

ORIGINAL ARTICLE

Annals of Public and Cooperative Economics
Annales de l'économie publique, sociale et coopérative

WILEY

The institutional paradox of a substantivist conception of the economy in public policy: Insights from public procurement for solidarity economy in Ecuador

Maria-José Ruiz-Rivera Andreia Lemaître 

Institute for the Analysis of Change in Contemporary and Historical Societies (IACCHOS), Université catholique de Louvain (UCLouvain), Louvain-la-Neuve, Belgium

Correspondence

Maria-José Ruiz-Rivera and Andreia Lemaître, Institute for the Analysis of Change in Contemporary and Historical Societies (IACCHOS), Université catholique de Louvain (UCLouvain), Louvain-la-Neuve, Belgium.

Email: maria.ruizrivera@uclouvain.be and andreia.lemaitre@uclouvain.be

Abstract

Ecuador's 2008 Constitution advanced an ambitious substantive economic vision through *Buen Vivir* (Good Living), recognizing a plural economy which encompasses private, public and solidarity economy (SE) sectors. This paper aims to analyze public procurement programs in Ecuador, one of the flagship *Buen Vivir* policies for SE promotion. Drawing on Polanyi's distinction between formal (market-centric) and substantive (life-sustaining, socially embedded) conceptions of the economy, we analyze the evaluation criteria governing SE organizations' access to public procurement. Based on qualitative research during Ecuador's SE promotion momentum (2008–2017)—including 31 interviews with government officials and SE organization members, documentary analysis and observation—we examine four criteria: installed capacity, territorial scope, associativity, and positive discrimination. Our findings reveal systematic tensions between substantive policy discourse and formal implementation practices. Evaluation criteria privilege technification, formalization and bureaucratic

This is an open access article under the terms of the [Creative Commons Attribution-NonCommercial-NoDerivs](https://creativecommons.org/licenses/by-nc-nd/4.0/) License, which permits use and distribution in any medium, provided the original work is properly cited, the use is non-commercial and no modifications or adaptations are made.

© 2026 The Author(s). *Annals of Public and Cooperative Economics* published by John Wiley & Sons Ltd on behalf of Edgard Milhaud Foundation.

compliance over traditional knowledge, solidarity networks and participatory democracy, reinforcing rather than challenging market rationalities. We reveal an *institutionalization paradox*: policies designed to support alternative economic models inadvertently reproduce the market rationalities they seek to transcend, confining SE to subsidiary roles. Our analysis uncovers deeper epistemic and institutional barriers to realizing economic plurality through state policy and offers insights into SE institutionalization challenges globally.

KEYWORDS

Buen Vivir, institutionalization paradox, public procurement, solidarity economy, substantive economy

JEL CLASSIFICATION

P13, Z13, O17, O54

1 | INTRODUCTION

Ecuador has constitutionally acknowledged a plural economy comprising private capitalist and public statist forms of economic organization alongside a solidarity economy (SE) sector (Villalba-Eguiluz & Pérez-de-Mendiguren, 2019). SE organizations represent a contested concept developed from and by different academic traditions (see Bacq & Janssen, 2011; Defourny & Nyssens, 2012, 2017). The definition and boundaries of what constitutes SE organizations are also context-sensitive (Galera & Borzaga, 2009; Skerratt, 2012). Broadly, SE organizations are collective initiatives undertaking the production of goods and services whose aim is not to maximize profit but to sustain members' or the community's livelihoods and enhance democratization (Hillenkamp et al., 2013; Laville, 2023). In Ecuador, they have emerged through historically particular institutional paths: the cooperative tradition, associations supported by the Catholic Church and development-oriented NGOs, and more recent expressions embedded in social movements (Ruiz-Rivera & Lemaître, 2019).

Rooted in a post-neoliberal perspective, the *Buen Vivir* paradigm emphasizes the well-being of individuals and communities over mere economic output (Belotti, 2014; Caria & Domínguez, 2016; Carranza & Villavicencio, 2024). Explicitly incorporated into the 2008 Constitution and subsequent National Development Plans (2009–2013 and 2013–2017), it has sparked ongoing debates about its operationalization (Martínez Godoy, 2015; Villalba-Eguiluz & Pérez-de-Mendiguren, 2019). Translating this paradigm into public policy reveals a dichotomy: although the government has officially promoted SE as a means to foster employment and expand public service coverage in marginalized communities (Martínez Godoy, 2015; Sánchez, 2025), we argue that its implementation remains grounded in a formal market-oriented understanding of the economy.

This paper aims to analyze the public procurement programs in Ecuador as a key policy instrument for promoting the SE, focusing on the tensions between transformative constitutional ideals and the practical constraints of their implementation. We ask: what economic rationales and

normative references underpin the evaluation criteria through which SE organizations access public procurement? Specifically, following Polanyi (1977), do these criteria embody a *substantive* understanding of the economy—consistent with *Buen Vivir*'s principles of economic plurality and life sustainability—or a formal market-oriented interpretation? To do so, we examine the discursive repertoires used by authorities and government officials to justify the policy's implementation and legitimize a particular economic vision, as well as the perceptions and experiences of SE organization members participating in these programs.

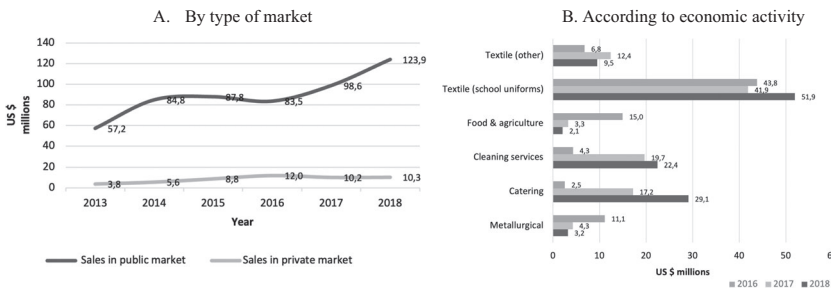
This paper develops its argument through six sections, demonstrating what we term the *institutionalization paradox*: policies explicitly designed to support alternative economic models may inadvertently reproduce the market rationalities they aim to transcend. Section 1 establishes the empirical context of Ecuador's SE institutionalization (2008–2017), documenting constitutional innovation, institutional architecture, and SE public procurement's design. Section 2 develops the theoretical framework, unpacking Polanyi's formal and substantive distinction and articulating *Buen Vivir* as a substantive economy that extends Polanyian pluralism through indigenous epistemologies. Section 3 outlines the qualitative methodology, which combines documentary analysis, interviews, and observation, to investigate whether evaluation criteria in SE public procurement programmes embody substantive or formal rationalities. Section 4 presents empirical findings examining four evaluation criteria—installed capacity, territorial scope, associativity and positive discrimination—which reveal systematic tensions between substantive discourse and formal implementation through officials' repertoires and organizations' experiences. Section 5 discusses these findings by synthesizing the formal/substantive contradiction and theorizing the institutionalization paradox whereby policies supporting alternative models inadvertently reproduce market rationalities. Section 6 concludes.

2 | CONTEXT: ECUADOR'S SE INSTITUTIONALIZATION AND PUBLIC PROCUREMENT POLICY

2.1 | Constitutional innovation and institutional architecture: From *Buen Vivir* to policy implementation

The 2008 Constitution marked a milestone in Latin American constitutional history by defining Ecuador's economic system as fundamentally social and solidarity-based, grounded in cooperation, self-management and sustainability in harmony with nature (Sarrade-Cobos, 2015). This constitutional innovation emerged amid the regional 'pink tide' of progressive governments in the 2000s–2010s, when several South American countries sought alternatives to neoliberal models (de la Torre, 2018; Silva, 2016). Ecuador's approach was particularly distinctive in embedding *Buen Vivir* (Good Living)—a paradigm emphasizing collective well-being and ecological balance over mere economic growth—into its constitutional and policy framework (Acosta, 2011; Caria & Domínguez, 2016). The subsequent National Development Plans (2009–2013 and 2013–2017) systematically integrated *Buen Vivir* into the country's development strategy, prioritizing life sustainability over capital accumulation and recognizing a plural economy comprising private capitalist, public statist and SE sectors (Villalba-Eguiluz et al., 2020).

Translating these constitutional principles into practice required substantial institutional reforms. The 2011 Organic Law of Popular and Solidarity Economy (LOEPS) provided the legal foundation and established three key institutions: the Institute of Popular and Solidarity Economy (IEPS) for promotion and capacity-building, the Superintendency (SEPS) for regulation



Source: Authors' elaboration, based on IEPS Accountability Reports (2014–2019)

FIGURE 1 Solidarity economy (SE) sales. Source: Authors' elaboration, based on IEPS Accountability Reports (2014–2019).

and oversight, and CONAFIPS for financial support (Nelms, 2015; Sánchez, 2025). Within this institutional architecture, public procurement emerged as a central mechanism to expand SE market access and operationalize *Buen Vivir* principles through state purchasing power. Introduced in 2008, inclusive procurement programmes sought to link state demand for goods and services with SE organizations' supply, particularly benefiting vulnerable population groups historically excluded from public markets (Valencia-Vinueza, 2017).

The national public procurement system (SERCOP) established two main mechanisms connecting supply from grassroots socio-economic initiatives to government institutional demands. *Inclusive fairs* brought together public entities, IEPS and SERCOP representatives, and SE suppliers such as cooperatives and producer associations. Through this modality, ministries and public institutions—for example, ministries, municipalities and public hospitals—contracted SE organizations for goods and services, including uniforms, catering and cleaning. IEPS played a central mediating role, offering training, legal guidance and organizational support to facilitate participation and contract execution. *Inclusive dynamic catalogues* functioned as an online direct purchasing system targeting SE actors and small enterprises. While designed to simplify procedures, they revealed persistent digital and infrastructural inequalities, particularly in rural areas (Valencia-Vinueza, 2017).

The flagship program '*Hilando el Desarrollo*' (Spinning Development), launched in 2007, exemplified this approach by integrating SE producers into national school uniform production and distribution. By 2018, according to IEPS (2019), SE sales in the public market (USD 123.9 million) were 10 times greater than in the private sector (USD 10.33 million). Beyond textiles (USD 51.91 million), catering for public childcare centres (USD 29.07 million) and cleaning services (USD 22.42 million) became major SE activities (Figure 1). These programs showed how public procurement could act as a lever for inclusive development through preferential treatment for SE organizations, artisans, small producers and microenterprises (Lemaître & Ruiz-Rivera, 2020).

2.2 | Public procurement as a quasi-market

Inclusive fairs and catalogues aimed to address a persistent structural constraint: the limited production scale of SE organizations compared to state demand (Novoa, 2014). Traditional procurement, governed by the 'lowest price offer' rule, systematically excluded smaller

producers unable to compete on price or scale. Inclusive procurement introduced a fundamentally different logic: a fixed price—determined through SERCOP's technical cost studies—and distributed total demand among participating suppliers according to their production capacity, thereby neutralizing price-based competition. This design aimed to create what we characterize as a *quasi-market*—a hybrid mechanism that maintains market exchange while embedding it within principles of reciprocity and redistribution (Hillenkamp, 2009; Ruiz-Rivera, 2019).

