

Solidarity Economy in the World: Its perspective in Latin America *

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In introduction I will say a few words about the cooperation we have with South American colleagues. This operation began with a meeting in the World Social Forum in 2002 in Porto Alegre, Brazil because it was the first time that the topic of solidarity economy was enveloped in the World Social Forum for a great international debate. This event was the opportunity to meet a professor of sociology in Porto Alegre. His name is Antonio David Cattani and he showed us a Brazilian book called *Outra Economia* (Catani, ed. Veras). So we decided to enlarge this first book in order to present an international version what would be called *Dictionary of the Other Economy* with a participation of not only Brazilian, but also South American, North American and European researchers and actors, and this book was published in Argentina in Spanish, in Brazil in Portuguese, in France, and in Italy. Keith Hart, an anthropologist from Pretoria University and London School of Economics, read the French version and with him we gathered additive contributors from Asia, Africa and North America to write an English version with different text called *The Human Economy. A Citizen's Guide*.

The basic idea with South American colleagues is to have long term cooperation, so we used to meet since 2002 two to three times a year at least, and to gather some materials. In every book published in different languages, the core elements are the same, but there are also some differences because the discussion is always contextualized. We also continued with another joint book published in French and Portuguese, *Solidarity Economy and Public Action* with contributions from public servants, civil society actors, and researchers.

And now we are coordinating a new project with Jose Luis Coraggio from Argentina, and this project has two volumes; one about the possibility of an emancipatory project in 21st century, and, the second volume is more focused on social movements and solidarity economy.

After these preliminary informations I will organize the presentation in three parts. The first part will provide a historical background for solidarity economy. The second part will be dedicated to the presentation of some national experiences of solidarity economy in South America. The third part will be about the challenges of solidarity economy in South America for the future.

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I. HISTORICAL BACKGROUND OF SOLIDARITY ECONOMY

The main idea is that solidarity economy is not new. It has a long story, but this story has been forgotten. The first task facing solidarity economy is to recover the memory of this historical background linked with what Jurgen Habermas calls an “irreducible tension during two centuries between democracy and capitalism” and we can distinguish in this tension four historical periods.

1. The invention of democratic solidarity

The first period is the entrance in the modern times through different revolutions which are considered by many historians as being revolutions of equality, because they introduce the political principle of equality, but the question which was following was ‘how is it possible to transfer this political abstract principle in practice of daily life?’

In the 19th century, there was a wave of associationism based on what we can call democratic solidarity. I mean not traditional solidarity, but solidarity defined as a social link between equal citizens voluntarily involved in collective action. So we had a lot of initiatives coming from society for mutual help, for self-help, for workers organization of production, for protest activities. It means that this associationism had two dimensions, a political dimension, and a socioeconomic dimension. In South America, it was particularly represented by changes inside popular economy, represented for instance by indigenous groups, with previous black slaves, and also by community organizations for “labradores”. Even if the French, English, North American revolution seemed to be far from South America, it is well documented in South America how this echo from this democratic revolutions influenced popular economy, changing the rules inside some parts of this popular economy, and creating a democratization process of these forms of community-based activities, and also the creation of new institutions, for instance, mutual societies.

2. The turn to philanthropic solidarity

In this first step these democratic dynamics were creating a wave of solidarity initiatives, but this memory was lost, first because it was replaced in what the English historian Eric Hobsbawm calls the “second” 19th century by a philanthropic solidarity. I mean that the vocabulary of equality was replaced by the vocabulary of benevolence and solicitude.

With the democratic solidarity, the question was a struggle for equality, so the solidarity was a central reference for the whole society. With a philanthropic solidarity, it's a more restrictive definition of solidarity, and it's dedicated not to society, but to groups of poor people, so it is a fight against poverty. We have traces of this clash between fight for more equality or fight against poverty which divides these two forms of solidarity.

With philanthropic solidarity we are entering a new era where self-organizing economic activities are replaced by capitalist development, because there is more and more ideology of progress arriving, and capitalist development is supposed to bring the wealth of nations. Linked with the domination of market capitalism assimilated with economy, there is also a strong symbolical invalidation of popular economy, because popular economy is considered as archaic, non-modern, non-efficient. There is really a work of invalidation at the symbolical level and, in the meantime, a repression at the very practical level of this popular economy. The preceding implementation of democratic solidarity in popular economy is stopped and the economy is more dedicated to market capitalism, and with philanthropic solidarity to solve the problems of the poors, it's a new landscape.

3. The creation of the Welfare State

But the philanthropy does not solve the social questions, and at the end of the 19th century the welfare state is invented, dividing society in an economic sphere, identified with market capitalism and another so-called social sphere, which is a domain of public intervention.

This social state is very important for the rights, for the forms of protection it permits through social security systems for instance, but we have this architecture in the 20th century of market capitalism as economy and social welfare state as social sphere, and in this architecture, we have lost more and more traces of this solidarity associationism even if some elements have remained and are still important like the statuses of social economy (associations, cooperatives, and mutuels), they have been very fragmented because cooperatives have competed in the market. Associations and mutuels have been more linked with the welfare state. So there is not really a strong identity of social economy even if the components have a certain economic weight.

