



UNRISD

United Nations Research Institute for Social Development

Challenges for Sustainability of SSE

*The Interaction between Popular Economy, Social Movements
and Public Policies—Case Study of the Global Alliance of
Waste Pickers*

*Angelique J. W. M. van Zeeland
Fundação Luterana de Diaconia*

Draft paper prepared for the UNRISD Conference

Potential and Limits of Social and Solidarity Economy

6–8 May 2013, Geneva, Switzerland

The United Nations Research Institute for Social Development (UNRISD) is an autonomous research institute within the UN system that undertakes multidisciplinary research and policy analysis on the social dimensions of contemporary development issues. Through our work we aim to ensure that social equity, inclusion and justice are central to development thinking, policy and practice.

UNRISD ▪ Palais des Nations ▪ 1211 Geneva 10 ▪ Switzerland
info@unrisd.org ▪ www.unrisd.org

Copyright © United Nations Research Institute for Social Development

This is not a formal UNRISD publication. The responsibility for opinions expressed in signed studies rests solely with their author(s), and availability on the UNRISD website (www.unrisd.org) does not constitute an endorsement by UNRISD of the opinions expressed in them. No publication or distribution of these papers is permitted without the prior authorization of the author(s), except for personal use.

**Challenges for Sustainability of SSE:
The Interaction between Popular Economy, Social
Movements and Public Policies –
Case Study of the Global Alliance of Waste Pickers**

Angelique J. W. M. van Zeeland
Fundação Luterana de Diaconia

Abstract

This paper analyses the challenges for sustainability of Social and Solidarity Economy (SSE), focusing on the interaction between popular economy, social movements and public policies. A case study regarding the Global Alliance of Waste Pickers focuses on collective action and public policies in Brazil, Chile, Colombia, India and South Africa. It explores the complex institutional arrangements involving community groups who share solid waste management with local governments. The paper argues that the sustainability of SSE organizations is not merely a technical or economic question, but, it is essentially a political one, depending on public policies compromised with a process of social transformation at all levels, federal, state and municipal. The paper concludes that significant shifts in public policies require collective action. Public policies should promote the expansion of SSE through a change in quality in the informal popular initiatives, as well as strengthen SSE, through effectively build up capacity to meet the demands aroused from the newly shaped public policies.

Introduction: Challenges for Sustainability of SSE

The increasing urbanisation in the developing countries in the 1960s and 1970s resulted in a growing informal urban sector. In the 1980s many popular economic organizations arose, especially in the big Latin American cities. With the high levels of unemployment in the 1990s the informal economy was growing but the Social and Solidarity Economy (SSE) also gained a mayor emphasis. In the 2000s some countries, for example Brazil showed a decrease in the level of unemployment but the SSE continues to expand. This shows that SSE is starting to establish itself as a relevant social and economic sector and not just a residual or transitory phase during recessions of the formal economic system. SSE is a response to poverty and inequality, and has the potential to contribute to an alternative, sustainable and transformational development model. However the expansion of the SSE is full of contradictions and of challenges, which have to be faced.

This paper focuses on three aspects regarding the challenges for sustainability of SSE, respectively the interaction between SSE and popular economy; the role of collective action and coalitions between community groups, social movements and NGOs and there influence on public policies through participatory processes in deliberative spaces, such as forums and councils; and the importance of effective implementation of public policies and programs compromised with a process of social transformation at all levels, international, federal, state and municipal for the strengthening of SSE.

Approaching Popular Economy and Solidarity Economy

Since the early 1970s the concept of informal economy appears in the international development debates. The concept comprehends the experiences of the large share of economic units and workers that develop economic activities outside the formal regulatory environment. According to Martha Chen informal employment comprises one-half to three-quarters of non-agricultural employment in developing countries, respectively 48 per cent in North Africa; 51 per cent in Latin America; 65 per cent in Asia; and 72 per cent in Sub-Saharan Africa. One of the main challenges is the question of whether and how to formalize the informal economy. Taking into account different meanings depending on the actors, for policymakers the main interest is the licence and taxes, the self-employed expect to receive the benefits, such as legal ownership and incentives, for the informal worker it means, basically social protection (Chen 2012). It is important to consider that the informal economy is a major provider of employment, as well as of goods and services for lower-income groups.