This institutional innovation reflects Polanyi's (1944) foundational insight that the economy is an *instituted process* embedded in social relations rather than driven solely by self-regulating markets. By incorporating principles of reciprocity and redistribution, inclusive procurement sought to align market exchanges with equity and inclusion goals. The fixed-price mechanism removed price competition, allowing organizations with different productive capacities to coexist as suppliers. The evaluation of SE organizations' eligibility for public procurement relied on four key criteria—installed capacity, territorial scope, associativity and positive discrimination—each embodies specific assumptions about what constitutes legitimate economic activity (Section 4). These design features aimed to operationalize a substantive understanding of the economy—one attentive to social relations, institutional diversity and the plurality of economic principles.

2.3 | Analytical scope: The 2008–2017 period as a critical case

This paper focuses on Ecuador's 2008–2017 period of active SE institutionalization, examining public procurement as a flagship policy instrument. The 2017 transition from Rafael Correa to Lenin Moreno marked a shift towards neoliberal-oriented reforms (Abad et al., 2022; Collins, 2022), with IEPS budget declining from USD 21.85 million (2014) to 5.17 million (2018), thereby constraining SE's institutional momentum (Villalba-Eguiluz et al., 2020).

We analyze this period not *in spite of* but *because of* this subsequent retreat. If contradictions between substantive principles and formal implementation emerged even during Ecuador's most robust phase of SE support—with constitutional backing, institutional infrastructure and political commitment—they point to structural rather than merely political challenges to institutionalizing economic plurality through state policy.

Research consistently highlights the persistent challenge of recognizing SE's plural nature, which simultaneously encompasses social, ecological and political objectives alongside productive activities (Coraggio, 2015; Lemaître et al., 2005). Achieving this recognition relies critically on a favourable institutional environment and sustained public policy support (Ruiz-Rivera, 2019; Villalba-Eguiluz & Pérez-de-Mendiguren, 2019). Ecuador's constitutional embrace of economic plurality stands among the most comprehensive global attempts to embed SE within national economic systems (Jubeto-Ruiz et al., 2014; Oleas, 2016), making it a critical case for understanding whether and how transformative constitutional visions translate into implementation practice. Rather than studying SE policy success or failure, this paper investigates how substantive principles confront formal rationalities within policy instruments, and what this tension reveals about the broader institutionalization of alternative economic models. In-depth analysis of this divergence within SE policy implementation remains limited—a gap this study seeks to address.

3 | THEORETICAL LENS

3.1 | The economy and the SE: A plural reality

The work of Polanyi (1944, 1977) establishes a comprehensive theoretical foundation for understanding the economy beyond market-centric frameworks. From Polanyi's foundational work and its major interpretations by Laville (2007), Maucourant (1995), Sobel and Postel (2016), and Stanfield (1989), two fundamentally opposed ways of conceiving the economy emerge: the *formal definition*, rooted in neoclassical theory, which focuses on efficiently allocating scarce resources to maximize utility through market transactions under an efficiency criterion (Gérald, 1986; Hillenkamp & Laville, 2013); and the *substantive definition*, which considers all phenomena resulting from the interdependence of humans and their natural environment to meet material needs (Polanyi, 1944). The formal conception treats the market as the primary—often exclusive—mechanism for coordinating economic activity, with redistribution considered a secondary response to market failures. Its influence extends beyond theory to practice. For instance, at the micro-social level, managerialism refers to the dominance of ideas and management models from capitalist enterprise (Meyer et al., 2013; Mitchell, 2018), potentially permeating all types of organizations through evaluation criteria, performance indicators and assessment procedures.

Polanyi (1944) fundamentally challenges this reduction, criticizing what he calls the 'economistic fallacy' (pp. 270–271)—treating self-regulating markets as natural and universal rather than as historically specific, politically constructed institutions. His substantive definition shifts focus from the scarcity-based 'means-ends' relationship to a 'nature-need-institution' triptych (Sobel & Postel, 2016), which emphasizes need rather than scarcity. As Polanyi et al. (1957) argue, to study human *sustenance* is to study the economy substantively. Some authors extend this further, advancing that satisfying needs encompasses more than material provisioning (Hinkelammert & Mora, 2003), introducing what Coraggio (2013) terms 'reproductive rationality'—which questions what is 'socially necessary' for the reproduction of social and natural life. This institutional dimension is crucial: institutions shape economic interactions between humans and their environment (Hillenkamp, 2009), such that the economy acquires unity and stability through effective institutions rather than self-regulating market mechanisms.

The substantive definition acknowledges *economic plurality*—the coexistence of four economic principles reflecting different action logics and institutional structures: *reciprocity* (based on complementarity and obligation among community members), *redistribution* (centralized resource collection and distribution through institutional authority), *the market* (operating on supply and demand) and *householding* (production for use and sharing within closed groups) (Hillenkamp et al., 2013; Polanyi, 1944). Throughout history and across contexts, societies have employed various combinations of these principles (Espinosa, 2017; Lemaître & Helmsing, 2012). Polanyi's substantive definition challenges the naturalization of the market economy, highlighting that redistribution, reciprocity and householding are valid economic configurations—not subsidiary mechanisms activated when markets fail, as formal economic thought suggests.

3.2 | Buen Vivir as a substantive economy

Ecuador's constitutional embrace of *Buen Vivir* represents a distinctive articulation of substantive economy, extending Polanyi's framework through Indigenous Andean cosmologies (Acosta, 2011;

Caria & Domínguez, 2016). The Kichwa concept of *sumak kawsay* (good living) and the Aymara *suma qamaña* (living well) emphasize collective well-being, harmony with *Pachamama* (Mother Earth), and life reproduction over capital accumulation (Hidalgo-Capitán & Cubillo-Guevara, 2017). This paradigm refuses Western dualisms that separate economy from ecology, individual from community, and human from nature (Chambers, 2004)—extending Polanyi's critique of the self-regulating market to encompass ecological and cosmological dimensions.

Both *Buen Vivir* and Polanyian substantivism share core principles in rejecting the 'economistic fallacy' that naturalizes markets (Carranza-Barona et al., 2025; Villalba-Eguiluz & Pérez-de-Mendiguren, 2019). They prioritize life reproduction over capital accumulation (Carosio, 2014; Polanyi, 1977), conceive economic activity as embedded within social relations and institutional frameworks rather than governed by universal laws (Beckert, 2003; Belotti, 2014), and recognize economic plurality—the legitimate coexistence of diverse organizational forms, rationalities and values (Coraggio et al., 2015).

However, *Buen Vivir* extends Polanyi's substantivism critically. It foregrounds ecological embeddedness as constitutive of the economy, positioning *Pachamama* as an active subject in economic relations rather than merely a resource base (Caitana et al., 2024). It incorporates indigenous epistemologies that value ancestral knowledge, traditional production techniques, and communal decision-making as legitimate economic rationalities that challenge both market logic and Western scientific-technical hierarchies (Rengifo Arias et al., 2022). It emphasizes collective provisioning, in which the community (*ayllu, comuna*) is the primary unit, rather than the household or the individual (Anastasopoulos, 2017; Belotti, 2014). Finally, it explicitly connects economic organization to cosmological dimensions as provisioning practices express broader worldviews about human–nature relationships and intergenerational responsibilities (Aguado et al., 2016; Verschuur et al., 2021).

This theoretical convergence offers a lens for analyzing Ecuador's SE policies. While the 2008 Constitution articulates a substantive economic vision through *Buen Vivir*—stressing harmony with nature, collective well-being, diverse knowledge systems and life sustainability—policies designed to realize this vision should reflect corresponding substantive rationalities. In practice, evaluation criteria determining SE organizations' access to public procurement should be guided by these same rationalities. When these criteria instead prioritize formal economic rationalities—efficiency, technification, standardization, competitive advantage and market integration—they expose a fundamental tension between constitutional principles and implementation.

Our research examines whether public procurement evaluation criteria align with substantive or formal economic logics, highlighting both the potential and limitations of institutionalizing alternative economic models through state policy.

4 | METHODS

This study employed a qualitative approach combining documentary analysis, semi-structured interviews and direct observation. Documentary analysis examined key texts, including the 2008 Constitution, National Development Plans (2008–2013; 2013–2017), the 2011 LOEPS and regulatory frameworks governing public procurement. This provided a foundation for understanding the context and process of SE institutionalization in Ecuador.

Moreover, we conducted 31 semi-structured interviews¹ from 2015 to 2017 with two groups: (1) government officials from public agencies such as IEPS and SERCOP, among others and (2) members of SE organizations participating in public procurement programs across three economic sectors—textile garment-making, catering and cleaning services (see Table 1). Direct observation complemented these interviews. We accompanied SERCOP teams during two field visits (2016 and 2017) to observe awareness-raising campaigns aimed at potential SE suppliers. Additionally, we observed general assemblies of SE organizations where public procurement activities were discussed.

Our inquiry focused on two key dimensions: on the one hand, identifying the discursive repertoires and normative references state authorities used to justify public procurement policy implementation and corresponding evaluation criteria; and on the other hand, understanding SE organizations' perceptions of gaps and misalignments between public procurement programs and their organizational values and practices. All interviews were recorded and transcribed.² Interviewee codes appear after quotations in the Findings section (Table 1).

Data analysis followed a thematic approach (Gioia et al., 2013), guided by four evaluation criteria identified from the documentary review that state institutions used to assess SE organizations: installed capacity, territory, associativity and positive discrimination (see Section 4). Coding was applied to textual segments and refined iteratively as new themes emerged, with continuous engagement with the literature to ensure analytical depth and coherence. Drawing on our theoretical framework (Section 2), we examined the economic rationales underpinning these criteria to determine whether they reflected a *substantive* understanding of the economy—as envisioned in the *Buen Vivir* constitutional project—or, instead, aligned with less pluralistic economic interpretations.

Our analysis unfolded in three stages: (1) open coding of interview transcripts, (2) identification of recurring evaluation criteria in official discourse and SE actors' experiences with public procurement programs and (3) interpretation and theorization of these findings. An iterative movement between empirical data and theoretical reflection allowed us to uncover contradictions that reveal broader tensions between the transformative aspirations of *Buen Vivir* and the practical constraints of governance.

