findings

Across the nine cases, the Economic dimension was among the most recurrent in terms of frequency and thematic density. Commercialization gaps, financial vulnerability, limited market access, and the need for professionalization were discussed across most interviews, particularly in agricultural, financial, and

advisory contexts. At the same time, the Social dimension showed high recurrence, especially regarding solidarity, trust, participatory governance, leadership challenges, and organizational dynamics.

The Political and Legal dimensions also emerged as highly relevant across cases, particularly regarding institutional recognition, legal formalization processes, state support, regulatory frameworks, and bureaucratic barriers. Several participants described tensions between the recognition of the SSE within public policy and the practical difficulties organizations face in accessing institutional support or complying with administrative requirements. In contrast, the Technological and Environmental dimensions were more sector-specific and appeared mainly in agricultural, territorial, and financial regulation contexts.

Overall, the analysis suggest that economic sustainability, internal governance dynamics, and institutional and bureaucratic conditions represent some of the most consistently discussed factors affecting SSE organizations. These cross-cutting themes provide a more integrated understanding of the SSE and later serve as the basis for the discussion chapter, in which the findings are contrasted with the existing literature.

5.4. Results follow up question

All nine participants responded to the follow-up question. The follow-up responses indicate that, overall, there have not been major changes in the general conditions described during the original interviews. Similarly, there have not been significant changes in the broader macro-level conditions affecting the SSE in Ecuador since the original interviews were conducted. Participants continued to identify similar structural challenges related to market access, institutional limitations, bureaucracy, and economic vulnerability.

However, some internal developments were observed within the organizations. In several cases, organizations that achieved stronger organizational structures, legal formalization, or greater articulation with other actors showed signs of growth, increased stability, and improved access to institutional support. This was particularly visible among more consolidated cooperatives.

6. Discussion

This chapter discusses the empirical findings in relation to the theoretical framework, the research questions, and previous literature on the Social and Solidarity Economy. Rather than repeating the results, the discussion analyzes how the identified values, opportunities, challenges, and proposed strategies identified across the cases relate to broader debates within SSE research, particularly regarding institutional support, cooperative governance, social cohesion, market integration, and structural limitations affecting SSE organizations in Latin America and Ecuador.

The discussion also compares the findings of this study with previous research presented in the literature review, identifying both convergences and context-specific dynamics. Several of the challenges identified by participants, such as bureaucratic barriers, weak institutional coordination, financial vulnerability, and commercialization difficulties, are consistent with findings from earlier studies on SSE organizations in the region. At the same time, the findings reinforce the importance of solidarity, associativity, and collective governance as central elements sustaining SSE initiatives despite structural constraints.

To organize the discussion more clearly, the chapter is divided into four main sections addressing institutional, economic, social, and organizational dimensions influencing the SSE in Ecuador. The chapter concludes with an integrative section that examines how these dimensions interact and shape the broader development and consolidation of the SSE in Ecuador.

6.1. Shared Values as Foundational principles of the SSE

The findings show that the Social and Solidarity Economy (SSE) in Ecuador is strongly grounded in shared values. In almost all cases, solidarity is the most recurrent principle, consistently accompanied by cooperation, responsibility, democratic participation, trust, and equity. These recurring references indicate that SSE actors do not define themselves solely through economic activities, but through a normative orientation that shapes their collective identity and organizational logic, as noted by authors (Laville 2010; Utting et al. 2015; Utting 2019; Giovannini 2020b).

This value framework closely aligns with the core cooperative values of self-help, self-responsibility, democracy, equality, equity, and solidarity, as well as the ethical commitments to honesty, openness, and social responsibility articulated by the

International Cooperative Alliance (ICA 2024b). The empirical findings further reflect several cooperative principles in practice. Democratic member control is frequently referenced in discussions on participation and collective decision-making. Cooperation among cooperatives emerges in calls for stronger networks and associative alliances. Concern for the community becomes evident in initiatives aimed at territorial development, food security, and environmental sustainability. Education and training are repeatedly identified as both a need and a strategic priority. Together, these elements suggest that SSE actors in Ecuador continue to operate within a cooperative value tradition that shapes their organizational identity beyond purely economic motivations.

However, understanding the normative foundation of the Ecuadorian SSE only through ICA cooperative principles risks overlooking an important cultural dimension that distinguishes the Ecuadorian case from many European and North American experiences. Several interviewees, especially from agricultural cooperatives (C1, C4) and the Amazonian NGO (O7), described values connected to the Andean philosophy of Sumak Kawsay (Good Living), where reciprocity, collectivity, and harmony with nature are central as argued by (Acosta 2015; Malo Larrea et al. 2024). Also, as suggested by Villalba-Eguiluz & Etxano (2017), these Indigenous traditions represent a distinct normative foundation for SSE in Ecuador.

This was reflected in practices such as minga (collective work), trueque (barter), and ranty ranty (reciprocity), which continue to function as active organizational mechanisms within communities (Benitez Herrera et al. 2021; Flores et al. 2023). Participants from C4 and O7 described these practices as part of everyday cooperative and environmental activities. Several of these principles also align with the Andean chakana framework described by Kowii & Ariruma (2011), including reciprocity, collective work, and community organization.