Milton Santos refers to two circuits, respectively the upper circuit and the lower circuit. Each circuit is defined through the set of activities developed in a certain context and by the sector of the population who participates through activity and consumption. The main difference between the activities developed in the two circuits is based on the differences in technology and organisation. The upper circuit uses capital intensive technology, whereas the lower circuit uses labour intensive technology which is often created or adapted to the local context. The economic rationality of the lower circuit and its mechanisms are based on consumption, instead of production, they address the current needs of the population, in terms of consumption and need for employment. It absorbs, continuously, the surplus-labour. Whereas profit is the motor of the

commercial activity, in the lower levels of the lower circuit the greatest concern is, above all, survival. Referring to the population, it means basically that the rich and middle classes participate in the upper circuit and the people living in poverty in the lower circuit. However the two circuits have the same origin, the same set of causes and are related to each other. Although there exist an interdependent relation, it does not mean that it is an equal relationship, the lower circuit is far more dependent on the upper circuit, than the other way around (Santos 2004).

Most of the organisations, enterprises, economic units and self-employed who compose the popular economy operate in the informal economy. However the concept of popular economy is not the same of the concept of informal economy. Besides the fact that the popular economy also comprises formalised organisations, another important aspect is that the main actors belong to the lower income classes. The concept of popular economy covers a wide range of activities, such as economic activities developed individually or at a family level, but it also includes informal groups, associations and cooperatives. The popular economy has its own economic rationality, its main purpose is not profit, but is to provide the subsistence and reproduction of life of the members and their families (Kraychete and Santana 2012). The concept of popular economy has similarities with the concept of the lower circuit of the economy; both include a wide range of activities, a huge number of persons from the lower income classes as well as a specific economic rationality which, above all, aims to provide subsistence.

From the 1990s onward there has been a growing interest and growing literature regarding the social and solidarity economy. SSE emerges as a response to overcome poverty and inequality. According to Luis Razeto solidarity economy is a theoretical formulation which captures the reality of a significant set of economic experiences – in the field of production, trade, services and financing - that share constitutive elements such as solidarity, co-operation and democratic management, defining a specific rationality, different from other economic rationalities (Razeto 1993). These initiatives are designed to address a range of specific needs, such as food security, housing, education, health and income generation. They recover the central role of labour, instead of capital, and focus on improvement of the living conditions of the members and their families (Razeto 1997). Paul Singer states that solidarity economy is a continuous process of creation by the workers in their struggle against capitalism, to change unjust and exploitative economic relations. Solidarity is the most important aspect of this economic praxis, and expresses itself, amongst others, in collective ownership of the means of production by the people who use them to produce; democratic management and distribution of net revenue and leftovers between the members (Singer 2000). José Luis Coraggio takes as a starting point that the social economy has not yet become a reality, but must be seen as a “transitory phase of economic practices of transformational actions”. The main purpose is to create a socioeconomic system organised by the principle of “expanded reproduction of life” generated form within the currently existing mixed economy (Coraggio 2007:37). The community oriented aspect of SSE, is highlighted by Amin. The solidarity economy initiatives mobilise local resources and capabilities and are based on popular mobilisation to meet local and social needs as well as human development (Amin 2009). Social and Solidarity Economy aims to satisfy human needs and is based on values such as democratic and participatory decision making and social cohesion. One of the main distinctions of SSE is associated with collective organisation, cooperation and solidarity.

From a development and justice perspective, SSE has the potential of integrated development, promoting besides local employment and economic development, also social and environmental protection, cultural diversity and empowerment. In this respect it approaches the concept of human development and the capability approach, which makes important contributions to the concept of poverty, development and social justice. According to Amartya Sen, “poverty must be seen as the deprivation of basic capabilities rather than merely as lowness of incomes, which is the standard criterion of identification of poverty” (Sen 2000: 87). The capability approach focuses on human life and proposes a shift of focus from the concentration on the means of subsistence towards the “actual opportunities of living”, opportunities to pursue our objectives, meaning those things that we value (Sen 2011: 233). In this sense development is fundamentally a process of empowerment. This view can be enlarged with the prospect of collective action, through community groups, social movements, forums and councils to achieve development. These spaces allow for deliberative processes. “Fostering the expansion of such means of collective action is central to the expansion of freedom” (Evans 2002: 56). The strengthening of SSE depends on the possibility to create participatory processes in deliberative spaces as forums for dialogue between social movements, civil society organisations and the government to effectively contribute to public policies which enhance the autonomy, promotes rights and are compromised with a process of social transformation.