5 | FINDINGS: EVALUATION CRITERIA BETWEEN A SUBSTANTIVE CONCEPTION AND TRACES OF A FORMAL VISION OF THE ECONOMY

As said before, the evaluation of SE organizations' eligibility for public procurement relies on four key criteria—installed capacity, territorial scope, associativity and positive discrimination—each embodies a distinct economic rationale and normative orientation. This section examines whether these criteria reflect a substantive understanding of the economy, consistent with the *Buen Vivir* paradigm, or instead reproduce a dominant formalist perspective (Polanyi, 1977), and what implications for SE organizations might arise from such divergence. To do so, we uncover the implicit economic logic guiding state actors in applying these criteria—presented without hierarchical order—to assess SE participation in procurement processes. We also examine the tensions

¹ Fieldwork was conducted by the first author as part of her doctoral dissertation within the framework of the Chair of Social and Solidarity Economy in the South (CESSS) of the Université catholique de Louvain.

² Only the excerpts cited in this article have been translated from Spanish into English.

TABLE 1 Interview information.

Category	Organization	Interviewee code	Location/ province	Role	Gender	Date
Public Authority	IEPS, national headquarter	Director1-IEPS	Pichincha	Director	M	13/2/17
		Director-2-IEPS		Director	M	30/4/15
		Subdirector1-IEPS		Subdirector	M	10/3/17
		Adviser1-IEPS		Adviser	M	24/3/17
	IEPS-Guaranda	Director3-IEPS	Chimborazo	Director	F,F,M	6/3/17
		Official1-IEPS		+ 2 officials		
		Official2-IEPS				
	IEPS-Ibarra	Director4-IEPS	Imbabura	Director	M,M	14/3/17
		Official3-IEPS		+1 official		
	IEPS-Cuenca Municipality-Riobamba	Director5-IEPS	Azuay	Director	M	13/2/17

(Continues)

TABLE 1 (Continued)

Category	Organization	Interviewee code	Location/ province	Role	Gender	Date
Solidarity Economy (SE) Organization (For organizational details, see Appendix 1)	Cooperative	COOP1	Pichincha	President	F	17/12/15
	Cooperative	COOP2	Azuay	Manager	M	11/2/17
	Association	ASO10	Tungurahua	President	F	29/3/17
	Association	ASO11	Tungurahua	President	F	29/3/17
	Association	ASO12	Chimborazo	President	F	22/3/17
	Association	ASO3	Imbabura	President	F	4/12/15
	Association	ASO4	Imbabura	Manager	F	8/1/16
	Association	ASO5	Pichincha	Manager	F	11/1/16
	Association	ASO8	Pichincha	President & member	F,F	17/3/17
	Association	ASO9	Imbabura	President	F	18/3/17
	Community organization	OCOM2	Tungurahua	Member	M	31/3/17
	Association	ASO1	Imbabura	President	F	17/3/17
	Association	ASO2	Pichincha	President	F	13/5/15
	Association	ASO7	Loja	President & member	F,F	15/3/17
	Community organization	OCOM3	Bolívar	President	F	26/5/16
	Community organization	OCOM1	Cañar	President	M	27/4/15
	Community organization	MSOC1	Chimborazo	President	M	22/2/17

that emerged during implementation when discrepancies arose between official discourse and the actual needs and capacities of SE organizations.

5.1 | Installed capacity: Technification and professionalization

The criterion of installed capacity requires SE organizations to demonstrate infrastructure, industrial equipment and skilled labour sufficient to ensure production volumes and quality standards requested by contracting entities (SERCOP, 2018). Yet this requirement often contradicts the operational realities and values of SE organizations. As the president of ASO3 explained:

They [civil servants] see quality as the mastery of, let us say, more advanced techniques in the production of products. In our case, our production techniques did not require much investment [in machinery] nor very advanced knowledge. Moreover, that does not mean that our work is of low quality. The *compañeras* [fellow members] had always worked on handicrafts for the international market rather than for our Ecuadorian market. [...] Although we do not yet have [fair trade] certification, we do have and have had, from almost the beginning, the trust of our clients in Italy. They are interested in the products of low-income women, not in what businesswomen [considered to be well-qualified] sell. Now, the state, on the other hand, is asking us to qualify ourselves, to be trained in very particular sewing techniques [...] to make sportswear; only then can we enter public procurement. (President-ASO3)

This testimony exposes a fundamental disconnect. Quality grounded in trust, relational proximity and accumulated experience is diminished in favor of technical specifications and formal credentials. The installed capacity criterion assesses SE organizations through two parameters—technification and professionalization. Both reflect formal economic rationalities that prioritize efficiency, standardization and market competitiveness over substantive principles such as livelihood security, social ties and traditional knowledge. Consequently, even organizations with decades of experience and established international markets (ASO3) are deemed ‘unqualified’ because their labour-intensive methods fail to conform to industrial-technical standards.

5.1.1 | Technification under the productivist paradigm

Despite official discourse recognizing labour-intensive techniques characteristic of SE organizations, the technification requirement evaluates productive capacity primarily through industrial equipment availability and infrastructure conditions (SERCOP, 2018). IEPS officials frequently cited ‘lack of technification’ as the main barrier preventing organizations from qualifying as suppliers (Subdirector1-IEPS; Official1-IEPS; Director5-IEPS) and implicitly demanded that organizations acquire technical capital to intensify production. One official described this transformation:

The organization did not have the machines that were required to make the desks [tables for the use of public-school pupils]. So, everything has changed [...]. What they used to use was the electrode welding machine, but now they are asked to use the MIG (Metal Active Gas) welding machine; this is new technology. Now they [the

members] realize the importance of having this technology, and many are already acquiring it and producing it in series. They already have a shed where they produce, an industrial oven, and better paint. All this is new technology, which they would never have bought if they had not participated in the procurement program with the Ministry of Education. (Official1-IEPS)

The underlying rationality becomes explicit in another official's justification:

We ask them [referring to the SE organizations] for a minimum level of technification in production because we want to promote more productive economies. The female artisans of "Hilando el Desarrollo", with the little sewing machines they used to work within their workshops, could not make the same number of uniforms that they now deliver to the Ministry of Education. Becoming more technical has allowed them to save on labor; they no longer spend time on corrugating or gluing elastic with hand stitches; this has helped them to increase their production by reducing costs. [...] Technifying is, for them, in the long run, a strategy that allows them to grow and improve their economic income. (Official2-IEPS)

This criterion reflects a minimalist vision of organizations focused almost exclusively on the production function, where relationships are reduced to input-output transformations, with emphasis on the state of the technology in force (Lemaître & Helmsing, 2012). References to productivism, economic growth and efficiency (cost minimization) reflect an underlying assumption that SE organizations should move beyond a 'subsistence logic' by optimizing production factors—capital and labour—in relation to the outputs achieved. Additionally, to qualify as suppliers, organizations must document machinery ownership through purchase contracts, invoices or title deeds. SERCOP also conducted on-site inspections when organizations' capacity appeared 'questionable' and 'there [was] a risk that organizations falsify documentation to appear compliant with requirements' (Advisor1-SERCOP).

However, this technification imperative creates barriers for many organizations with extensive experience in contracted activities that operate with semi-industrial or domestic machinery, and for whom production intensification for economic growth is not the ultimate goal. As Hillenkamp et al. (2013, pp. 2–3) note, SE organizations function according to complex trade-offs between cost-efficiency considerations and other priorities such as securing livelihoods and preserving social ties. The technification criterion undermines precisely these substantive aspects—relationships of affinity, trust and proximity (Espinosa et al., 2025; Servet, 2013)—that had sustained commercial relations before SE organizations' participation in public procurement.

5.1.2 | Professionalization and the devaluation of ancestral knowledge

The second dimension of installed capacity—professionalization—evaluates workforce competence through formal credentials, documented experience and quality certifications (SERCOP, 2018). Training policies are reduced, however, to interventions aimed at professionalizing members and inserting them into formal education systems. Legal instruments governing SE promotion (LOEPS and its Regulations) reveal this formal conception: a systematic review of the Annual Vocational Training Plan for Priority Attention Groups and SE Organizations (2016 edition) found no mention of valuing or recovering collective knowledge, nor mechanisms for

participatory knowledge construction across territories (Andino, 2017, pp. 93–95). Collective and ancestral knowledge appeared only in reference to intellectual property protection—obtaining collective trademarks (Ley orgánica de economía popular y solidaria [LOEPS], 2011 art. 132, §5)—rather than as legitimate productive knowledge.

This formal knowledge hierarchy emerged clearly in interviews with IEPS officials, who understand professional qualifications as skills acquired only through formal education systems, while undervaluing local, ancestral and traditional production knowledge. One community organization member described this perception:

The officials of state institutions place most people in organizations like ours in the category of “unskilled labor”. Many of our members have not completed secondary school, let alone university [formal education], but that does not prevent them from mastering other ancestral knowledge or from being committed to the community, and we also have sufficient experience in production; these things are not sufficiently valued by the Ministry. (Member-OCOM1)

The imperative behind professionalization became clearer when considering that inclusive procurement targets vulnerable populations with low formal education levels.³ The implicit rationale assimilates ‘qualified people’ into ‘competitive workers’ capable of optimizing available resources—a formal economic vision. One SERCOP director made this explicit:

The members had to be trained; they first chose twenty people who are now able to operate industrial machines because it is difficult for a person from the countryside to understand the technological side of things. First of all, they do not have the skills; you have to look at the reality here in [the province of] Bolívar. Rural people do not have [...] the same development of communication skills that they have in the cities. Now, we cannot say that with the courses that [the members] followed, they were perfectly trained, but at least now they have the certificates of approval for the course. Well, some people have got the hang of it [...]; they are the ones who can compete and are going to move forward with production. (Director1-SERCOP)

The desirable installed capacity—combining technification of production with professionalization of workers—reflects what literature terms as *managerialism*: the dominance of management models from for-profit capitalist enterprises as the ideal organizational type (Dart, 2004; Laval, 2007; Meyer et al., 2013). Government officials apply these criteria without recognizing that SE organizations operate according to multiple rationalities beyond efficiency maximization. Organizations dedicated to organic production and artisanal manufacturing (OCOM1, OCOM3) explicitly question this absence of plurality in state authorities’ normative referents, which remain far removed from the substantive economic vision articulated in Ecuador’s constitutional framework and the *Buen Vivir* paradigm, consistent with the substantive framework discussed earlier (Section 2).

³ The level of schooling most frequently attained by the members interviewed in the organizations is secondary education.

5.2 | Territorial dimension: The origin of production and dynamization of the local economy

Public procurement processes position SE organizations in two transactional roles: as clients sourcing production inputs and as suppliers delivering goods or services to state entities. The territorial criterion thus seeks to ensure both transactions occur within the same territory by establishing two specific parameters: (1) only organizations domiciled at least 6 months in the territory where demand originates qualify as potential suppliers (with extension to neighbouring cantons possible only when local capacity proves insufficient) and (2) at least 50% of production inputs must be of national origin—termed ‘Ecuadorian added value’—with higher percentages prioritized in supplier selection (SERCOP, 2018).

