

# Towards a Plural Economy

## Public Policy Proposals

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# Abstract

It is increasingly recognized that developing welfare economies require accounting for other forms of economic activity beyond those captured by GDP. This refers to collective and self-managed ways of meeting needs and pooling resources.

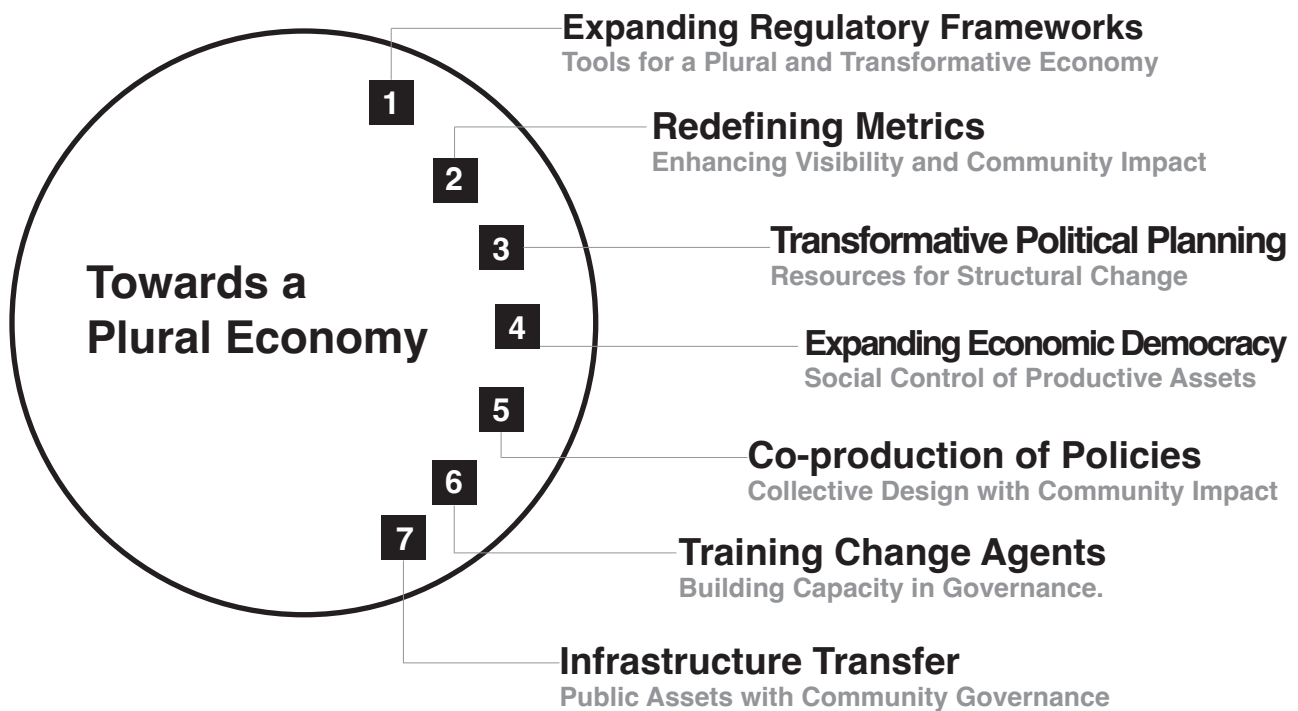
These activities can assume various shapes under the framework of the Plural Economy, often manifested as public-community collaborations. This policy brief highlights a successful initiative moving in this direction: the *Urban Commonalities* program (Comunalitats Urbanes, 2022–2026), a public policy of the Department of Enterprise and Labor of the Catalan Government that aims to promote a fairer organization of the economy.

Amid multiple crises and rising inequalities, this document offers proposals for public administrations, policy makers, and involved stakeholders to foster new collaborations among public, cooperative, neighborhood, and community actors, promoting an economy rooted in local territories and aligned with ecological transition goals.



