

Rethinking the Social and Solidarity Economy in Light of Community Practice

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Draft paper prepared for the UNRISD Conference

Potential and Limits of Social and Solidarity Economy

6-8 May 2013, Geneva, Switzerland

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ABSTRACT:

Building social alternatives is necessary to resist the destructive impacts of the capitalist organization on the quality of life, social organization, and the planet. This paper offers an analysis of the ways in which peoples are mobilizing to build organizations and to define social movements to move beyond current crises. The lines for constructing an ecologically sound and social-solidarity economy require mechanisms for mutual cooperation based on alternative systems of decision making as well as for doing work and assuring well-being to every member of the community. These depend on forging a process of solidarity among the members of a society as well as building alliances among communities; to assure the satisfaction of basic needs while also attending the most pressing requirements for physical, social and environmental infrastructure and to assure the conservation and rehabilitation of their ecosystems.

When the accumulation of wealth is no longer of high social importance, there will be great changes in the code of morals... The love of money as a possession...will be recognised for what it is, a somewhat disgusting morbidity, one of those semicriminal, semipathological propensities which one hands over with a shudder to the specialists in mental disease... I look forward, therefore, in days not so very remote, to the greatest change which has ever occurred in the material environment of life for human beings ... the nature of one's duty to one's neighbour is changed. For it will remain reasonable to be economically purposive for others after it has ceased to be reasonable for oneself.

J. M. Keynes, *Economic Possibilities for our Grandchildren*, (1930)

Introduction:

This prediction about society's future, as Keynes' envisioned it, reflects a profound misunderstanding of the institutional context in which he lived (and in which we continue to live), a telling naiveté grounded in an unbounded optimism of the power of technological advance and private accumulation that would fuel a process of compound economic growth. Clearly we have reached the state of overall abundance that he foresaw, an economy that has the productive potential to satisfy all of our basic needs —"those needs which are absolute in the sense that we feel them whatever the situation of our fellow human beings"— and yet poverty is a greater scourge than perhaps at any time in modern history. Unequal development deepens, as much on a global scale as locally, creating islands of wealth in a sea of poverty; an extraordinary waste of human and material potential accompanies devastating processes of ecological destruction. Today's triple crisis -economic, social, environmental- is the most recent manifestation of our collective inability to meet the challenges that Keynes thought could be readily met. Thus, society continues to be incapable of finding solutions that do more than heighten the contradictions and further deepen the crisis.² Unfortunately, the various explanations and policy solutions offered by heterodox scholars are not being given serious consideration and the orthodox 'solutions' continue to prolong and further deepen the crises.

In contrast, numerous peoples around the world are finding alternatives that offer them more opportunities and a better quality of life, while also contributing to environmental preservation. Their communities are realizing that alternatives are necessary to create space -- political, economic, and social, as well as geographic – in which they can effectively resist the destructive impacts of the spread of capitalist organization of production on the quality of life, social organization, and the planet. This process is of great significance globally, as communities are

¹ In the first part of this essay written in 1930, he foresaw: "...mankind is solving ... the economic problem ... within a hundred years."

² The literature explaining society's inability to surmount the obstacles to sharing this wealth abounds, although important paradigmatic conflicts reflect political and philosophical differences. Most analysts even ignore the intertwining of socio-economic and environmental problems, choosing to focus, instead, on present-day superficial financial dynamics. For contrasting critical analyses see, for example, Galbraith (2012) and Foster, *et al.*, (2010).

collectively searching for means to: 1) appreciate the significance of diversity within and among themselves; 2) accept the necessity of coordination and cooperation emerging within the diversity that their projects offer; 3) develop new means for concerted political action for socioeconomic and environmental governance on a supranational scale; 4) recognize the need to compensate for the asymmetries that exist on a global scale, accepting responsibilities for assuring the well-being of those unable to undertake significant initiatives on their own; and finally, 5) (re)construct their own sense of identity;

This is the broader context within which "social and solidarity economies" (SSE) are emerging locally. Underlying this dynamic is an understanding —oft-times implicit— that their full insertion into the world market is a mechanism of impoverishment. Their experiences in the market economy —be it as wage laborers, as independent workers, or even as small business people—have clearly demonstrated the difficulty of assuring a reasonable income to support their families, much less improve their lot, create opportunities for the future, and attend the needs of the planet. In this framework, it is clear that the search for SSE involves more than attempts to produce goods; that is, moving beyond the market dynamics that depends on private accumulation and generates profound inequalities. The point of departure for a SSE must be a commitment to the ethical organization of society and all of its activities: ethical in the sense that the needs of all people in the community are attended to, while also making provision for the well-being of future generations.