What is surprising is that in the last decade of the 20th century, there is a new wave of democratic solidarity in the grassroots.

4. A new wave of democratic solidarity

It takes forms of new social movement in the 1970s for instance, introducing a new trend, with self-management and alternative experiences, and this is prolonging social economy. It's also a bit critical about social economy because it's arguing for political change and for more participative democracy with organic agriculture, renewable energies and recycling. These new practices are also questioning the type of production for ecological reasons. We can mention also other examples like the feminist movements, critique of the paternalist welfare tradition of State. So there is a new wave of solidarity initiative in society, and this creates a new theoretical approach linked with social economy, but a bit different:

solidarity economy is emerging at the same moment in Europe and South America, especially.

If we take the South American approach of solidarity economy, I think that we can have the hypothesis that, at the beginning, there are these two above mentioned trends called self-management and alternative trend. And they are different. We can take, for instance, two very referential writers in South America, Paul Singer and Luis Razetto. Paul Singer is one of the founders of the workers' party in Brazil. He has been an economist in Sao Paulo University, and he introduced solidarity economy, emphasizing the necessity for self-management or more deliberative democracy inside cooperatives. He was also arguing for workers takeovers and he was one of the strong persons who were able to provide trade union support for solidarity economy. So, he was in this self-management trend.

If we take the other writer, Luis Razetto from Chile, he has a different concept of solidarity economy at the beginning, because he started from popular economy as authors from northern Brazil like Genauto França da Filho. And his point is that popular economy is more than a survival strategy. It has to self-organize more to be collectively structured, and to be a political actor. So he started from popular economy, he is in favor of an alternative economy, but linked with the popular needs. And we can say with a political embeddedness of economic activities.

I think nowadays these different trends gradually are converging around few points. The idea is that democratization process within economy is a key element for society, but it's not only the different organization of enterprises like in social economy associations' cooperatives, and mutuals.

The perspective is different. It insists that the initiatives on civil society have a public dimension. I will take the example of the strong network of community banks in Brazil. These community banks have the specificity to decide what the people do with the social currency through local public spaces. So people come to discuss about how they are going to use the local currency. It gives a very concrete topic for public space discussions, and those people who were not originally interested by public expression come because they are interested by this question, so the public dimension is important in the sense that it is necessary to create new public spaces linked with the needs of the people and the territory, with their daily lives.

Many activities created in solidarity economy are service activities at the local level. And these services have collective or quasi-collective dimensions. So when you have these dimensions, the public debate is, many times, an efficient way to solve problems of uncertain information, which is more than what the orthodox economists call asymmetric information.

This public dimension of co-construction by different stakeholders, was recognized in new statuses in different countries: statuses of social cooperatives characterized by multi stakeholder structure. There is also another public dimension with the fact that public policies

have to be built in dialogue with organized citizens. That's why in South America, some researchers speak about the co-construction of public policies.

This public dimension is the first key concept for solidarity economy approaches and the second one is the plurality of economic principles. And here, of course, we can refer to the economic anthropology. There is a formal definition of economy from Karl Polanyi. Referring to many ethnological investigators, he is arguing that there are two definitions of economy confusing market, but there is also a substantial approach of economy, recognizing that in all human economies, there have been several integration principles. Market is a very old principle, but also reciprocity, interdependence through symmetric relations and redistribution, interdependence through the intervention of a central power.

The initiatives don't want the success through market integration. They try to be sustainable through hybridization of economic principles, so they use market resources, but mainly they propose a new age of democratic solidarity. And if we refer to the previous history no quoted, it's a mixed combination between public redistribution and equalitarian reciprocity.

II. NATIONAL EXPERIENCES IN SOUTH AMERICA

So I think that the experiences of solidarity economy can be best understood by the historical background, but let's go quickly to some examples of national experiences of social and solidarity economy in South American context right now. For this part, I will refer to Jose Luis Coraggio's work and especially to his well-documented text. Of course, the way I present it is oversimplified and I invite to read the very interesting text by Coraggio for further information and debate.

1. Argentina

Argentina is not using in public policy the term of solidarity economy. It's more a social economy policy. Social Economy policy was introduced in 2003 as a new form of social policy in the Ministry of Social Development. There are new programs about job creation for the excluded generating projects for social inclusion. The social economy approach is used to formalize some part of informal popular economy.

There are two main targets: the individual micro entrepreneurs, around 300,000 and also rescues those workers who take over the cooperatives, around 300,000 people. There is in addition a process of regularization of this workers takeovers, so called "empresas recuperadas" in Spanish.

But you see, the social economy is still considered as a part of social policy, and the target population is very fragmented in different programs.

2. Brazil

In Brazil, there is an institutionalization process of solidarity economy, and this process is very interesting, I think.