The different concepts have several aspects which converge, the popular economy as well as the social and solidarity economy contain a huge number of informal enterprises. Estimates for the size of the popular economy are regularly based on the data regarding the informal economy. Data from the system of information on solidarity economy of Brazil show that at least one third of all solidarity economy enterprises are informal¹ (Brazil SENAES 2007). In the urban areas informality reaches two third of the organisations (Brazil SENAES 2010). However a comparison of the scale of the popular economy, based on data available on the informal economy, and data of the scale of the solidarity economy, based on data available in the system of information on solidarity economy in Brazil, show that the size of the solidarity economy corresponds to less than 1% of the popular economy. So this puts a huge challenge for SSE, how to expand SSE and what are the conditions and contexts to establish a significant change in quality in the organisations of the informal and popular economy as to converge to SSE.

A research developed in Chile among ten associations of informal micro-entrepreneurs in poor districts of Santiago shows the potential for informal popular economy initiatives to join forces and act collectively, thus establishing different forms of cooperation and solidarity and approaching SSE. Most of the associations are based on a geographical basis, others on the sector of activity. On average they have seventy-five members, most of them constitute family enterprises, and act on the household level. According to Anemaria Marín, directress of the Association of Micro-Entrepreneurs of Puente Alto: *“AMEPA not only represents the economical needs of the micro-entrepreneurs but all their human needs. The micro-enterprise is an integrated part of*

¹ These data were gathered in the period of 2005-2007 and can be found in the system of information on solidarity economy of the National Secretariat of Solidarity Economy (SENAES) of the Brazilian Ministry of Labour, respectively Sistema de Informações em Economia Solidária (SIES) at www.sies.mte.gov.br

their daily lives. The rhythm of work and the rhythm of daily life are connected” (Zeeland 1995). The associations promote different forms of cooperation, respectively economic, social and political cooperation. Regarding economic cooperation the majority of the associations develop activities such as commercialise collectively and access to credit. A few associations also jointly purchase raw materials and inputs, opening possibilities for vertical cooperation. The social cooperation aims to establish some form of social protection for their members. Several associations have introduced a solidarity fund to help associates in times of hardship, for instance, in case of illness or an accident. Others have established agreements for medical attendance with medical corporations or the local municipality. The political cooperation with municipalities aim access to education, health and habitation, as well as legalisation, tax arrangements and commercialisation, for instance opening up of markets, fairs and exhibitions and obtaining priority in local and institutional markets. Most associations were founded with support of a NGO, and get training, organisational consultancy and financial assistance, through micro-credit. The networks established by the informal popular economy initiatives and their interaction with the community and NGOs, results into political power, which strengthens the negotiations with governmental actors, to claim their economic, social and cultural rights and to influence public policies (Zeeland 2000). The experience shows that informal popular economic enterprises can develop relations based on cooperation and solidarity and thus approach SSE. However one of the constraints is that most of the associations are supported by NGOs, and therefore the scope is limited to their action radius. Leading to the question how to scale up this experience?

Examples from Brazil show that with public support it might be possible to approach a significant part of the informal popular economy to SSE. The first example is from the state of Bahia regarding a public program for social and productive inclusion and capacity building for the popular economy. According to Gabriel Kraychete and André Santana 60% of the economically active population of the Metropolitan Region of Salvador can be considered to be part of the informal popular economy², only 1% of the popular economy organisations belong to the SSE³. This huge and more or less permanent contingent expresses a matrix of inequality and poverty. In 2011 the Government of the State of Bahia started the *Programa Vida Melhor*, Programme Better Life, with the purpose to include socially and productively, through decent work, people living in poverty and with a potential for productive work. The programme aims to reach 120 thousand families in the urban areas and 280 thousand families in the rural context. The main activity focuses on technical assistance for the popular economy initiatives, comprehending the development of feasibility studies with an appropriate

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_20958