Together, ICA cooperative values and Sumak Kawsay form a dual normative foundation within the Ecuadorian SSE. This suggests that the Ecuadorian case cannot be fully understood through Western cooperative theory alone, as SSE organizations also operate within Indigenous community-based traditions and forms of social organization (Sahakian & Dunand 2015; Kalogeraki et al. 2018).

Nonetheless, the presence of shared values in discourse does not eliminate structural tensions. Several cases reveal weak participation, mistrust, leadership deficits, and internal fragmentation, which aligns with authors like (Luque et al. 2020; Gómez-Ceballos et al. 2021). While democratic governance is formally recognized, participation levels vary. While cooperation is valued, trust deficits and fragmentation sometimes weaken collective processes, undermining the social capital on which organizational stability depends (O'Brien et al. 2013). These

findings indicate that cooperative principles function as guiding orientations, yet their effective implementation remains uneven.

In this sense, the Ecuadorian SSE does not lack value coherence; rather, it faces systemic institutional, economic, and social constraints that limit the operational realization of its cooperative foundations. The sustainability of the SSE therefore depends not only on economic viability but also on the continuous and practical operationalization of its normative principles within enabling structural conditions. As Nilsson (1996) suggests, when alignment exists between members' values and organizational practices, communication and decision-making processes are more likely to reflect collective interests, which is a condition that remains partially achieved in the Ecuadorian context.

6.2. Institutional and Legal Conditions

The theoretical framework identifies Ecuador as one of the few Latin American countries where the Social and Solidarity Economy (SSE) has achieved strong constitutional and legal recognition. The 2008 Constitution and the Organic Law on Popular and Solidarity Economy (LOEPS) formally positioned the PSE as a central component of the national economic model (Ecuador 2011; 2012; Buendía-Martínez et al. 2020). This institutionalization reflects an explicit political commitment to solidarity-based development.

The empirical findings confirm that this normative framework has strengthened the legitimacy and visibility of SSE actors. Interviewees recognize the importance of legal recognition and supervisory institutions. In this respect, the results support theoretical expectations that institutionalization enhances sector legitimacy.

However, the findings also reveal that institutional consolidation has been accompanied by bureaucratic rigidity and fragmented governance structures. Regulatory practices often operate through standardized compliance procedures that do not fully account for territorial and organizational diversity. This observation aligns with the existing literature on the bureaucratic institutionalization of SSE, in which moral principles are translated into technical administrative criteria (Nelms 2015; Villalba-Eguiluz et al. 2020). Furthermore, institutional support programs remain frequently fragmented, short-term, and disconnected from participatory diagnoses, generating administrative pressure rather than strengthening long-term capacities (Luque et al. 2020).

The Ecuadorian case also reveals a deeper structural limitation that goes beyond bureaucratic inefficiencies: the tension between SSE principles and the broader economic model in which SSE institutions operate. Although the Constitution recognizes Buen Vivir and the Rights of Nature, the Ecuadorian state continues to

depend heavily on oil and mining revenues to finance public policies, including SSE-related programs. Several scholars argue that this neo-extractivist model conflicts with the ecological and solidarity-based principles of the SSE (Lalander 2016; Villalba-Eguiluz & Etxano 2017). The end of the Yasuní-ITT initiative is one example of how economic and fiscal pressures can override solidarity and environmental commitments (Goeury 2021).

This contradiction has direct effects on SSE organizations. In some cases, organizations supported or regulated through SSE institutions also operate in territories affected by oil or mining projects. The experience of O7 clearly reflects this tension, as its work in environmental conservation and community agroecology takes place in areas exposed to state-promoted extractive activities. As a result, SSE organizations may face conflicting institutional logics that cannot be solved only through administrative or bureaucratic reforms.

These findings suggest that the gap between constitutional discourse and territorial realities cannot be explained solely by weak implementation or institutional inefficiency. It also reflects broader structural contradictions within the national development model. At the same time, limited coordination and weak feedback mechanisms between grassroots organizations and state institutions continue to reduce the adaptive capacity and effectiveness of the SSE framework.

6.3. Economic Conditions: Market Pressures and Sustainability Limits

The theoretical framework emphasizes that cooperatives operate within market systems, even when their primary objective is not profit maximization (Bonus 1986; ICA 2024b). The balance between collective solidarity and economic viability is therefore not guaranteed. This research confirms that tension. Across cases, commercialization challenges, dependency on intermediaries, and limited access to appropriately designed financial instruments emerged as recurrent structural constraints.

These findings support cooperative theory, which suggests that the equilibrium between collective organization benefits and independent market pressures is inherently fragile (Bonus 1986). However, the empirical evidence nuances this perspective. Rather than abandoning solidarity principles, many organizations prioritize economic survival as a necessary condition to sustain their social mission. This suggests a pragmatic adaptation rather than an ideological shift away from cooperative values.

At the same time, the study reveals that state-designed financial and market integration mechanisms often fail to align with the production cycles and capacities of grassroots organizations. Standardized credit instruments, delayed payments in public procurement, and rigid compliance requirements intensify vulnerability, particularly in rural and agricultural contexts (Luque et al. 2020; Gómez-Ceballos et al. 2021). This observation resonates with critiques of disproportionate regulatory frameworks in solidarity economies from Villalba-Eguiluz et al. (2020). Yet, the frequency of commercialization-related challenges across interviews suggests that economic fragility constitutes one of the most significant structural conditions limiting SSE consolidation in Ecuador, as argued by Buendía-Martínez et al. (2020).