The principles of social and solidarity economics

One of the crucial elements in the construction of a SSE is the joining of the components of social responsibility with those of environmental accountability; without an integral connection between these dimensions, any program would fall short of its ambitions. This process involves exploring the ways in which five fundamental principles are incorporated into social and political organization. These principles are: 1) autonomy in governance, including self-management; 2) solidarity among community members and with other communities cooperating in a similar process; 3) self-sufficiency in so far as it is feasible, given the resource endowment and ecological conditions; 4) productive diversification for trade with other communities and in the market; and finally, 5) sustainable management of regional resources. These principles are so important that they merit a careful explanation:

a) Autonomy encompasses the capacity of self-governance or self-management within the communities, although it cannot be restricted to this realm, since it must extend to forging alliances among communities and negotiating with authorities in the various levels of government, many of whom perceive the local autonomy movements to be a threat. This facet of community consolidation involves an explicit recognition that in most cases the community itself is too small a body for effective operation, since the need for skills and goods is frequently greater and more diversified than the resources that it can muster from within. Self-governance also implies developing the knowledge and skills required for developing the capacity to evaluate proposals for further development, for incorporating new technologies when needed and defending inherited traditions and

- productive systems as part of the process of determining the best ways to improve the quality of life and protect the region's ecosystems.
- b) The second principle, social solidarity, is a logical derivation of the first one. This involves a rethinking of the dominant patterns of entrepreneurial organization of community life, to encourage and facilitate broad participation in all aspects, including productive and social activities. Social solidarity requires a new conception of decision making, since the dominant approach in the nation state is based on electoral processes of representative democracy that are widely discredited, because of their capture by wealthy or powerful groups that frequently betray broader community interests. In place of this structure of indirect governance, the principle of solidarity would call for more direct forms of democratic participation that involve a different concept of political responsibility of the local people in decision-making and participation in the various administrative posts required by self-governance; not coincidently, it also includes the possibility of revoking the mandates of leaders if they do not fulfill their obligations. In this context, solidarity cannot be limited to interactions among people, since the alternative model also takes into account the needs of the ecosystems on which the society depends for its very survival. As we will see below, solidarity is not a simple declaration of good intentions, but rather involves assuming the risks created by supporting people and movements challenging the institutional nexus generated in the globalized market economy, a risk associated with creating societies that inherently offer an alternative response to ever-intensifying crises.
- c) **Self-sufficiency** must be an essential part of the program, not a simple declaration of good intentions, but rather a profound reorganization of the structures of production and consumption to satisfy its own needs with a rising standard of living and attention to the cultural and nutritional needs of society. Local provision, however, is not limited to foodstuffs, but rather extends to all aspects of community life, including construction, infrastructure, clothing, and collective health and social services. This requires a concerted effort to prepare people with new skills and to create new capacities for producing and distributing goods.
- d) **Productive diversification** is another essential factor for creating the social economy. If the participating communities are to depend exclusively on the goods they could produce themselves, they would be condemned to a form of subsistence that would offer their members little prospects for a rising standard of living or a better quality of life. Limiting people's consumption or a community's activities to those that depend on the resources and goods at hand would inevitably threaten the viability of the project, since the pressures to abandon the strict limitations that this imposes would induce people to leave, as we have seen in many intentional communities³ throughout the world. Productive diversification also requires developing local markets for barter and exchange as well as for exploring other means of exchange, such as fair trade and solidarity markets regionally and internationally
- e) Of course, this set of principles would not be complete without including explicit consideration of **sustainable regional resource management**, since the organizational and productive activities of a SSE must also contribute to environmental balance. In this

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³ "Intentional Community is an inclusive term for <u>ecovillages</u>, <u>cohousing communities</u>, residential land trusts, <u>communes</u>, student co-ops, urban housing <u>cooperatives</u>, intentional living, alternative communities, cooperative living, and other projects where people strive together with a common vision." Cf. <u>http://www.ic.org/</u>

conception, the word "regional" is crucial and requires that any strategy for environmental management involve collaboration among communities, since it is rare that the territory of one community encompasses a whole natural environmental unit, like a water shed (river basin), where upstream and downstream groups should collaborate to avoid contamination and resource depletion. Frequently, this requires a deliberate effort to rehabilitate deteriorated ecosystems that suffered from a devastating history of abuse as a result of colonial and/or capitalist exploitation. But even today, these efforts to create spaces for the SSE pose difficult issues due to intensifying pressures from international capital to take control of valuable mineral resources or agricultural lands, pushed by market pressures and international competition.