# Recommendations

Creating a welfare economy requires a clear commitment from public governments to ally with economic sectors that do not prioritize profit. Public-community collaborations should become a key strategy for creating new opportunities. However, current legal frameworks do not favor such alliances, as they primarily recognize market-based relationships. In this context, we present several ideas and suggestions for implementing policies aimed at strengthening local communities, with the goal of promoting local economic development and safeguarding public institutions.



1

## Expanding Regulatory Frameworks: Tools for a Plural and Transformative Economy

New public policy frameworks are needed to enable the strategic planning of a Plural Economy within programs that allow it to grow and scale gradually. If we have an emerging economy rooted in the territory, integrated within planetary boundaries, addressing collective needs, and fostering social ties, we must plan for it as a central strategic axis. In Catalonia, the proposed Social and Solidarity Economy Law, promoted by the Solidarity Economy Network of Catalonia ([XES](#)), is a strong example of a regulatory framework that supports economic organizations prioritizing the common good over profit.

2

## Redefining Metrics: Enhancing Visibility and Community Impact

Develop new metrics that recognize reciprocity in policies aimed at strengthening social ties and community development. Improving visibility by promoting statistics and impact analysis—economic, social, environmental, and community-based—is essential. The [Community Assessment](#) is a good practice that enhances the visibility of community economies for contracting entities and providing monitoring, evaluation, and impact measurement tools.

3

## Transformative Political Planning: Resources for Structural Change

Communities must be equipped with sufficient budgets and adequate resources in a timely and robust manner, enabling medium and long-term project planning. Only through such resource allocation can transformative policy development and impact be achieved. Good intentions alone are insufficient to meet social challenges.

4

## Expanding Economic Democracy: Social Control of Productive Assets

The public-community model can incorporate social and solidarity economy management within public administration, adapting to diverse territorial contexts. There is no single model, but these initiatives should serve as catalysts for broader transformations. Programs like *Urban Commonalities* offer replicable models for other sectors and administrations.

5

## Co-production of Policies: Collective Design with Community Impact

The success of innovative policies depends on the targeted community taking ownership of them. It is crucial to initiate dialogue with key stakeholders to ensure policies are rooted and sustainable. Effective co-production also requires collaboration between local and regional administrations for smoother policy implementation.

6

## Training Change Agents: Building Capacity in Governance

Technical teams that share public policy values and are sensitive to the contexts and starting points of each community have been a cornerstone of the *Urban Commonalities* program's success. This requires greater dialogue and training in new forms of governance for resources and public administration itself.

7

## Infrastructure Transfer: Public Assets with Community Governance

The sustainability and longevity of local economic projects largely depend on access to infrastructure that supports their activities. The transfer of municipal assets should be a core element of any local economic development policy. [The Citizen Heritage program, a strategy for promoting public-community collaboration](#) spearheaded by Barcelona City Council, provides a valuable reference framework.



# Introduction

In Spain, the annual hours of unpaid work surpass those of paid labor. According to a report by [Ecologistas en Acción](#) (2019), 53% of all working hours occur outside the formal labor market. This unpaid work, primarily carried out by women, is estimated to represent 70-80% of global GDP. Additionally, ecosystem services—such as pollination, climate regulation, and water cycles—are valued at over 200% of global GDP (Moore, 2015). Here lies the paradox: GDP neither accounts for economies that enhance well-being nor those that degrade our environment (Castro & Martínez, 2024).

Feminist economics, ecological economics, and commons-based economics have long highlighted the significance of domestic work, caregiving, community economies, and the flows of energy and materials as the “hidden faces of the economy” and essential components for sustaining life. Karl Polanyi (2001 [1944]) categorized these into three institutionalized forms of economy in society: reciprocity, redistribution, and exchange.

At [IDRA](#), from our role as facilitator and coordinator of the *Urban Commonalities* network, we aim to revive the concept of a Plural Economy to promote new metrics and policy frameworks that support a welfare economy within planetary boundaries.