State authorities frame this criterion as a tool to mobilize endogenous resources for local needs:

Public procurement is not an end in itself but a tool to boost local economies. For example, the implementation of an inclusive fair or dynamic catalog generates employment and income in the canton or province to which the suppliers belong. There, the cataloged products are the first and only supply option for public institutions. We seek to promote new sources of employment in these cantons and encourage the consumption of national products. (Official1- SERCOP)

This rationale aligns with substantive economic principles, as locality implies community embeddedness—not only a shared geographical location but also the articulation of actors within voluntary interdependencies (Guridi & Pérez de Mendiguren, 2014; Hess, 2004). These interdependencies transcend horizontal solidarity among members of individual productive units to encompass reciprocity: the principle whereby people recognize themselves as different but equal parts of a ‘social whole’ while accepting the bonds that unite them (Peemans, 2018). These relationships contrast with those that characterize mercantile exchange, which are based on the pursuit of individual or group independence in the private sphere under the logic of profit maximization (Hillenkamp et al., 2013; Servet, 2013). For example, when urban food service organizations source raw materials from rural SE producers in neighbouring counties, they potentially create broad spheres of interdependence among actors who share not only geography but also common principles, values and vulnerability conditions. As one IEPS authority explained:

The purpose of inclusive fairs is to include a series of clauses in public tenders that, apart from purely commercial aspects, take into account offers that promote the participation “not of intermediaries” but rather of small organized producers that, in addition to generating employment, favor the labor insertion of other people with difficulties in accessing employment, or that favor equality between men and women in the same territory. (Director4-IEPS)

In principle, this territorial logic promotes relationships based on reciprocity rather than mercantile exchange driven by profit maximization and individual independence—a design which is consistent with the substantive conception of the economy articulated in the *Buen Vivir* framework.

Despite a substantive intent, the implementation of the territorial criterion becomes *instrumental*. It conditions access to key resources and legitimizes certain actors while excluding others

based on purely administrative or geographical considerations, which are disconnected from the solidarity-driven projects inherent to SE organizations. The dilemma faced by ASO1, when choosing the source of inputs necessary for the production and delivery of uniforms to the Ministry of Education, illustrates how geographical proximity requirements can undermine what Brunori (2007) calls relational and symbolic proximities:

Something that was quite good and quite beneficial that the State did was to have decided to sectorize purchases with producers from the provinces where the demands for uniforms are. So those resources no longer leave the province. Before, here in Ibarra, they contracted with large companies from other cities. The change was very good because it allowed us to work here, in our province, for our people. [...] We received an order for 140 kits of school uniforms. Look, then, we had a problem there, a dilemma. For the threads [to sew uniforms], we met at a training session, some colleagues also from the SE, like us, who set up their spinning mill from scratch in Carchi [a neighboring province in the north of Ecuador]. These women [from the spinning mill] are working women with needs like ours; they have families with children to raise, like us... And they are also looking to have jobs, like us. They would have been our obvious choice for purchasing fabric and thread. But you know, staying providers and continuing to get money from the state is complicated! That's why, in the end, we decided to order fabric and thread from a company from Quito that also has a factory here in Ibarra. They were fast, within three days, trucks loaded with fabric arrived... And we ensured compliance with the government requirement. (President-ASO1)

The president's account reveals the trade-off imposed by bureaucratic compliance: ASO1 chose a capitalist company with local presence over SE peers from a neighbouring province with whom they shared values, vulnerability conditions and solidarity commitments. The territorial criterion, despite its substantive rationale, forced organizations to prioritize instrumental rationality—ensuring contract compliance and continued state funding—over the solidarity networks and symbolic proximities that constitute genuine territorial embeddedness.

One consequence was the fracture of relationships with peer organizations that transcended geographical boundaries. This reflects Martínez Godoy's (2015, p. 152) argument that territory must be analyzed as 'an appropriated and managed space, as a space of identity for a social group' with consciousness of this appropriation. The ASO1 case demonstrates precisely how geographic-administrative criteria, when divorced from this deeper understanding, can force organizations to sacrifice the voluntary interdependencies and reciprocity relationships the policy supposedly seeks to promote. Rather than strengthening community embeddedness, rigid territorial boundaries instrumentalized solidarity, subordinating relational proximity to bureaucratic geography.

5.3 | Associativity: Between visibility and formalization of collective economic dynamics

The associativity criterion prioritizes collective legal forms—cooperatives, associations and community organizations—over individual or family enterprises, awarding additional points to potential bidders organized as associations (SERCOP, 2018). In practice, 78% of SE contracts

attributed during 2015 went to production and service associations (Celis, 2016). Officials frame this criterion in terms of employment generation and competitiveness:

Someone from the Superintendency once said to me: Hey, we are approving many associations just because of the expectation that [they] have of public contracting. The answer is yes, that is right. These are people who do not have work, and the only possibility they see of accessing work is by forming a type of SE organization and, on that basis, having the possibility of delivering a good or service to the state. (Official1-SERCOP).

We have a large number of associations listed on the portal [referring to the inclusive catalog]. The work that associations are developing today is dignified work, which allows people to obtain income that, before working alone, they did not have. However, associative work is competitive work, work that leaves nothing to be said, is of quality and meets all the expectations of the contracting entities. (Official3-SERCOP).

However, under the rhetoric of collective empowerment lies a problematic equation. Officials interviewed consistently used 'making initiatives visible' and 'formalizing them' interchangeably, revealing an underlying assumption: SE organizations only become visible—and thus legitimate—through legal registration. As Vega Ugalde (2016, p. 14) observes, government authorities represent associative actors as 'informal' actors who 'risk remaining poor, small and excluded from public policy' unless formalized on public registers. One IEPS director made this logic explicit:

Since the Constitution was enacted in 2008 and then with the LOEPS in 2011, the state has been promoting the development of a social and economic inclusion system. Within this framework, a set of policies was implemented that sought to promote productive chains and guarantee access to the public and private markets for micro and small producers who were previously invisible. The aim is, therefore, to promote SE, which requires starting by giving legal life to its actors; reducing informality is the first milestone for its visibility and development. (Director5-IEPS)

This rationality implies that the state grants life to SE organizations, even though their existence and effective operation precede any legal registration procedure. The subjectification effect is manifest: organizations operating through informal collective practices—potentially more aligned with reciprocity and solidarity principles than legally registered structures—are rendered invisible and illegitimate.

This formalization imperative creates tensions within SE organizations by imposing rigid criteria regarding governance, namely internal organization, control mechanisms, membership requirements and leadership selection. For cooperatives, governance follows strict parameters, that is, a single administrative body with a maximum of nine board members appointing the manager (LOEPS, 2011). Many organizations perceive the state's explicit preference for 'working with the new-fangled associations' (President-OCOM1), which makes legal restructuring a pragmatic necessity for accessing contracts despite potential misalignment with existing practices.

The case of Coop1 illustrates the consequences. Between 2014 and 2016, the cooperative experienced four different managers as it struggled to adapt to technocratic management requirements. The President described the resulting crisis:

Members saw the last manager as a stranger, just a boss... Each only wanted to fulfill their production quota without caring about others' work. They showed no interest in participating in cooperative meetings. Assemblies felt like gatherings of unknown women who wouldn't even speak to each other. (President-Coop1)

Participatory decision-making traditions eroded as roles became divided between politically skilled presidents and technically qualified managers mandated by SEPS regulations. According to Coop1 President, the legitimization crisis was severe: by December 2016, Coop1 had lost 70% of its members—only 6 of the original 20 remained. This workforce reduction directly impacted production capacity, which also provoked delivery delays in Ministry of Education contracts.

This empirically validates concerns about what Villalba-Eguiluz and Pérez-de-Mendiguren (2019, p. 111) describe as 'democratic cooling' (*enfriamiento democrático*), which occurs when formalization requirements distance members from real decision-making power. They argue that 'the search for success in markets would end up trivializing, in many cases, the very essence and values of their organizations', referencing debates about Mondragón. While governance challenges threaten SE organizations beyond state intervention alone, Ecuador's case demonstrates how mandated structures—supposedly promoting solidarity values—can paradoxically exacerbate these tensions. When formal compliance takes priority over democratic practice, the result is not strengthened associativity but rather its erosion: organizations maintain the legal shell while losing the participatory substance that, in principle, defines SE.

5.4 | Positive discrimination as a palliative to exclusion

Once organizations met the previous criteria, those demonstrating participation of vulnerable groups—such as people with disabilities, refugees, immigrants, Indigenous peoples and older adults—received preferential consideration in contract awards (SERCOP, 2018). The official justification frames this as addressing historical exclusion:

Well, the persistence of poverty and the increase in inequality are the result of a history of ethnic, gender, territorial exclusion. This government has recognized the need for more inclusive development policies to mitigate inequality gaps and a better redistribution of resources. This led us to generate tools from SERCOP, such as the dynamic [inclusive] catalog that seeks to reduce poverty and inequality. [...] Now, specifically, how are we doing it, or rather, how do we think we can do it? Well, by including criteria that I would qualify [as] solidarity-based in the evaluation of those who want to enter public procurement. They are criteria designed precisely for a sector that is understood as solidarity-based [referring to SE]. Its objective is to generate employment and income, right? So, it is these enterprises that are called upon to include the population's priority attention groups. It is under this logic that the dynamic catalog seeks to motivate organizations to include among their members the elderly, people with disabilities, migrants, and women... It is a way for [these

organizations] to participate in poverty reduction efforts, an objective set out in the Social Agenda. (Advisor1-SERCOP)

However, this criterion reflects palliative welfare logic rather than structural transformation. It incorporates vulnerable populations without questioning internal organizational inequalities or the conditions producing exclusion. It thus functions as state compensation anchored in what Laville (2006, p. 24) describes as philanthropic solidarity between ‘those who assist’ and ‘the assisted’. While positive discrimination has become widespread across policies (Vargas & Brito, 2023; Vega Ugalde, 2016), its application reveals difficulty in recognizing SE’s plural nature—the integration of social, ecological and political objectives alongside productive activities. The positive discrimination criterion seeks to incorporate vulnerable populations without transforming the structural conditions that produce exclusion in the first place.

The gender dimension illustrates this limitation clearly. Evaluation employs conventional indicators—for example, the percentage of women members and the ratio of women to men within organizations—which reflect a Women in Development (WID) approach that measures female participation without questioning the sexual division of labour (Degavre, 2011; Nobre, 2015). As one IEPS official explained:

Inclusive public procurement programs promote income-generating activities for SE organizations. This government seeks to ensure a market for people to work, with emphasis on vulnerable groups such as women. (Official3-IEPS)

Yet programs channel women towards stereotypically feminized occupations. Another official acknowledged this pattern:

Women often find themselves working in “women’s jobs”; for example, domestic service, cleaning, and feeding the children in the CIBVs [childcare centers]. There is little participation of men. I am not saying that it is wrong; I am just saying what, for obvious reasons, happens from the socialization workshops when women are motivated to form associations in these areas. It is thought that there, they have life experience itself. (Official2-IEPS)

This dynamic reproduces rather than challenges gender segregation. All organizations studied in food service and cleaning were composed exclusively of women, whereas metalworking associations (producing school desks) consisted entirely of men. This pattern echoes Staab’s (2011) findings on public policies addressing reproductive work in Andean countries (Ecuador, Peru and Bolivia). According to this author, instead of questioning the unequal distribution of tasks and responsibilities between men and women, state programs reinforce and naturalize gender roles traditionally ascribed to women. Regarding public procurement programs, the positive discrimination criterion creates employment opportunities within existing gendered structures yet fails to promote the empowerment or structural change necessary for a transformation towards equality.