The components of the Solidarity Society

A solidarity society can only arise in communities that consider themselves part of the commons. For them, the commons is more than the air, waters, and other natural resources shared by all. It also encompasses the social and cultural components of collective life and involves a profound reconsideration of the significance and extent of private property among the participants; recently, the concept has been further extended to include many facets of intellectual creativity that are the object of privatization efforts by capital in the international market. The commons are not simply a set of things or resources; rather like many other aspects of the social and solidarity economy, their role in the SSE is central because the society creates formal social relations around them as well as commitments to ensure their conservation and even their enlargement. This relationship reflects a collective and enduring transformation of the way in which society conceives and manages itself while also developing the basis for collective and communal management (Bollier and Helfrich, 2012).⁴

Building a solidarity society is a complex and risky process. Complex, because it encompasses all aspects of social and biological existence. Risky, because it involves challenging the de facto powers⁵ and questioning the legitimacy of their 'rule of law'; this legal system has created a profoundly unjust society, exacerbating social disparities and accelerating environmental destruction. This dispute stems from a rejection of the philosophical underpinnings of the hegemonic order, based on the idea of a single "social contract" that presupposes the possibility of applying universal norms, like 'social justice', 'equality', or even 'democracy', impartially to attend to the needs of all social groups. For this reason, it also involves a prima facie repudiation of the legitimacy of national 'authorities' who assume their right to transfer community resources to others for whatever reason, without regard for the well-being of the people, local decisions, or historical and environmental considerations, as is common practice in mining, forestry, and water management, although it now extends to complex issues of bio- and nanotechnology in many nations today. Thus, a society that advocates solidarity among diverse social groups calls for a political approach that requires each to extricate itself from the dominant social and political institutions that are incapable of attending their particular needs.

⁴ In this sense, the commons are much more the 'resources' governed collectively, generally involving a collective notion of private property; Ostrom's characterization of their importance to avoid the 'tragedy of the commons' (1990; see also, Hardin, 1968) avoided the complex problems created by the capitalist organization of society.
⁵ "Las fuerzas vivas" or "poderes fácticos", in the prevailing argot in Mexico.

But building the foundations of a solidarity society entails much more than undertaking specific activities or establishing appropriate institutions for governance or management. The solidarity society requires personal commitments from each member to assume responsibility for the well-being of others and for limiting individual claims for access to collective resources. To strengthen these foundations, it is essential to begin with a common vision of society as a whole whose point of departure is reversing the historical tendency for the personal enrichment of a few at the expense of the many; as such, they incorporate collective decisions to assure transparency and direct participation in decision-making and universal responsibility for administration or implementation of this dynamic. It challenges the presumption of the freedom of the individual within the group, obliging each member to carefully measure their impacts on others, and the whole, and be guided by reference to their impact on the collectivity in their decisions and actions. In historical terms, and specifically in light of practice in today's globalized society, it calls for a redefinition of peoples' relationship with their society, rejecting the notion that one person has the unfettered right to withdraw from or even oppose the commonweal after having participated in the process of arriving at a decision.

This point of departure has important implications for the way in which priorities are determined and activities are organized. Perhaps one of the most striking and demanding of these is the need to reverse the hierarchical organization of the workplace: of course, people should be paid for their work, but they should not have to submit to demeaning and authoritarian social relations to satisfy their basic needs. The existing proletarian organization of society is part of an underlying condition of the helplessness of the workers, unable even to survive without entering the labor force; the alternative under construction here starts from the presumption that all members of society enjoy the legitimate right to a socially determined standard of living, independently of their contributions to production or output. Their participation in collective activities becomes rooted in a sense of duty and belonging to the community.

Another priority for the solidarity society must be a thorough-going break with national and international markets and with systems of exchange based on the price structures that they determine. As in the case of work, the admonition is not to entirely avoid markets, something that would not be either possible or desirable, but rather to avoid allowing the community's welfare to depend on prices fixed in international markets where corporate power and wealth play an important role. This aspect of the solidarity society is central to strengthening the

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