This dynamic can also be understood through the sustainable business archetypes proposed by Bocken et al. (2014). SSE organizations are closest to what the authors describe as "re-purposing for society and environment," in which economic activities are primarily oriented toward social and environmental goals rather than profit maximization. This aligns with how many organizations in this study described themselves: prioritizing social benefits such as rural employment, territorial development, and food security over financial gain (Bocken et al. 2014).

However, the findings also show that many organizations are being pushed toward more conventional, market-oriented models under structural pressures. Interviewees described how organizations sometimes prioritize more profitable activities, reduce participatory decision-making, or work with intermediaries whose practices do not fully align with SSE principles in order to survive economically. This suggests that the challenge is not a lack of commitment to solidarity values, but rather the absence of supportive economic and institutional conditions that allow these organizations to sustain those principles over time.

Examples from other Latin American countries show how institutional support can help reduce these tensions. In Brazil, partnerships between local governments and universities created public incubators that supported SSE organizations through technical assistance, commercialization support, and transitional funding (Morais et al. 2021). In Colombia, the CRIC strengthened the use of the minga as both a cultural and economic coordination mechanism (Córdoba et al. 2021). These experiences suggest that solidarity-based organizations can maintain their social mission more effectively when institutions actively create enabling conditions.

In addition, interviewees in this study also identified possible pathways to strengthen economic sustainability, including professionalization, restructuring value chains, and developing more appropriate financial instruments. These proposals are consistent with cooperative theory, which highlights the importance

of professional management and stronger participation within value chains (Bijman et al. 2012). Together, the findings suggest that SSE organizations do not lack agency or strategic vision but instead operate within structural conditions that limit their transformative potential.

6.4. Social and Organizational Conditions: Governance, Participation, and Gender

Cooperative theory emphasizes that democratic governance, member participation, and social capital are foundational conditions for organizational sustainability (Nilsson 1996; O'Brien et al. 2013; ICA 2024b). In principle, solidarity-based organizations depend on trust, transparency, and active engagement to function effectively. The empirical findings largely confirm this theoretical expectation. Interviewees consistently highlighted the importance of solidarity, collective identity, and shared responsibility as defining features of the Ecuadorian SSE.

However, the results also reveal that social cohesion is not automatic. Participation levels vary significantly across cases, and several interviewees reported weak engagement in decision-making processes, leadership deficits, and instances of opportunistic associativity, where as argued by Luque et al. (2020) and Gómez-Ceballos et al. (2021) individuals join organizations primarily to access subsidies or contracts rather than out of collective commitment. These findings nuance theoretical assumptions that cooperative values naturally translate into cohesive governance structures. While solidarity remains a normative reference point, its operationalization requires continuous organizational effort.

These governance dynamics can be better understood through social capital theory. According to Saz-Gil et al. (2021), trust, shared norms, and reciprocal relationships within cooperatives are essential conditions for cooperative principles to function in practice. Núñez-Naranjo et al. (2024), also highlight the importance of social capital within the Ecuadorian SSE context. The findings of this study support these perspectives, as organizations with stronger internal trust and cooperation showed a greater ability to respond to external pressures, such as bureaucratic demands and market instability, without abandoning solidarity values. In contrast, organizations with lower levels of trust and participation were more likely to experience leadership concentration, lower member involvement, and opportunistic behaviors.

The findings also suggest that economic precarity strongly affects organizational dynamics. In many cases, people join organizations mainly as a survival strategy, even when this weakens cooperative participation and long-term collective commitment. This indicates that strengthening social capital requires not only

promoting cooperative values but also addressing the material conditions that generate instability and individual survival pressures.

In addition, internal fragmentation emerged as an important structural challenge. Distrust, economic vulnerability, and short-term survival needs often weakened collective processes and organizational cohesion Luque et al. (2020). This suggests that organizational fragility is not only a managerial issue but is also shaped by broader territorial and socioeconomic realities.

Another important dimension identified in the interviews was gender. Women, particularly Indigenous women, were frequently described as key actors in agricultural production, community organization, and associative work (Muñoz & Villarreal 2019; Flores et al. 2023). Several interviewees explained that SSE initiatives created opportunities for women's economic participation, leadership development, and involvement in decision-making, supporting previous findings linking SSE to inclusive and gender-sensitive development (ILO 2019).

However, interviewees also described persistent inequalities in leadership positions, which is consistent with findings by Verzosi Vargas and Carvajal Brito (2023). On the one hand, SSE organizations can create spaces for empowerment, income generation, and participation for women. On the other hand, structural barriers such as domestic responsibilities, limited mobility, and traditional gender norms continue to restrict women's participation in governance roles as proposed by Muñoz & Villarreal (2019). Several interviewees acknowledged that many experienced and capable women could not assume leadership positions because of these constraints. This suggests that gender inclusion within SSE cannot depend only on formal equality policies, but also requires organizational structures that recognize and address the broader social conditions affecting women's participation.

Overall, the findings suggest that strengthening the social and organizational dimensions of the SSE depends not only on democratic principles in theory, but also on actively addressing structural inequalities and building the social capital needed for meaningful participation.