Positive discrimination thus operates as a palliative measure—addressing symptoms of exclusion through incorporation into income-generating activities—while leaving intact the relational asymmetries, structural inequalities and divisions of labour that produce vulnerability in the first place. This represents a fundamental misalignment with the substantive economic vision

articulated in *Buen Vivir*, which demands not only including the excluded but also transforming the systems that generate exclusion.

6 | DISCUSSION

Our analysis of public procurement designed to promote SE in Ecuador reveals systematic contradictions between substantive policy discourse and formal implementation practices. While procurement mechanisms claim to embody a substantive approach—through regulated competition that accounts for differences in productive capacity and comprehensive evaluation of SE organizations—the normative assumptions, social representations and subjectification effects embedded in the four evaluation criteria suggest otherwise. Homogenized representations of productive activity, products, services and work within these organizations have emerged, privileging formal economic rationalities over the substantive principles that underpin SE.

6.1 | The formal versus substantive contradiction across four criteria

These four criteria reveal how substantive aspirations confront formal imperatives in practice. As Bouchard (2009) and Perret (2009) note, evaluation is never neutral—every indicator conveys implicit messages about which economic actors and practices are deemed legitimate.

Regarding *installed capacity*, SE organizations must demonstrate adequate infrastructure, equipment and skilled labour to guarantee production quality and volume. Although policy discourse acknowledges labour-intensive and community-based production, procurement mechanisms tend to privilege technification and professionalization, which favors organizations able to meet formal standards of efficiency, scale and technological sophistication. Public procurement thus reflects what Lemaître (2013) relates to a *minimalist view* of organizations, where economic relations are reduced to input–output transformations defined by prevailing technologies, while sidelining their social, ecological and political dimensions. Empirical studies of Ecuador's SE public policy (Martínez Godoy, 2015; Villalba-Eguiluz et al., 2020) echo this dynamic, showing how requirements for standardized outputs, rigid delivery schedules and strict compliance procedures reinforce formal economic logics that often clash with SE organizations' realities and values.

Concerning *territorial conditions*, public procurement programs require production to occur in the county where demand arises, with at least 50% of inputs sourced nationally. While this reflects a local development perspective (Mendonça & Rocha, 2015)—in which interdependencies and community embeddedness are recognized—it often disrupts existing solidarity networks that transcend administrative boundaries. Tensions emerge when supplier selection prioritizes geographical proximity over what Brunori (2007) terms *relational* or *symbolic proximity*, the latter reflecting shared values, trust and collaboration that have historically been cultivated among SE actors. As Brunori (2007) notes, proximity operates not only through physical distance but also through the symbolic and relational dimensions that sustain localized economies.

Public procurement programs adopt a strategic approach to the formalization of economic entities, where legalization is framed as the primary means of promoting collective organization. In practice, *associativity* has been equated with formalization: legal registration is treated as a

prerequisite for 'giving life' to SE organizations, despite their prior existence and functioning. This equation reflects a *formal economic rationality* that privileges bureaucratic visibility and compliance over the *substantive* dimensions of reciprocity, cooperation and trust that sustain associative life. Scholars have criticized this trend (Mero Llor & Zambrano Montesdeoca, 2023; Vega Ugalde, 2016; Villalba-Eguiluz et al., 2020), noting that SE promotion has been reduced to legal registration, delegitimizing informal collective practices attuned to solidarity principles. The governance challenges observed—including Coop1's loss of 70% of its membership after technocratic management was imposed—illustrate the consequences of prioritizing formal compliance over participatory, democratic processes in SE policy frameworks.

As per *positive discrimination*, SE organizations are expected to demonstrate the inclusion of people from vulnerable groups, with an emphasis on poverty reduction and inequality mitigation. However, these prescriptions do not systematically address deeper organizational inequities. Gender criteria, while formally recognized, emphasize women's engagement in productive activities without questioning the sexual division of labour that underpins structural inequalities. This instrumental approach values women primarily for their contribution to productivity rather than for transforming gender relations. As Vargas and Brito (2023) show, such measures frequently operate within a compensatory welfare framework, which targets benefits without challenging institutional structures that reproduce inequality. Conventional indicators—like the ratio of female/male beneficiaries or entrepreneurs—further mask the underlying dynamics of power, representation and workload distribution. This also aligns more broadly with Villalba-Eguiluz et al. (2020, p. 11), who note that the SSE is promoted as a narrow sectoral niche focused primarily on poverty reduction—an 'economy of the poor for the poor'—rather than as a vehicle for structural economic transformation, revealing the limits of a formal, rather than substantive, approach to inclusion.

Our analysis of the four evaluation criteria reveals a systematic pattern: while policy discourse claims substantive orientation, implementation privileges formal economic rationalities. Hence, the confrontation between SE organizations' operating modes—what these organizations ideally represent for their members—and procurement policy's normative foundations of procurement policy—what public policy aims to achieve—produces contradictions that translate into tensions within SE organizations and between them and their institutional environment (Table 2).

6.2 | Theoretical contribution: The institutionalization paradox

Our findings support what we term the *institutionalization paradox*: policies explicitly designed to support alternative economic models may reproduce the very market rationalities they aim to transcend, confining SE to a subsidiary role rather than recognizing it as a systemic alternative. In Ecuador, instruments such as public procurement—formally aligned with the *Buen Vivir*—ultimately reinforce capitalist norms of technification, efficiency and competition. This paradox operates at the intersection of constitutional innovation (macro-level) and evaluation procedures (micro-level) through which SE organizations gain legitimacy. As Polanyi (1944, 1977) argued, institutional transformation remains hollow without reconfiguring the 'instituted processes' through which economic activity is socially recognized and valued. Comparable patterns have been long documented in Europe (Avagianou et al., 2022; Chabanet & Richez-Battesti, 2021; Chaves-Avila & Gallego-Bono, 2020; Teasdale, 2011), and South America (Saguier & Brent, 2014), where SE becomes entangled in dominant market circuits, reinforcing rather than challenging neoliberal logics.

TABLE 2 Solidarity economy (SE) organizations in inclusive public procurement.

Criteria	Policy rationale <i>What does policy aim to achieve?</i>	Dominant conception of the economy <i>What organizational model is privileged?</i>	Contradictions with <i>Buen Vivir</i> /substantive economy	Tensions and implications
Installed capacity	Transition from subsistence to growth economy through specialization Assimilate members into competitive workers capable of optimizing resources	Formal: Minimalist organizational vision Technification + professionalization = efficiency maximization Privileging industrial equipment and formal credentials	Epistemological hierarchy Devalues ancestral knowledge Productivist orientation over life reproduction Technical-scientific hierarchy incompatible with Indigenous cosmologies Ignores ecological embeddedness	Excludes traditional producers Devalues community experience in favor of formal certification Pressures market-enterprise adoption Financial barriers to machinery
Territorial dimension	Boost local economies through collective mobilization of endogenous resources for common local needs	Substantive potential BUT formal implementation: Geographic-administrative boundaries; bureaucratic territory definition (despite substantive rhetoric about community embeddedness)	Administrative geography overrides relational/symbolic proximity Instrumentalizes solidarity Contradicts 'territory as appropriated space'	Forced selection of suppliers based on geographic proximity over shared values or solidarity networks fragmentation of existing cooperation networks that cross administrative boundaries Dilemmas (compliance vs. solidarity relationships)
Associativity	Promote associative work through formalization of enterprises	Formal: Visibility = formalization; legal registration as prerequisite for legitimacy; bureaucratic recognition over organic solidarity	Homogenizes diverse organizational forms Delegitimizes informal collective practices State 'gives life' to preexisting organizations Bureaucratic compliance over democratic participation	Standardized governance erodes participatory traditions Membership desertion from bureaucratization Identity conflicts Artificial homogenization
Positive discrimination	Poverty alleviation and reduction of inequalities (especially gender)	Formal: Philanthropic solidarity; instrumental metrics (percentages, ratios); incorporation without structural transformation	Palliative rather than transformative Reinforces gender separation Passive beneficiaries not active agents Individual inclusion over collective empowerment	Treats vulnerable groups as passive beneficiaries rather than active participants Compensatory logic addresses symptoms not causes Perpetuates sexual division of labour No power transformation

This contradiction also manifests as a tension between *substantive form* and *formal content*. Our study reveals that public procurement mechanisms appear progressive—neutralizing competition through fixed prices, strengthening territorial economies and privileging associative forms—yet their implementation reintroduces the logic of standardization and market discipline. To gain access, SE organizations must *perform the market* to be recognized by it. As Espinosa et al. (2025) argue, the very act of recognition often becomes an act of subordination: autonomy and plurality are tolerated only to the extent that organizations can be measured, certified and rendered compatible with bureaucratic expectations. This dynamic resonates with Dash's (2016) insight that the state constructs SE as an 'included outsider'—institutionally visible but epistemically subordinated. Recognition, rather than fostering empowerment, thus operates as a mechanism of normalization that undermines SE's transformative potential.

Our findings align with cross-contextual research (Abreu Nagem & Pereira Silva, 2013; Lemaître, 2009; Lemaître & Helmsing, 2012) showing that state recognition of SE often confines it to niche roles addressing social problems—such as job creation in the Global North or poverty alleviation in the Global South (Raffaelli, 2017)—rather than acknowledging it as a driver of systemic transformation. SE thus tends to assume a subsidiary position within broader economic systems. Comparative evidence from Ecuador and Mexico (Espinosa et al., 2025) suggests that this reductionist approach extends beyond national contexts, revealing structural patterns in how Latin American states interact with SE linked to agroecology. In both countries, regulatory frameworks privilege market integration, formal certification and bureaucratic compliance over reciprocity, traditional knowledge and community governance—reflecting a regional tendency to subsume SE within neoliberal market logics rather than recognizing its transformative potential.

This institutionalization paradox carries both theoretical and policy implications.

Theoretically, it challenges the optimistic assumption in SE scholarship that state support can mainstream alternative economic models without reproducing dominant logics (Cooney et al., 2016; Coraggio, 2015; Flor & Rivera, 2024). Instead, it highlights that the core tension for SE lies not only in constitutional principles or institutional design but also in the everyday technical procedures through which organizations are evaluated, legitimized and granted access to resources. Within these processes, formal and substantive economic rationalities often coexist within the same policy instruments, generating contradictory pressures on organizations that must reconcile their normative values with state-imposed criteria. Villalba-Eguiluz et al. (2020) identify similar contradictions between: (1) strengthening community networks versus promoting individual market competition, (2) fostering reciprocity and demarketization versus prioritizing market integration and (3) advancing biocentric sustainability versus emphasizing quantitative production targets.