Brazilian forum for solidarity economy was created in the world social forum in 2001. And in 2003, when Lula was first elected, this forum asked for him to create a state secretary with Paul Singer as a minister, and it was accepted by Lula, so it was the first time at the national level that there was a state secretary for solidarity economy. There was a double process because this state secretary was initiated inside the national government and in parallel, the forum for solidarity economy decentralized in every region of Brazil. Each region elected some representatives for an arena having a consultative role created by the state secretary to co-build the public policy with a civil society. So there is a kind of new arrangement to try and invent a policy for solidarity economy through consultation with civil society.

But there are still some ambiguities about what is solidarity economy in Brazil. One example is that the new president Dilma Rousseff proposed to integrate the state secretary of solidarity economy inside a new ministry of small enterprises.

The actors from the solidarity economy forum and other activists reacted very violently saying that they did not want to be considered as small enterprises—they are a political movement. So the role of solidarity economy remains unclear in the strategy of the government. Is it a kind of small enterprise for poor people to be included? Or is it much more than that, a new element of the economy, which is more reaching the popular needs? There are tendencies to go in both directions.

3. Ecuador

A third contrasted example is Ecuador because, with the arrival of Rafael Correa as a president in 2006, there was a newly created constituent assembly and the new constitution recognized a new collective objective: not maximum growth, but "buen vivir" or "good livelihood", so it is a way of considering economy differently. To reach this objective it's mentioned in the constitution that Ecuador needs a plurality of economies: of course, private economy and public economy, but also, domestic economy, community economy, associative economy, and solidarity economy are mentioned in the constitution.

The idea starting from popular economy—mainly family based—it's possible to call toward solidarity economy, being community, associative, or cooperative economies. So there is a strategy of popular and solidarity economy trying to introduce more democratic solidarity networks inside popular economy to change it in a more collective perspective.

It means that new institutions are needed for this popular and solidarity economy. For example, a banking system and new people in administration dedicated to the solidarity economy. This economy is linked with the fact that certain individuals are interested, but

there is also a good part which is common good oriented. In this matter the new constitution contains innovation, an impossibility to privatize common goods like water for instance. It also recognizes for the first time, in a constitution in the world, the so called rights of nature.

So from three very contrasted examples of Argentina, Brazil, and Ecuador, we can conclude a few words. A plural economy framework is on the way in South America.

One element which appears very important for South American researchers is what they label 'the return of the states.' So we are no more in a neoliberal period, but in South America, we're in a period in which the state is coming back with a new regulatory and redistributive role. New social and solidarity economy policies have to be understood in this context.

Finally, there is a common point, but there are also many differences. The social economy program in Argentina is mainly to reintegrate the excluded in the market economy. So it's a temporary scheme.

In Ecuador it is really another idea that uniformity in economics is not convenient. Then we need a socioeconomic diversity. Biodiversity is necessary for nature, but socioeconomic diversity is necessary also for respecting the different culture and the different ways of doing the economy. There are not three sectors. It's more a overlapping of different spheres with interdependence between these spheres.

And the "buen vivir" is very much linked with the re-estimation of the original people values. I said before that the popular indigenous economy was just symbolically invalidated in the 19th century. There is an attempt to revalidate this economy and integrate different cultural approaches of socio economic logics.

So there are new important public policies in South America for solidarity economy, but there are also tensions. The first tension is, in Ecuador, about the respect for ecological balance, in the meantime, the government needs to export primary products to improve the living conditions of the majority of the population, and to invest for diversifying the economy. An attempt to conciliate the two was the Yasuni project, a proposal by Ecuador to the international community: a decision not to exploit oil-resources in order to preserve Amazonian environment and in counterpart to be reimbursed by other countries for this loss of money. The failure of the Yasuni project is very controversial in society because the idea to exploit oil in Amazonia is contested by the indigenous movements.

The tensions are obviously between short-term and long-term priorities. Because on one side, there are urgent social needs in a certain way, and on the other side, there is a necessity of building an institutional framework for solidarity economy, and it can only be a slow process with these new institutional laws with new institution. So there is this short and long-term equilibrium which is also very hard to find.

III. SOLIDARITY ECONOMY IN THE FUTURE

To finish, we can look from this South American experiences the main challenges to solidarity economy tomorrow. We have to recognize that it was very hard for solidarity economy to be considered seriously probably because in the 20th century, the social change was more considered through a post-capitalist economy, but implemented in a dogmatic way through top-down approaches, disconnected from real world institutions and from grassroots participation.

The problem we meet in the beginning of the 21st century is maybe different. The communist regime have no more legitimacy, but we have the danger of philanthropic comeback, and narrow poverty reduction agenda. So there are some attempts in South America, but also in Europe, and in other continents to refuse the political dimension of social and solidarity economy, and to consider a much narrower question of moralization of capitalism. So to refuse this socioeconomic diversity. There is a person at the international level who refuses social and solidarity economy and especially its political dimensions, preferring a depolarized moralization project more and more reappearing, mixing social business and corporate social responsibility by big firms and also new management methods like "bottom of the pyramid" marketing method.

So I think there is a contrast between this social and solidarity perspective, and another perspective which is not considering political dimension, but only social question reduced to poverty equation. In a certain way, in the beginning of the 21st century, we are still in the questions and dilemmas of the 19th century.

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