6.5. Systemic Articulation as a Cross-Cutting Structural Condition

Across the interviews, participants repeatedly described weak coordination between actors within the SSE sector. Interviewees mentioned fragmented

implementation, overlapping institutional roles, and limited communication between policy design and territorial realities. Similar coordination problems were also identified within organizations, where uneven participation, leadership challenges, and short-term survival pressures sometimes weakened collective processes. These findings are consistent with previous studies on fragmented governance and the importance of trust and social capital within cooperative organizations(O'Brien et al. 2013; Nelms 2015; Villalba-Eguiluz et al. 2020).

These dynamics can be better understood through the concept of relational governance, which refers to sustained coordination, communication, and mutual adaptation between organizations, intermediary actors, and state institutions (Zeng et al. 2023). The findings suggest that when relational governance is weak, actors at different levels operate with significant autonomy from one another, generating the systemic disarticulation that interviewees consistently identified as a core structural constraint. This pattern aligns with (Coraggio 2011, 2017) argument that solidarity economies require dense networks of coordination to function as coherent alternatives to market logic, and with Wallimann (2014) contention that without sustained multi-level dialogue, institutional fragmentation becomes self-reinforcing

The discussion across sections 6.1 to 6.4 points to one broader conclusion: the consolidation of the Ecuadorian SSE depends largely on improving systemic articulation between grassroots organizations, intermediary bodies, and public institutions. The findings suggest that issues related to governance, market pressures, institutional contradictions, social capital, and gender barriers are connected by a common structural condition: weak coordination and limited relational governance.

At the same time, interviewees also proposed concrete ways to improve articulation, including stronger inter-cooperative collaboration, simplified regulations, territorial advisory support, and permanent dialogue spaces between organizations and institutions. These proposals reflect the idea that legal recognition alone is not enough without effective coordination and feedback mechanisms.

Overall, the findings suggest that although the Ecuadorian SSE has a strong constitutional and legal foundation, its transformative potential remains limited by fragmented governance and weak multi-level coordination. Rather than reflecting a lack of commitment from organizations themselves, these limitations point to broader structural challenges in connecting institutional design, market dynamics, and territorial realities.

7. Conclusions and Further Research

The present study examined the Social and Solidarity Economy (SSE) within the cooperative context in Ecuador, aiming to provide a broader perspective on Ecuador's SSE landscape by exploring the opportunities, positive impacts, challenges, and structural barriers faced by SSE initiatives in the country. Through a multi-case study supported by the PESTEL framework, the research explored how institutional, economic, social, and territorial conditions shape the consolidation of SSE initiatives.

7.1. Response to Research Question 1

What are the main benefits and opportunities promoted by SSE initiatives in Ecuador?

The findings demonstrate that SSE initiatives in Ecuador generate significant benefits at territorial and social levels. Cooperatives strengthen producers' capacity for dialogue and collective representation, increasing their influence in policy spaces. Associativity allows cost reduction, economies of scale, and improved product quality. In vulnerable rural territories, SSE initiatives generate employment and expand access to opportunities, education, and improved living conditions.

Importantly, the study confirms that SSE contributes to the inclusion of historically marginalized groups, particularly women, Indigenous communities, and youth. In agricultural contexts, cooperative production models also have the potential to limit the expansion of the agricultural frontier, reduce deforestation, and maintain biodiversity through practices such as the chacra system. These findings reinforce the argument that SSE represents not only an economic model, but also a territorial and social development strategy.

7.2. Response to Research Question 2

What are the primary challenges and barriers that initiatives operating within the SSE framework face?

Despite these benefits, the study identifies persistent structural constraints that limit SSE consolidation. Market access remains restricted, with excessive intermediary presence reducing producers' bargaining power. Financial exclusion continues to affect small-scale cooperatives, as high interest rates and rigid credit requirements are often incompatible with production cycles and territorial realities.

Institutionally, excessive bureaucracy, complex registration procedures, and limited coordination among state actors create operational burdens. Moreover, limited access to training adapted to cooperative realities restricts innovation, value addition, and export capacity. Internally, building trust and sustaining collective governance remain ongoing challenges, particularly in contexts shaped by poverty and economic vulnerability.

These barriers are interrelated and operate across levels. Rather than isolated problems, they reflect structural conditions that constrain the transformative capacity of SSE initiatives.

7.3. Response to Research Question 3

What strategies can be proposed to overcome these barriers and enhance the effectiveness of SSE initiatives?

The findings suggest that strengthening SSE effectiveness requires coordinated interventions rather than isolated reforms. Interviewees emphasized the need to simplify bureaucratic procedures, improve training for public employees in rural areas, and create credit lines adapted to cooperative realities.

Capacity-building within cooperatives is equally essential, particularly in leadership, associativity, management, and teamwork. The integration of universities and academic institutions can enhance technical knowledge and innovation processes. Furthermore, stronger coordination between state institutions, NGOs, and cooperative networks is necessary to avoid duplication and inefficiencies.

More broadly, strengthening SSE requires recognizing territorial diversity and respecting community-based knowledge systems. Development strategies must be context-sensitive rather than standardized, allowing communities to build on their own strengths and social dynamics.