Practically, this suggests the need for alternative evaluation approaches grounded in participatory processes—such as co-construction dynamics (Fraisie, 2005; Vaillancourt, 2009), and public–community partnerships (Chaves-Avila & Gallego-Bono, 2020) that actively engage SE actors in defining criteria and acknowledge their distinctive rationalities: community embeddedness, ecological sustainability, democratic governance, traditional knowledge and solidarity. Since substantive principles inform only policy discourse but not the micro-technologies of implementation—the criteria, indicators and procedures through which principles are operationalized—economic pluralism remains more aspirational than real. As scholars argue, the challenge lies in developing reflexive policy instruments that continuously interrogate their underlying rationalities, incorporate feedback from SE actors, and adapt through iterative learning (Caitana et al., 2024; Dinerstein, 2017).

7 | CONCLUSION

This paper analyzed Ecuador's public procurement programs as a critical case for understanding tensions between transformative constitutional principles and policy implementation. Our central finding reveals an institutionalization paradox: while Ecuador's 2008 Constitution articulated a substantive economic vision through *Buen Vivir*, the evaluation criteria for SE organizations' access to procurement embody formal economic rationalities. Installed capacity prioritizes technification over traditional knowledge; territorial scope enforces administrative boundaries, fragmenting solidarity networks; associativity equates visibility with legal formalization; positive discrimination envisions vulnerable populations as passive beneficiaries rather than transforming structural inequalities.

Our study advances SE institutionalization theory fourfold. Firstly, it extends Polanyian analysis by demonstrating how formal and substantive economic rationalities coexist within the same policy instrument, creating contradictory pressures on organizations. Secondly, it reveals that the 'instituted process' of the economy (Polanyi, 1944, 1977) encompasses not just legal frameworks but the implementation devices—evaluation criteria and compliance indicators—through which economic activity is recognized and legitimized. Thirdly, we theorize the institutionalization paradox: policies designed to support alternative economic models may inadvertently impose the very market rationalities they aim to transcend, which constrains SE to a subsidiary role rather than recognizing it as a systemic alternative. State recognition can thus become a mechanism of normalization, subordinating SE organizations to dominant logics. Fourthly, we contribute to *Buen Vivir* scholarship by empirically documenting the gap between constitutional vision and policy practice, revealing how theoretical convergences dissolve at the implementation level.

Understanding these contradictions requires situating them within Ecuador's broader political trajectory. The 2008–2017 period marked the country's most intensive effort to institutionalize the SE, yet subsequent political shifts have continued to reshape this landscape. The neoliberal reorientation under the Moreno administration (2017–2021) intensified pressures on SE organizations—a trend that persisted under the governments of Guillermo Lasso (2021–2023) and Daniel Noboa (2023–present), which may have further reduced SE institutional support. Crucially, however, the contradictions examined here emerged even during periods of active state promotion, not merely as outcomes of political retreat. This points to deeper epistemic and institutional barriers to realizing economic plurality through state policy and sheds light on the structural challenges of SE institutionalization globally. Longitudinal analysis tracing how organizations navigate these evolving contexts could clarify whether such contradictions persist, intensify or transform under different political conditions.

Several limitations frame our findings. Our focus on public procurement—while revealing crucial implementation dynamics—represents only one mechanism within Ecuador's broader SE policy architecture. Other instruments (financial inclusion through CONAFIPS, regulatory oversight via SEPS) may show different patterns of formal/substantive tension. The institutionalization paradox we theorize may operate differently across policy domains, suggesting the need for a comprehensive analysis of Ecuador's SE policy ecosystem.

Our single-country focus on public procurement from 2008 to 2017 limits generalizability. Future research should pursue comparative analysis across Latin American SE policies to illuminate regional patterns; investigation of how SE actors strategically negotiate formal criteria while maintaining substantive values; empirical examination of alternative evaluation methodologies co-designed with organizations; and exploration of whether genuine plurality can be

reinforced through state institutionalization or requires autonomous development outside state frameworks.

ACKNOWLEDGEMENTS

This research was carried out in partnership with the Belgian non-governmental organization Louvain Coopération, as part of the Chair of Social and Solidarity Economy in the South (CESSS) of the Université catholique de Louvain. The authors gratefully acknowledge Isabelle Hillenkamp, Isabel Yépez, Marthe Nyssens and Vincent Hénin for their valuable comments and insights. The authors are also thankful to the anonymous reviewers for their constructive feedback, which significantly improved the quality of this work.

ORCID

Maria-José Ruiz-Rivera  <https://orcid.org/0000-0003-4937-7063>

Andreia Lemaître  <https://orcid.org/0000-0002-5390-3698>

REFERENCES

- Abad, A., Aldaz-Peña, R., Dávila-Gordillo, D., & Vallejo-Vera, S. (2022). An unwelcomed Deja-vu: Ecuadorian politics in 2021. *Revista de Ciencia Política*, 42(2), 281–308. Advance online publication. <https://doi.org/10.4067/s0718-090x2022005000112>
- Acosta, A. (2011). El Buen (con) Vivir, una utopía por (re) construir: Alcances de la Constitución de Montecristi. *Otra Economía*, 4(6), 8–31.
- Aguado, G., Cabeza, M., & Castillo, J. (2016). Enseñanzas del Buen Vivir para construir una pedagogía del cuidado. *Revista Internacional de Investigación en Educación Global y para el Desarrollo*, 10, 3.
- Anastasopoulos, N. (2017). Buen Vivir, sostenibilidad y bienes comunes: El contexto ecuatoriano y mundial. *Estado & Comunes*, 1(4). <http://estadoycomunes.iaen.edu.ec/index.php/EstadoyComunes/article/view/100>
- Andino, V. (2017). De palabras con poder y acciones con libertad. Análisis de los posibles efectos del marco legal en el sector de la economía popular y solidaria en el Ecuador y propuestas para seguir actuando en libertad. In M. F. Villa, L. G. Aldanondo, & Y. Jubeto-Ruiz (Eds.), *Políticas públicas territoriales para la economía social y solidaria en Loja* (pp. 11–145). Hegoa.
- Avagianou, A., Gourzis, K., Pissourios, I., Iosifides, T., & Gialis, S. (2022). Quite promising yet marginal? A comparative study of social economy in the EU South. *Comparative European Politics*, 20(4), 484–509. <https://doi.org/10.1057/s41295-022-00288-3>
- Bacq, S., & Janssen, F. (2011). The multiple faces of social entrepreneurship: A review of definitional issues based on geographical and thematic criteria. *Entrepreneurship & Regional Development*, 23(5–6), 373–403. <https://doi.org/10.1080/08985626.2011.577242>
- Beckert, J. (2003). Economic sociology and embeddedness: How shall we conceptualize economic action? *Journal of Economic Issues*, 37(3), 769–787. <https://doi.org/10.1080/00213624.2003.11506613>
- Belotti, F. (2014). Entre el bien común y el buen vivir. Afinidades a distancia. *Íconos—Revista de Ciencias Sociales*, 0(48), 41–54. <https://doi.org/10.17141/iconos.48.2014.1208>
- Bouchard, M. J. (Ed.). (2009). *The worth of the social economy: An international perspective*. Lang.
- Brunori, G. (2007). Local food and alternative food networks: A communication perspective. *Anthropology of Food*, S2, 0. <http://journals.openedition.org/aof/430>
- Caitana, B., Callorda, E., Lemaitre, A., Ruiz, M. J., & Umantseva, A. (2024). Repensando las “Soluciones basadas en la Naturaleza” desde el pensamiento post-desarrollista latinoamericano. *Revista de La Academia*, 38, 252–281. <https://doi.org/10.25074/0196318.38.2811>
- Caria, S., & Domínguez, R. (2016). Ecuador's Buen Vivir: A new ideology for development. *Latin American Perspectives*, 43(206), 18–33. <https://doi.org/10.1177/0094582X15611126>
- Carosio, A. (2014). La lógica del cuidado como base del “Buen Vivir.” In A. Girón (Ed.), *Del “vivir bien” al “Buen Vivir” entre la economía feminista, la filantropía y la migración: Hacia la búsqueda de alternativas* (Primera ed.). UNAM, Instituto de Investigaciones Económicas.