The *Urban Commonalities* program seeks to strengthen the local economy by bolstering mutual support networks and common goods. This initiative, led by the Department of Enterprise and Labor of the Catalan Government, emphasizes fostering the local and community conditions that enable the emergence of local economies and social innovation. The policy is currently in its second implementation cycle (2024-2026), having incorporated some of the lessons learned from its first phase in 2022-2024.

The program involves 26 *Urban Commonalities* and over 400 organizations—including associations, cooperatives, businesses, and public administrations—working across various sectors such as housing, food and energy sovereignty, anti-racism, community culture, and collective infrastructure management.

Under this initiative, the Catalan government undertakes redistributive action to ensure equal opportunities, enabling individuals and groups to undertake initiatives in areas where establishing cooperatives or organizing resources (time, capital, social capital) would otherwise be challenging.

One of the main challenges for this policy is developing indicators that capture the work of these local communities. Current metrics fail to move beyond GDP, focusing solely on the creation of businesses and jobs. The *Urban Commons* initiative needs new indicators to value the creation of community networks as a critical foundation for future productive activities while fostering a territory-rooted economy integrated into the ecological transition.

## Concept definitions

**Community Assessment** A tool for accountability and continuous improvement in the community management of projects or shared spaces. It focuses on four key areas:

- A. Rootedness in the territory
- B. Social impact and return
- C. Internal democracy and participation
- D. Care for people, processes, and the environment

**Economy** The interaction between people and their environment to sustainably meet their needs.

**Plural Economy** Based on the contributions of Karl Polanyi, who identified three forms of economic rationality and organization:

**Reciprocity:** Mutual support relationships.

**Redistribution:** Resource management by a central authority (such as the State or the family).

**Exchange:** Transactions between individuals governed by conventional market laws.

**Public-Community** A form of social regulation and governance where community reciprocity and social and ecological commitment take precedence over economic profit in political action.

**Urban Commonalities (Comunalitats urbanes)** Framed in the particular context of this program, they refer to a grouping of companies, entities, cooperatives, institutions and people who live in the same territory and who have organized to promote the economy of the municipality and the creation of networks of cooperation within the neighbourhood. In this sense, they correspond to the projects of each territory that constitute the policy.



# Methodology

IDRA has driven co-production processes within this policy to strengthen public initiatives while ensuring they address the needs of local communities. The process revolved around two key questions: Can we provide an aggregate account of what the urban commonalities have accomplished? And, perhaps more importantly, can we develop new parameters that highlight the social and community value of the actions undertaken, while complementing the indicators required for the public call's accountability?

To this end, two main actions were undertaken:

- a. The integration of the Community Assessment: an evaluation tool for the urban commonalities.
- b. A collaborative process to redefine the indicators for the second *Urban Commonalities* public call that took place in 2024.

The outcomes of these processes were:

1. The development of the Report on the Impact of the *Urban Commonalities. Data and Analysis from the First Edition of the Program 2022-2024*.
2. The modification of the indicators for the second call of the program (2024-2026).

This policy brief consolidates a set of proposals derived from these two research efforts to support the promotion of public policies and metrics that reflect the principles of the Plural Economy.



# Results

According to the evaluation based on the Community Assessment parameters, the program has demonstrated a strong capacity to strengthen community networks, promote innovative models of democratic governance, and redistribute resources fairly. This has reinforced the political, economic, and territorial democracy of the projects while addressing the unequal geography of Catalonia, where the diverse urban commonalities are located.

However, challenges remain in developing new indicators to measure economic activity beyond traditional metrics and in solidifying public-community collaboration. Such partnerships are crucial for ensuring the social and economic autonomy and sustainability of projects beyond the scope of the *Urban Commonalities* program.

In the current context of ecological transition, it is urgent for economic planning to integrate parameters of social and ecological justice. This responsibility should not rest solely on economies based on reciprocity; it must extend to all economic activities receiving public support.

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