7.4. Follow-up question

The follow-up responses also suggest that, although the broader macro-level conditions affecting the SSE sector have remained relatively stable over time, some organizations have experienced internal strengthening processes. In particular, organizations with stronger legal formalization, organizational structures, and institutional articulation appeared to show greater stability, growth opportunities, and access to support mechanisms. This was especially visible among more consolidated cooperatives. These findings reinforce the importance of

organizational capacity and institutional integration for the long-term sustainability of SSE initiatives.

7.5. Summary, Reflections, and Potential Academic Contributions

This study concludes that the Ecuadorian SSE possesses strong normative, social, and legal foundations, yet its consolidation as a transformative development alternative remains structurally constrained. The primary limitation does not lie in the absence of cooperative values or political intention, but in fragmented institutional articulation, disproportionate regulatory practices, and persistent economic vulnerability. Addressing these constraints requires flexibility in institutional design, proportional regulation, and sustained mechanisms for multi-level coordination. Without these adjustments, the SSE risks remaining a normative aspiration rather than a fully operational alternative.

The research also highlights the importance of community-based knowledge and traditional practices. Practices such as the trueque, the minga, and the chacra demonstrate that sustainable and collaborative economic logics already exist within territorial realities. Strengthening the SSE, therefore, does not mean imposing external models, but recognizing and enhancing existing capacities while enabling equitable access to information, resources, and markets on terms that respect organizational and cultural diversity.

Potential Academic Contributions

Having interpreted the findings within the theoretical framework, this study makes three interconnected contributions to SSE research.

First, it provides empirical evidence from an underrepresented context characterized by institutional fragility, rural poverty, and informality. The Ecuadorian case shows that while solidarity values remain normatively robust, value coherence alone does not guarantee organizational consolidation. The findings identify systemic articulation and effective coordination between organizations, intermediary actors, and state institutions as the critical enabling condition, with direct implications for SSE research and policy in other Global South contexts.

Second, the study identifies a dual normative foundation within the Ecuadorian SSE: ICA cooperative principles and the Indigenous Andean philosophy of Sumak Kawsay. The findings show that Sumak Kawsay represents a distinct perspective on economic life, centered on reciprocity, collective well-being, and harmony with

nature. In this sense, Western cooperative theory alone cannot fully capture. This contributes a framework for understanding SSE in Indigenous-influenced territories beyond the Andean region.

These contributions position the Ecuadorian SSE as a theoretically productive case that extends cooperative theory, challenges simplistic accounts of organizational failure in fragile contexts, and can contribute to a more globally diverse SSE knowledge base.

7.6. Study limitations

This study presents several limitations. First, the multi-case design focused on a limited number of actors, which may not fully represent the diversity of SSE initiatives in Ecuador. Second, the qualitative nature of the research prioritizes depth over statistical generalizability. Third, time constraints limited longitudinal analysis of institutional dynamics. Finally, reliance on interview-based data may reflect participants' subjective perceptions.

7.7. Future research

This study shows that the Social and Solidarity Economy (SSE) in Ecuador has a strong foundation in shared values. Still, it reveals a gap between what organizations say and what they can implement in practice. Future research could further explore this gap. For example, it would be valuable to examine how cooperative values are actually applied in daily organizational life and how this differs between stronger and weaker organizations.

It would also be important to examine in greater depth how institutional conditions influence the functioning of the SSE. This research identified structural constraints, but further studies could analyze in greater detail how laws, public policies, and institutional coordination affect participation, trust, and long-term sustainability.

Another relevant area for future research concerns internal governance and member participation. Since several cases showed weak engagement and leadership challenges, longitudinal studies could help understand how participation evolves over time and whether education and training initiatives strengthen democratic practices and organizational cohesion.

Finally, comparative research with other Latin American countries could provide a broader perspective. Such studies would help clarify whether the tensions identified in Ecuador are context-specific or part of wider regional dynamics within the SSE.

Popular science summary

What if the economy worked for people, not just for profit?

In Ecuador, millions of people face poverty, informal work, and limited access to basic services. Despite periods of economic growth, the benefits have rarely reached those who need them most, especially in rural communities. This raises a fundamental question: Is there a better way to organize the economy?

This study explores the Social and Solidarity Economy (SSE), an alternative economic model that puts people, cooperation, and community at the center, instead of profit. In Ecuador, this model has been part of the national constitution since 2008, yet little research has examined how it actually works in practice.

To understand this, nine interviews were conducted with cooperative leaders, government representatives, and SSE experts across Ecuador. Their experiences and perspectives were analyzed to identify what works, what does not, and why.
The research found that cooperatives, which are groups of people who work together and share resources democratically, create real benefits: stable income, stronger communities, and greater resilience during crises. However, they also face serious obstacles, including limited access to financing, excessive bureaucracy, and weak government support.

Based on these findings, the study proposes concrete strategies to help cooperatives grow stronger and more sustainable, contributing to a fairer and more inclusive economy. This research matters because it gives voice to communities that are often left out of academic debates, and shows that alternative economic models are not just something idealistic. They are already working, and they deserve more attention and support.