- Carranza, C., & Villavicencio, N. (2024). Transiciones ecosociales. *Revista de La Academia*, 38, 108–140. <https://doi.org/10.25074/0196318.38.2802>
- Carranza-Barona, C., Villalba-Eguiluz, U., Hurtado, G., & Villavicencio-Salazar, N. (2025). Experiencias de transición ecosocial en Ecuador desde la economía social solidaria y la agroecología. *Revista Iberoamericana de Estudios de Desarrollo = Iberoamerican Journal of Development Studies*, 1–31. https://doi.org/10.26754/ojs_ried/ijds.10636
- Celis, K. (2016). *Participación de los actores de la economía popular y solidaria y las microempresas en la compra pública en el año 2015* (Cuaderno de trabajo No. IV). SERCOP. https://portal.compraspublicas.gob.ec/sercop/wp-content/uploads/2016/05/participacion_EPS_microempresas_2015.pdf
- Chabanet, D., & Richez-Battesti, N. (2021). Le processus d'institutionnalisation de l'économie sociale et solidaire en France au prisme de la loi de juillet 2014: Quand les logiques marchandes et concurrentielles prennent le pas sur les logiques de transformations sociales. *Management International*, 25(4), 101. <https://doi.org/10.7202/1083845ar>
- Chambers, R. (2004). *Ideas for development: Reflecting forwards* (IDS Working Paper No. 238). Institute of Development Studies. <http://opendocs.ids.ac.uk/opendocs/handle/123456789/669>
- Chaves-Avila, R., & Gallego-Bono, J. R. (2020). Transformative policies for the social and solidarity economy: The new generation of public policies fostering the social economy in order to achieve sustainable development goals. The European and Spanish Cases. *Sustainability*, 12(10), 4059. <https://doi.org/10.3390/su12104059>
- Collins, J. N. (2022). Ecuador: The return of neoliberal ghosts with pandemic woes. In H. F. Kline & C. J. Wade (Eds.), *Latin American politics and development* (10th ed., pp. 311–331). Routledge. <https://doi.org/10.4324/9781003223351>
- Cooney, K., Nyssens, M., O'Shaughnessy, M., & Defourny, J. (2016). Public policies and work integration social enterprises: The challenge of institutionalization in a neoliberal era. *Nonprofit Policy Forum*, 7(4), 415–433. <https://doi.org/10.1515/npf-2016-0028>
- Coraggio, J. L. (2013). De Polanyi à l'économie sociale et solidaire en Amérique latine. In I. Hillenkamp & J.-L. Laville (Eds.), *Socioéconomie et démocratie. L'actualité de Karl Polanyi* (pp. 169–183). Érès. <https://doi.org/10.3917/eres.lavil.2013.01>
- Coraggio, J. L. (2015). L'économie sociale et solidaire et son institutionnalisation en Amérique latine: Cinq pays, cinq processus. *Revue Française de Socio-Économie*, 15(1), 233–252. <https://doi.org/10.3917/rfse.015.0233>
- Coraggio, J. L., Eynaud, P., Ferrarini, A., Filho, F., da, G. C., Gaiger, L. I., Hillenkamp, I., Kitajima, K., Laville, J.-L., Lemaître, A., Sadik, Y., Veronese, M., & Wanderley, F. (2015). The theory of social enterprise and pluralism: Solidarity-type social enterprise. In J.-L. Laville, D. R. Young, & P. Eynaud (Eds.), *Civil society, the third sector and social enterprise: Governance and democracy* (pp. 234–249). Routledge.
- Dart, R. (2004). Being “Business-Like” in a nonprofit organization: A grounded and inductive typology. *Nonprofit and Voluntary Sector Quarterly*, 33(2), 290–310. <https://doi.org/10.1177/0899764004263522>
- Dash, A. (2016). An epistemological reflection on social and solidarity economy. *Forum for Social Economics*, 45(1), 61–87. <https://doi.org/10.1080/07360932.2014.995194>
- Defourny, J., & Nyssens, M. (2012). Conceptions of social enterprise in Europe: A comparative perspective with the United States. In B. Gidron & Y. Hasenfeld (Eds.), *Social enterprises: An organizational perspective* (pp. 71–90). Palgrave Macmillan. <https://doi.org/10.1057/9781137035301>
- Defourny, J., & Nyssens, M. (2017). Fundamentals for an international typology of social enterprise models. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 28(6), 2469–2497. <https://doi.org/10.1007/s11266-017-9884-7>
- Degavre, F. (2011). La pensée “femmes et développement”: Critique des fondements et pistes pour reconstruire un point de vue féministe croisé Nord/Sud. In I. Guérin, M. Hersent, & L. Fraisse (Eds.), *Femmes, économie et développement* (pp. 63–84). Érès. <https://doi.org/10.3917/eres.gueri.2011.01.0063>
- de la Torre, C. (2018). Latin America's shifting politics: Ecuador after Correa. *Journal of Democracy*, 29(4), 77–88. <https://doi.org/10.1353/jod.2018.0064>
- Dinerstein, A. C. (2017). Co-construction or prefiguration? The problem of the ‘translation’ of social and solidarity economy practices into policy. In M. Scott Cato & P. North (Eds.), *Towards just and sustainable economies: The social and solidarity economy north and south* (pp. 57–72). Bristol University Press. <https://doi.org/10.46692/9781447327257.004>

- Espinosa, B. (2017). *Las redes de comercio justo: Interacciones entre el don y el intercambio mercantil*. FLACSO Ecuador.
- Espinosa, B., González-Cabañas, A. A., & Valero-Azuaje, Y. C. (2025). Ecuador y México: Historias entretejadas de controversias en las políticas de agricultura y mercados campesinos. *Revista Iberoamericana de Estudios de Desarrollo = Iberoamerican journal of development studies*, 14(1), 186–209. https://doi.org/10.26754/ojs_ried/ijds.10708
- Flor, E., & Rivera, J. (2024). Balance de las políticas públicas para la economía solidaria en Ecuador. *Deusto Estudios Cooperativos*, 24, 19–44. <https://doi.org/10.18543/dec.3168>
- Fraisse, L. (2005). Les enjeux d'une action publique en faveur de l'économie sociale et solidaire. In J.-L. Laville, J.-P. Magnen, G. C. da França Filho, & A. Medeiros (Eds.), *Action publique et économie solidaire: Une perspective internationale* (pp. 335–345). Èrès. <https://doi.org/10.3917/eres.lavil.2005.01.0335>
- Galera, G., & Borzaga, C. (2009). Social enterprise: An international overview of its conceptual evolution and legal implementation. *Social Enterprise Journal*, 5(3), 210–228. <https://doi.org/10.1108/17508610911004313>
- Gérald, B. (1986). L'économie en question: La position de Karl Polanyi. *Bulletin du MAUSS*, 10(18), 65–92.
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organizational Research Methods*, 16(1), 15–31. <https://doi.org/10.1177/1094428112452151>
- Guridi, L., & Pérez de Mendiguren, J. C. (2014). *La dimensión económica del desarrollo humano local: La economía social solidaria*. Hegoa. <http://www.dhl.hegoa.ehu.es/ficheros/0000/0781/ESSDHL.pdf>
- Hess, M. (2004). 'Spatial' relationships? Towards a reconceptualization of embeddedness. *Progress in Human Geography*, 28(2), 165–186. <https://doi.org/10.1191/0309132504ph479oa>
- Hidalgo-Capitán, A. L., & Cubillo-Guevara, A. P. (2017). Deconstruction and genealogy of Latin American good living (Buen Vivir). The (triune) good living and its diverse intellectual wellsprings. *Revue Internationale de Politique de Développement*, 9, 23–50. <https://doi.org/10.4000/poldev.2351>
- Hillenkamp, I. (2009). *Formes d'intégration de l'économie dans les démocraties de marché: Une théorie substantive à partir de l'étude du mouvement d'économie solidaire dans la ville d'El Alto (Bolivie)* (Doctoral dissertation). Retrieved from Université de Genève.
- Hillenkamp, I., Lapeyre, F., & Lemaître, A. (Eds.). (2013). *Securing livelihoods: Informal economy practices and institutions*. Oxford University Press. <https://doi.org/10.1093/acprof:oso/9780199687015.001.0001>
- Hillenkamp, I., & Laville, J.-L. (Eds.). (2013). *Socioéconomie et démocratie: L'actualité de Karl Polanyi*. Èrès.
- Hinkelammert, F., & Mora, H. (2003). Por una economía orientada hacia la vida. *Economía y Sociedad*, 8(22–23), 5–29.
- IEPS. (2019). *Informe preliminar de Rendición de Cuentas IEPS Enero-Diciembre 2018* (Informe de rendición de cuentas). Instituto Nacional de Economía Popular y Solidaria. [https://www.economiasolidaria.gob.ec/fase-3-5/Jubeto-Ruiz, Y., Guridi-Aldanondo, L., & Fernández-Villa, M. \(2014\). Diálogos sobre economía social y solidaria en Ecuador: Encuentros y desencuentros con las propuestas para otra economía. Universidad del País Vasco](https://www.economiasolidaria.gob.ec/fase-3-5/Jubeto-Ruiz, Y., Guridi-Aldanondo, L., & Fernández-Villa, M. (2014). Diálogos sobre economía social y solidaria en Ecuador: Encuentros y desencuentros con las propuestas para otra economía. Universidad del País Vasco)
- Laval, C. (2007). *L'homme économique: Essai sur les racines du néolibéralisme*. Gallimard.
- Laville, J.-L. (2006). Économie plurielle. In J.-L. Laville & A. D. Cattani (Eds.), *Dictionnaire de l'autre économie* (pp. 250–258). Gallimard.
- Laville, J.-L. (2007). *L'économie solidaire, une perspective internationale*. Hachette.
- Laville, J.-L. (2023). Origins and histories. In Y. Ilcheong (Ed.), *Encyclopedia of the Social and Solidarity Economy* (pp. 73–82). <https://doi.org/10.4337/9781803920924.00022>
- Lemaître, A. (2009). *Organisations d'économie sociale et solidaire. Lecture de réalités Nord et Sud à travers l'encastrement politique et une approche plurielle de l'économie* (Doctoral dissertation). Retrieved from Université catholique de Louvain. <https://dial.uclouvain.be/pr/boreal/en/object/boreal%3A73461>
- Lemaître, A. (2013). 'Popular Cooperatives' and local development in south-east Brazil: Towards socio-economic pluralism. In I. Hillenkamp, F. Lapeyre, & A. Lemaître (Eds.), *Securing livelihoods: Informal economy practices and institutions* (pp. 25–46). Oxford University Press.
- Lemaître, A., & Helmsing, A. H. J. (2012). Solidarity economy in Brazil: Movement, discourse and practice analysis through a Polanyian understanding of the economy. *Journal of International Development*, 24(6), 745–762. <https://doi.org/10.1002/jid.2865>
- Lemaître, A., Nyssens, M., & Platteau, A. (2005). Les entreprises sociales d'insertion par le travail entre idéal-type et institutionnalisation. *Recherches Sociologiques*, 2005(1), 61–74.

