

## EXPANDED ABSTRACT

### **Is blockchain technology compatible with the Social and Solidarity Economy? Towards a new paradigm**

Spanish Law 5/2011, of 29 March, defines Social Economy as the set of economic and business activities that, in the private sphere, are carried out by entities that pursue the general economic or social interest, following the principles of the primacy of persons and the social purpose over capital, the promotion of internal solidarity and solidarity with society, and last, independence from public authorities. In other words, the Social and Solidarity Economy is a socio-economic area based on three main axes that determine its transforming character: democratic and participatory management, orientation towards human needs and commitment to the environment. In this way, it represents a new way of doing things, rather than a path towards a specific goal. In Spain, with the approval of the Social Economy Law in 2011, the sector has experienced a significant boost and growth in recent years.

At the same time, new technologies are representing a disruptive change in our current society and are modifying the way we relate to each other. At this point, it is important to differentiate between the Internet of information and the Internet of value. The first is the tool that enables the free circulation of information throughout the planet and has led to the creation of new business models such as Google, Facebook or Amazon, among others. As for the Internet of value, based precisely on blockchain technology, it is the tool that makes possible to share and manage the value of assets or goods in a digital and decentralized way, without the need to depend on a trusted entity that centralizes the process. Blockchain technology, released in 2009 by Bitcoin, is a decentralized database that is distributed among a multitude of different participants. This distribution system establishes a system of group trust, since the information is distributed among different agents, it cannot be altered. Blockchain will revolution the future development of economies and societies, with a potential capable of transforming both industry and services, as well as social relations. In this case, the initiative has started in the financial sector mainly, although as it is evident, its application in the future will not have to be exclusive to that sector.

The emergent development of blockchain technology and its possibilities to modify the forms of solidarity collaboration of citizens present a current challenge and a paradigm shift for the Third Sector. Today, society is changing the way to inform, to communicate and to relate. Faced with this reality, it is increasingly aware of its transforming role and driving agent of change.

The significant evolution that information technologies have undergone in recent years has affected all sectors, including the Social and Solidarity Economy. For this reason, the aim of this article is

to analyze the combination of the concept of Social and Solidarity Economy and blockchain, analyzing the possibilities of both areas sharing values, principles and objectives. The Social and Solidarity Economy framework developed by Chaves and Monzón (2018), as well as Corrons, Fuster and Espelt (2017), is mainly used for this purpose. In the first place, the concept of Social and Solidarity Economy and its current framework are analyzed, highlighting its three main vertebral axes. On the other hand, and based on the research led by Preukschat on blockchain, in addition to the definition of the concept, the levels at which it is stratified are identified: structure, properties, functional characteristics and usability. In order to complete the study, an analysis of the socioeconomic implications and barriers presented by this technology is presented.

In short, the blockchain offers an opportunity to give authenticity to what is understood by collaborative with respect to the proposals that exist today. However, the main barriers that this technology presents are related to the implications of the current socioeconomic system. It provides freedom of action to individuals in the face of oligopolies, large corporations and States. The free exchange of crypto currencies implies no need for banks. The privacy of economic transactions implies the difficulty of taxation by States. And global and universal registration, without anyone being able to manipulate it, implies that all transactions are stored forever and, therefore, that there is no place for the right to forget or to a second chance.

At present, there is a lack of research and studies that deal with this new technology, its possibilities and barriers to adapt to the consolidated concept of Social Economy. In this way, this analysis focused mainly on the study of existing literature, shows how blockchain technology has become the new paradigm in the Third Sector and how it can be the basic tool for changing the behavior of citizens in solidarity issues.

In the near future, the disruptive technologies are called to cause a great impact in the traditional systems in benefit of the citizens, forcing to a vindication of the inefficient and obsolete current schemes. Here is where blockchain technology, configured in a way compatible with the principles of the Social Economy, can become a key tool that strengthens the Social Economy sector, that allows it to continue growing up and that manages to increase the impact of the aims of the entities that make it up.

**KEYWORDS:** Social and solidarity economy, blockchain, technology, governance, values.