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8. Appendix

Historical context SSE in Latin America

Historical Emergence and Political Context of the SSE in Latin America

The SSE in Latin America has its roots in a complex mix of historical, political, and social processes. Different authors have agreed that SSE began to take shape during the 1980s as a response to the harsh impacts of neoliberal reforms promoted by the Washington Consensus when the World Bank and the International Monetary Fund leaded economic reforms (Laville 2010; Coraggio 2011; Utting 2019); these reforms such as privatization, deregulation, and budget reduction for public services deepened social inequality and left many communities without institutional support. In this context, people began to organize locally around community-based values such as solidarity, cooperation, and mutual aid, creating alternatives that prioritized collective well-being over profit (Coraggio 2011; Annoni et al. 2021). What emerged was not just a new sector of the economy, but a broad social movement composed of cooperatives, mutuals, neighborhood associations, and community-run businesses, whose aim was to reclaim economic life through democratic and inclusive practices (Coraggio 2011).

SSE in the region has always been more than just a way to meet basic needs besides it has also been closely tied to political organizing and social movements (Laville 2010; Utting et al. 2015; Annoni et al. 2021). In countries like Brazil and Argentina, the growth of SSE coincided with struggles for democracy and social rights, mainly after long periods of dictatorship and economic crisis. (da Costa 2017; Singer & Primavera 2017; Sitrin 2017). In this sense, authors such as Giovannini (2020) and Mariosa et al. (2022) argue that SSE organizations have become spaces not only for economic survival but also as platforms for social participation, where people can mobilize and reclaim dignity, work, and recognition. For example, self-managed factories in Argentina and solidarity economy networks in Brazil have demonstrated how collective production can also be a form of political resistance and empowerment (Dinerstein 2017; Sitrin 2017; Telles et al. 2017).

Social Currencies, Grassroots Practices, and COVID-19, SSE's response to crisis
One distinctive feature of Latin American SSE is the use of social currencies, which are community-based systems of exchange that stay within the local economy and promote inclusion. For instance, Laville (2010) explains the considerable rise of barter networks in Argentina during the early 2000s economic crisis. This author indicates that in 2002, over 5 million Argentines participated in barter clubs, where people exchanged goods rather than using money, depending on their individual needs. These systems became iconic examples of SSE strategies based on mutual aid and local resilience during periods of institutional collapse, andcollapse and have inspired other countries. This can be seen in São Paulo, Brazil, where the Argentine model served as a reference point for the creation of the first barter club in 1998, and it still operates independently of the state today (Singer & Primavera 2017). These practices demonstrate that SSE is not only about formal enterprises but also about rebuilding economic life through trust, cooperation, and shared values. (Perez de Mendiguren et al. 2009).

These currencies are not created for economic profit but are meant to circulate locally and to strengthen economic relationships based on trust and solidarity. They are especially relevant in areas with limited access to formal banking, such as in Argentina during the crisis at the beginning of the 2000s (Primavera 2010). Also, where informal economies dominate and financial exclusion exists, as in Conjunto Plameira, a low-income neighborhood in Brazil, Palmas Bank issued a social currency called Palma to support local businesses (De Melo Neto Segundo 2010). In these contexts, as Giovannini (2020) argues, social currencies serve not only as practical tools for daily life but also as a more profound ethical and political commitment to alternative economic values.

In the recent decade, SSE has continued to prove its relevance in responding to challenges and crises, such as the COVID-19 pandemic. This crisis exposed structural weaknesses in Latin America, including deep inequalities and fragile safety nets (Fonseca 2024). The pandemic also revealed the fragility of many state systems in Latin America, where governments struggled to guarantee basic services and protect vulnerable populations (Furfaro 2021). Therefore, SSE had an important role in responding to needs and contributing to resilience (LEED & OECD 2023). Across Latin America, many SSE organizations demonstrated their ability to adapt quickly, provide services, and build solidarity networks when formal and state systems were insufficient. For instance, in Brazil, a partnership between Araraquara's municipal government and the State University of São Paulo (UNESP) supported SSE initiatives such as the creation of public incubators for SSE organizations, production of masks by SSE groups, and coordinated food assistance programs for vulnerable populations ran by SSE alliances, (Morais et al. 2021). While the federation of solidarity cooperatives, UNICOPAS, managed the

distribution of over 170 tons of food to cities and urban peripheries, building powerful rural and urban solidarity networks and empowering women producers (Gomes & Fonseca 2021). In Colombia, the Regional Indigenous Council of Cauca (CRIC) reactivated traditional collective actions, such as mingas, which are collaborative endeavors where all the community joins for a specific goal without receiving a monetary payment, also community health patrols, and food sovereignty activities, to protect their communities when government support was not enough (Córdoba et al. 2021). These actions reveal how SSE was able to fill institutional gaps through cultural and community-led solutions, showing its potential as a resilient and inclusive model for sustainable development in Latin America.

Interview guide

1) Briefly present your professional background, your current position, and the organization you represent, including what the organization does and some of its main characteristics.
2) What are the core values of the organization? Why do you believe they are fundamental?
3) What is the importance of cooperatives and associations for the country?
4) What benefits does the organization (cooperative support institution) contribute to the development of the Social and Solidarity Economy? Please describe them according to the following PESTEL factors: political, economic, social, technological, environmental, and legal.
5) Please tell us about the main obstacles the organization has faced in promoting the development of the Social and Solidarity Economy throughout its existence. Could you describe them according to the following PESTEL factors: political, economic, social, technological, environmental, and legal?
6) How do you think the situations and challenges mentioned could be improved?

Follow-up question

Since our interview, have there been any changes or developments that would modify or update the points you previously shared?