- Lemaître, A., & Ruiz-Rivera, M.-J. (2020). Institucionalización de las iniciativas de economía social y solidaria. Análisis y desafíos en el Ecuador a través de un enfoque institucional y sustantivo de la economía. In C. Carranza-Barona & A. Martínez-Galarza (Eds.), *Desafíos de la economía solidaria y comunitaria. Acercamientos conceptuales desde las experiencias* (pp. 204–260). EcuadorSapiens.
- República del Ecuador. (2011). *Ley Orgánica de Economía Popular y Solidaria y del Sector Financiero Popular y Solidario*. Registro Oficial Suplemento 332, 12 de Septiembre de 2014. <https://base.socioeco.org/docs/ley-ecuador.pdf>
- Martínez Godoy, D. (2015). Entre economía social y economía popular. Confusiones y desaciertos políticos en el “Ecuador del Buen Vivir”. *Eutopia—Revista de Desarrollo Económico Territorial*, 7, 147. <https://doi.org/10.17141/eutopia.7.2015.1669>
- Maucourant, J. (1995). *The substantive economy of money: Karl Polanyi in the tradition of “old institutionalism”* (Working Paper Du Centre Walras No. 177). Université de Lausanne. <http://halshs.archives-ouvertes.fr/halshs-00569422>
- Mendonça, M., & Rocha, C. (2015). Implementing national food policies to promote local family agriculture: Belo Horizonte’s story. *Development in Practice*, 25(2), 160–173. <https://doi.org/10.1080/09614524.2015.1002454>
- Mero Llor, K. A., & Zambrano Montesdeoca, J. L. (2023). Políticas públicas y economía popular y solidaria en Ecuador: Entre el deber ser y el ser. *Revista Venezolana de Gerencia*, 28(104), 1454–1472. <https://doi.org/10.52080/rvgluz.28.104.5>
- Meyer, M., Buber, R., & Aghamanoukjan, A. (2013). In search of legitimacy: Managerialism and legitimation in civil society organizations. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 24(1), 167–193. <https://doi.org/10.1007/s11266-012-9306-9>
- Mitchell, G. E. (2018). Modalities of managerialism: The “Double Bind” of normative and instrumental nonprofit management imperatives. *Administration & Society*, 50(7), 1037–1068. <https://doi.org/10.1177/0095399716664832>
- Nagem, F. A., & Silva, S. P. (2013). Institucionalização e execução das políticas públicas de economia solidária no Brasil. *Revista de Sociologia e Política*, 21(46), 159–175. <https://doi.org/10.1590/S0104-44782013000200010>
- Nelms, T. C. (2015). The problem of delimitation: Parataxis, bureaucracy, and Ecuador’s popular and solidarity economy. *Journal of the Royal Anthropological Institute*, 21(1), 106–126. <https://doi.org/10.1111/1467-9655.12149>
- Nobre, M. (2015). Economía solidaria, agroecología y feminismo: Prácticas para la autonomía en la organización del trabajo y de la vida. In C. Verschuur, I. Guérin, & I. Hillenkamp (Eds.), *Une économie solidaire peut-elle être féministe? Homo oeconomicus, mulher solidaria* (pp. 273–294). L’Harmattan. <https://doi.org/10.4000/books.iheid.6723>
- Novoa, B. (2014). Abastecimiento alimentario de los programas sociales a través del Sistema de Contratación Pública del Ecuador. In J. P. Borth & B. Elías-Argandoña (Eds.), *Las Compras públicas. ¿Alternativa demercado para la agricultura familiar campesina?* (pp. 163–197). Agrónomos y Veterinarios sin Fronteras.
- Oleas, J. (2016). La economía social y solidaria en el Ecuador: Una mirada institucional. In F. Rhon (Ed.), *Economía solidaria. Historias y prácticas de su fortalecimiento* (pp. 51–81). SEPS.
- Peemans, J.-P. (2018). Quelle place pour les “économies populaires” dans le “développement réel” du XXI^e siècle? Une question ouverte en lieu de postface. *Mondes en développement*, 181, 101–114. <https://doi.org/10.3917/med.181.0101>
- Perret, B. (2009). Evaluating the social economy. Clarifying complex rationality. In M. J. Bouchard (Ed.), *The worth of the social economy: An international perspective* (pp. 35–42). Lang.
- Polanyi, K. (1944). *The great transformation*. Farrar & Rinehart.
- Polanyi, K. (1977). *The livelihood of man*. Academia Press.
- Polanyi, K., Arensberg, C. M., & Pearson, H. (Eds.). (1957). *Trade and market in early empires: Economies in history and theory*. Free Press.
- Raffaelli, P. (2017). Social and solidarity economy in a neoliberal context: Transformative or palliative? The case of an Argentinean Worker Cooperatives. *The Journal of Entrepreneurial and Organizational Diversity*, 5(1), 33–53. <https://doi.org/10.5947/jeod.2016.003>
- Rengifo Arias, C. G., López Pulgarín, S. E., Lopera Montoya, D. M., & Díaz Tapasco, D. M. (2022). El Buen Vivir en comunidades andinas: Un reto ecosistémico. *Naveg@merica. Revista Electrónica Editada Por La Asociación Española De Americanistas*, (29). <https://doi.org/10.6018/nav.536981>
- Ruiz-Rivera, M.-J. (2019). Institucionalización de la economía popular y solidaria: Arraigo político y lógicas de acción en tensión en Ecuador y Bolivia (Doctoral dissertation). Retrieved from Université catholique de Louvain.

- Ruiz-Rivera, M.-J., & Lemaître, A. (2019). Popular and solidarity economy in Ecuador: Historical overview, institutional trajectories and types of organisations. In M. Nyssens, L. I. Gaiger, & F. Wanderley (Eds.), *Social enterprise in Latin America: Theory, models and practice* (pp. 139–168). Routledge. <https://doi.org/10.4324/9780429055164>
- Saguier, M., & Brent, Z. (2014). *Regional policy frameworks of social solidarity economy in South America* (Working Paper No. 6). UNRISD Occasional Paper: Potential and Limits of Social and Solidarity Economy. <https://www.econstor.eu/handle/10419/148795>
- Sánchez, J. (2025). Progresismo en Ecuador: Políticas socioeconómicas para El Buen Vivir (2007–2017). *Cuadernos de Economía*, 44(93), 197–235. <https://doi.org/10.15446/cuad.econ.v44n93.118279>
- Sarrade Cobos, D. (2015). L'économie populaire et solidaire en Equateur: Vers la matérialisation du principe constitutionnel du bien-vivre ? *RECMA, Revue Internationale de l'économie Sociale*, 337, 27–40. <https://doi.org/10.7202/1032521ar>
- SERCOP. (2018). Rendición de cuentas de la contratación pública en 2017 (*Informe de rendición de cuentas*). Servicio Nacional de Contratación Pública (SERCOP). <https://portal.compraspublicas.gob.ec/sercop/rendicion-de-cuentas-2017/>
- Servet, J.-M. (2013). Le principe de réciprocité aujourd'hui. Un concept pour comprendre et construire l'économie solidaire. In I. Hillenkamp & J.-L. Laville (Eds.), *Socioéconomie et démocratie L'actualité de Karl Polanyi* (pp. 187–214). Érès.
- Silva, V. (2016). The return of the state, new social actors, and post-neoliberalism in Ecuador. *Latin American Perspectives*, 43(1), 4–17. <https://doi.org/10.1177/0094582X15609596>
- Skerratt, S. (2012). Developing rural social enterprise: The relevance of context. In J. Farmer, C. Hill, S. Munoz, J. Farmer, C. Hill, & S. Munoz (Eds.), *Community co-production. Social enterprise in remote and rural communities* (pp. 24–46). Edward Elgar Publishing. <https://doi.org/10.4337/9781849808415>
- Sobel, R., & Postel, N. (2016). Formal economy, substantive economy, and economism: A critical interpretation of Karl Polanyi's distinction. *Philosophy of the Social Sciences*, 46(5), 473–497. <https://doi.org/10.1177/0048393116631299>
- Staab, S. (2011). *Estado de Arte sobre las políticas, leyes, programas y propuestas desde el Estado y la sociedad civil respecto al trabajo reproductivo no remunerado y la división sexual del trabajo Bolivia, Ecuador y Perú*. CARE. <http://www.care.org.ec/wp-content/uploads/2014/03/ESTADO-DEL-ARTE-AREA-ANDINA.pdf>
- Stanfield, J. R. (1989). Karl Polanyi and contemporary economic thought. *Review of Social Economy*, 47(3), 266–279. <https://doi.org/10.1080/00346768900000027>
- Teasdale, S. (2011). What's in a name? Making sense of social enterprise discourses. *Public Policy and Administration*, 27(2), 99–119. <https://doi.org/10.1177/0952076711401466>
- Vaillancourt, Y. (2009). Social economy in the co-construction of public policy. *Annals of Public and Cooperative Economics*, 80(2), 275–313. <https://doi.org/10.1111/j.1467-8292.2009.00387.x>
- Valencia-Vinueza, D. F. (2017). Políticas públicas de fomento, promoción e incentivos. In L. Guridi, M. Fernández-Villa, & Y. Jubeto (Eds.), *Políticas públicas territoriales para la economía social y solidaria en Loja* (pp. 337–449). Instituto Hegoa, Universidad del País Vasco.
- Vargas, C. V. V., & Brito, R. V. C. (2023). La Economía Popular y Solidaria en el Ecuador. El empoderamiento femenino. *CIRIEC-España, Revista de Economía Pública, Social y Cooperativa*, 107, 71–100. <https://doi.org/10.7203/CIRIEC-E.107.17063>
- Vega Ugalde, S. C. (2016). La política de economía popular y solidaria en Ecuador. Una visión de su gubernamentalidad. *Otra Economía*, 10(18), 77–90. <https://doi.org/10.4013/otra.2016.1018.07>
- Verschuur, C., Guérin, I., & Hillenkamp, I. (2021). *Social reproduction, solidarity economy, feminisms and democracy: Latin America and India*. Palgrave Macmillan. <https://search.ebscohost.com/login.aspx?direct=true&scope=site&db=nlebk&db=nlabk&AN=3028213>
- Villalba-Eguiluz, U., Arcos-Alonso, A., Pérez de Mendiguren, J. C., & Urretabizkaia, L. (2020). Social and solidarity economy in Ecuador: Fostering an alternative development model? *Sustainability*, 12(17), 6876. <https://doi.org/10.3390/su12176876>
- Villalba-Eguiluz, U., & Pérez-de-Mendiguren, J. C. (2019). La economía social y solidaria como vía para El Buen Vivir. *Revista Iberoamericana de Estudios de Desarrollo = Iberoamerican journal of development studies*, 8(1), 106–136. https://doi.org/10.26754/ojs_ried/ijds.338

How to cite this article: Ruiz-Rivera, M. J., & Lemaître, A. (2026). The institutional paradox of a substantivist conception of the economy in public policy: Insights from public procurement for solidarity economy in Ecuador. *Annals of Public and Cooperative Economics*, 1–29. <https://doi.org/10.1111/apce.70041>

APPENDIX: Solidarity economy (SE) organizations features

Sector of activity	Interviewee code	Year of establishment	Members			Income (public procurement)	Monthly income	Total sales (USD \$)		Total sales in the market (2018)		
			Founders	Workers	Women %			2015	2018	Public	Private	
Catering or cleaning services	ASO10	2013	15	11	11	100	Complementary	=	24,000	51,000	0%	100%
	ASO11	2011	10	12	12	100	Principal	=	140,000	96,000	0%	100%
	ASO12	2015	60	68	46	68	Complementary	≤	45,000	38,000	15%	85%
	ASO3	2014	53	53	40	75	Complementary	≤	26,000	45,000	0%	100%
	ASO4	2013	10	7	7	100	Complementary	=	10,000	8000	0%	100%
	ASO5	2013	19	19	12	63	Principal	>	150,000	163,000	0%	100%
	ASO8	2015	31	31	30	97	Principal	>	240,000	228,000	5%	95%
ASO9	2016	36	47	47	100	Complementary	≤	350,000	353,000	0%	100%	
OCOM2	1998	26	28	16	57	Principal	=	165,000	95,000	56%	44%	
Textile/ garment-making	ASO1	2014	11	11	11	100	Complementary	≤	47,000	60,000	22%	78%
	ASO2	2014	8	34	21	62	Complementary	≤	20,500	4000	12%	88%
	ASO7	2014	10	28	22	79	Principal	>	180,000	171,000	5%	95%
	COOP1	2009	9	12	12	100	Principal	=	160,000	157,000	30%	70%
OCOM3	1970	76	26	22	85	Complementary	≤	66,000	56,000	15%	85%	
Agriculture	COOP2	2004	70	174	94	54	Principal	>	682,000	700,000	60%	40%
	MSOC1	1987	25	39	16	41	Complementary	≤	79,000	77,000	82%	18%
	OCOM1	2003	22	38	15	39	Principal	=	90,000	67,000	25%	75%

Note: In relation to the national minimum wage = 366 USD in 2016.