Pestel tables

Political Dimension

Benefits and Opportunities

Table 7. Table Political Opportunities and Benefits

Theme	Description	Cases
Legal and constitutional recognition of SSE	Formalization strengthened legitimacy and visibility of the sector	3/9 (I8, A9, U6)
Political representation through associativity	Collective organization increases bargaining power and policy voice	2/9 (C1, G5)
Dialogue and advocacy mechanisms	Multi-actor coordination spaces and international representation	3/9 (O7, A9, G5)

Challenges and Barriers

Table 8. Political Challenges and Barriers

Theme	Description	Cases (n=9)
Weak and inconsistent public policy support	Discontinuity, limited follow-up, and insufficient institutional accompaniment	4/9 (C3, C4, O7, G5)
Bureaucratic obstacles	Administrative delays, unclear procedures, and excessive formal requirements	3/9 (C1, C4, C3)
Lack of institutional coordination	Fragmentation between ministries, regulators, and sector actors	3/9 (G5, O7, A9)
Regulatory misunderstanding of cooperative nature	Uniform treatment alongside commercial financial institutions	2/9 (A9, C2)

Strategies Proposed

Table 9. Political Proposed Solutions

Theme	Description	Cases (n=9)
Strengthened regulatory dialogue	Constructive alignment between cooperatives and supervisory authorities	3/9 (A9, I8, O7)
Institutional reform and simplification	Streamlining procedures and reducing bureaucratic burdens	3/9 (C1, C4, G5)
Multi-actor coordination platforms	Permanent dialogue tables and integration	3/9 (O7, G5, U6)
Differentiated regulatory treatment	Recognition of the distinct social objectives of cooperatives	2/9 (A9, C2)

Economic Dimension

Opportunities and Benefits

Table 10. Economic Opportunities and Benefits

Theme	Description	Cases (n=9)
Strengthened market access through associativity	Collective commercialization, reduced intermediaries, improved bargaining power	6/9 (C1, C3, C4, G5, O7, C2)
Financial inclusion and access to credit	Credit access for marginalized and rural populations	3/9 (C2, I8, O7)
Economies of scale and cost reduction	Collective purchasing, shared infrastructure, reduced transaction costs	4/9 (C1, C3, C4, G5)
Surplus generation for institutional sustainability	Income generation strengthens long-term viability	3/9 (C2, A9, I8)

Challenges and Barriers

Table 11. Economic Challenges and Barriers

Theme	Description	Cases (n=9)
Commercialization and intermediary dependency	Price distortion, weak market access, value-chain inefficiencies	6/9 (C1, C3, C4, G5, O7, C2)
Financial vulnerability and misaligned credit	High interest rates, inadequate financial instruments, long production cycles	5/9 (C1, C4, G5, C2, A9)
Limited managerial and business capacity	Weak marketing, export skills, business planning gaps	5/9 (C4, G5, C3, U6, C1)
Crisis exposure and economic instability	Sensitivity to macroeconomic shocks and market crises	3/9 (C2, O7, A9)

Solutions Proposed

Table 12. Economic Proposed Solutions

Theme	Description	Cases (n=9)
Strengthening commercialization channels	Direct market strategies and value-chain restructuring	5/9 (C1, C4, G5, O7, C3)
Tailored financial instruments	Credit aligned with production cycles and cooperative logic	4/9 (C4, G5, A9, C2)
Professionalization and capacity-building	Managerial strengthening and strategic business planning	6/9 (C4, G5, A9, C3, U6, C2)
Value addition and diversification	Processing, branding, and agro-industrial scaling	4/9 (C3, C4, G5, O7)

Social Dimension

Opportunities and Benefits

Table 13. Social Opportunities and Benefits

Theme	Description	Cases (n=9)
Strengthening solidarity and collective identity	Promotion of cooperation, mutual aid, and shared responsibility	8/9 (C1, C2, C3, C4, G5, U6, O7, A9)
Democratic governance and participation	One-member-one-vote principle and collective decision-making	4/9 (C2, O7, I8, A9)
Women's participation and empowerment	Increased involvement of women in leadership and administration	3/9 (C1, O7, G5)
Community development and inclusion	Support for vulnerable groups and territorial cohesion	4/9 (C2, G5, O7, U6)

Challenges and Barriers

Table 14. Social Challenges and Barriers

Theme	Description	Cases (n=9)
Lack of trust and social fragmentation	Distrust toward institutions and within associations	4/9 (C1, C4, O7, I8)
Weak sense of belonging and participation	Low engagement in governance and strategic processes	4/9 (C4, G5, C2, I8)
Leadership deficits	Absence of strategic and committed leadership	3/9 (C4, G5, C1)
Cultural resistance and short-term mindset	Individualism, reluctance to collaborate, survival logic	3/9 (C4, C1, G5)
Gender-based constraints	Household or patriarchal barriers limiting participation	2/9 (O7, C1)

Solutions Proposed

Table 15. Social Proposed Solutions

Theme	Description	Cases (n=9)
Leadership development and training	Schools, coaching, and governance strengthening	5/9 (C4, G5, A9, C2, U6)
Strengthening participatory governance	Reinforcing internal democracy and member engagement	4/9 (C2, O7, A9, I8)
Trust-building and cohesion strategies	Promoting transparency and collective responsibility	4/9 (C1, O7, C4, G5)
Youth engagement and generational renewal	Encouraging younger participation in cooperatives	2/9 (G5, A9)

Technological Dimension

Opportunities and Benefits

Table 16. Technological Opportunities and Benefits

Theme	Description	Cases (n=9)
Digital tools for commercialization and visibility	Use of digital platforms and ICT to expand market access	3/9 (C3, O7, G5)
Technological innovation in production	Adoption of improved production techniques and agroecological systems	3/9 (C1, G5, O7)
Risk management and financial control systems	Introduction of technological tools for supervision and portfolio management	2/9 (I8, C2)

Challenges and Barriers

Table 17.Technological Challenges and Barriers

Theme	Description	Cases (n=9)
Limited technological capacity	Low access to digital tools and technical infrastructure	5/9 (C3, C4, O7, I8, C1)
High costs of technological systems	Expensive compliance software and production technologies	3/9 (I8, C3, C1)
Resistance to innovation	Traditional mindsets limiting modernization processes	3/9 (C4, G5, C1)
Compliance-related technological burden	Bank-level technological standards difficult for small cooperatives	2/9 (I8, A9)

Solutions Proposed

Table 18. Technological Proposed Solutions

Theme	Description	Cases (n=9)
Capacity-building in digital and technical skills	Training in ICT, marketing, risk management, and production innovation	5/9 (C3, G5, O7, A9, U6)
Development of affordable technological tools	Adapted compliance and management systems for cooperatives	2/9 (I8, A9)
Integration of technology with cooperative principles	Modernization aligned with solidarity-based governance	2/9 (A9, G5)

Environmental Dimension

Opportunities and Benefits

Table 19. Environmental Opportunities and Benefits

Theme	Description	Cases (n=9)
Sustainable production and agroecological practices	Promotion of organic production, reduced agrochemical use, and sustainable land management	4/9 (C1, G5, O7, C4)
Forest-based and biodiversity economy	Agroforestry systems and non-timber forest products compatible with conservation	1/9 (O7)
Reduced environmental pressure through improved profitability	Higher income reduces incentives for land expansion and deforestation	2/9 (C1, O7)
Environmental awareness within cooperative models	Integration of sustainability values into production strategies	3/9 (G5, O7, C1)

Challenges and Barriers

Table 20. Environmental Challenges and Barriers

Theme	Description	Cases (n=9)
Deforestation and agricultural expansion	Expansion of monocultures increasing environmental pressure	2/9 (C1, C4)
Increased agrochemical use and phytosanitary risks	Environmental and health risks from chemical intensification	2/9 (C1, C4)
High cost of eco-friendly inputs	Sustainable materials and production methods are more expensive	2/9 (C3, O7)
Tension between market integration and cultural-environmental preservation	Risk of cultural erosion linked to modernization and market exposure	1/9 (O7)

Solutions Proposed

Table 21. Environmental Proposed Solutions

Theme	Description	Cases (n=9)
Promotion of agroforestry and chakra systems	Forest-compatible production models	1/9 (O7)
Transition to organic and sustainable agriculture	Reduced agrochemical use and environmental certification	3/9 (G5, C1, C4)
Policy recognition of sustainable production systems	Institutional support for biodiversity-based value chains	1/9 (O7)
Diversification into eco-tourism and complementary activities	Integration of conservation and income generation	2/9 (G5, O7)

Legal Dimension

Opportunities and Benefits

Table 22. Legal Opportunities and Benefits

Theme	Description	Cases (n=9)
Formal legal framework for SSE	Existence of LOEPS and structured supervision	3/9 (I8, A9, U6)
Legal identity through formal registration	Legal status provides protection and institutional recognition	2/9 (C1, C4)
Standardized financial regulation	Risk, liquidity, and compliance norms strengthened institutional stability	2/9 (I8, C2)
Cooperative legal principles	Seven cooperative principles as governance foundation	2/9 (C2, A9)

Challenges and Barriers

Table 23. Legal Challenges and Barriers

Theme	Description	Cases (n=9)
Complex registration and bureaucratic procedures	Delays and administrative barriers in obtaining legal status	3/9 (C1, C3, C4)
Regulatory burden on small cooperatives	Compliance costs disproportionate to institutional capacity	2/9 (I8, A9)
Weak governance and legal misuse	Nepotism, conflicts of interest, and misuse of cooperative structures	3/9 (I8, C2, C4)
Intellectual property vulnerability	Limited protection of cultural and biodiversity-based knowledge	2/9 (C3, O7)
Informality in the non-financial sector	Weak accounting and reporting culture	2/9 (I8, O7)

Solutions Proposed

Table 24. Legal Proposed Solutions

Theme	Description	Cases (n=9)
Simplification of legal procedures	Clearer and more efficient registration processes	2/9 (C1, C4)
Proportional supervision	Different regulatory treatment according to institutional size	2/9 (I8, A9)
Strengthening governance frameworks	Conflict-of-interest controls and board accountability	3/9 (I8, A9, C2)
Ancestral knowledge and Intellectual property protection	Clear legal safeguards and benefit-sharing mechanisms	2/9 (C3, O7)
Training in legal compliance	Capacity-building in regulatory obligations	3/9 (I8, A9, U6)

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