

# 16 Solidarity Economy



## Initiatives, Chains and Networking for Transformation

### About the authors and their positions

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<https://www.degrowth.de/en/dim/>

### 1. What is the key idea of the solidarity economy?

**Working together as equals and creating an economy to meet people's needs – not to maximise profit**

The core idea of solidarity economy is: cooperation instead of competition, and meaning for people instead of profit.

In concrete terms, this means:

- Self-government, e.g. democratic decisions made by the community and common property/ownership;
- Internal and external cooperation;
- Focus on the common welfare;
- Inclusion of minorities, the disadvantaged, the unemployed, refugees and migrants;
- No discrimination because of sex, disability, religion, appearance, etc.;
- Transparency and education, process orientation;
- In ecology, the protection of ecosystems and biodiversity as the basis for people's existence in each respective region (maintenance and enhancement of the territory<sup>1</sup>);
- A concept of economy as a subsystem of ecology, meaning that the economy must fit into natural cycles and boundaries.

The aim and purpose of the economy is to satisfy people's needs. Healthy

<sup>1</sup> *The 'territory' refers to the ecosystem affected by the group of people living in it; the country with its geographic and climatic characteristics. A solidarity economy enhances awareness of the given territory as the common property of the people who live in it: it is their common home, unique and precious. Other territories belong to other people, and this must be respected. People must protect their own territory from privatisation, speculation and contamination of all kinds.*

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food, housing, mobility, healthcare, information and learning, culture and art, socialising, friendship, recognition, conviviality, contact with nature and recreation are needs that are common to all people.

According to recent findings in neurobiology and many years of research in psychology and pedagogy, people are better suited to cooperation than to competition. Meta-studies show that cooperation is more efficient (and therefore more economic) than competition and ‘going it alone’. Above all, cooperation increases well-being (keyword ‘good life’) and improves mental health (see Bauer 2006; Kohn 1992). In the global south, solidarity economy means, above all, a departure from all forms of neocolonialism and exploitation that are carried out by old and new industrialised nations. Solidarity economy also means letting go of any form of cultural imperialism. In their search for resources, old colonial powers and new companies must stop displacing people from their ancestral territories –where they have lived in tune with nature for thousands of years– and depriving them of their livelihood.

We consider the emancipation from the food industry ruled by agricultural corporations an important part of the solidarity economy, as well as the strengthening of small-scale organic farming as the basis for food sovereignty. That is why city dwellers are now organising themselves in groups and entering into binding cooperation with organic farmers in the countryside. To some extent, they participate in decisions on the variety of crops grown and finance the harvest in advance. In English-speaking countries this is known as CSA (community supported/shared agriculture), in France AMAP, in Italy GAS, in Japan TEIKEI, and in Germany Solidarische Landwirtschaft.

### *The emergence of the solidarity economy in Latin America*

In the 1980s, Luiz Razeto (Chile) linked the concepts of economy and solidarity for the first time. The theoretical debate on solidarity economy, which is particularly lively in Latin America, derives from the practice of inclusion: on the one hand, unemployed or precarious workers incubate solidarity economy enterprises and workers take over insolvent companies. Thus, solidarity economy is primarily devoted to alternative forms of economic activity already in existence, which (especially in Brazil) are systematically supported through networking and the promotion of various social actors. As a rule, the practical development of solidarity economy enterprises stems from social movements.

Strategically, it is important to create publicity for communities and economic enterprises based on solidarity, precisely because they are not in the mass media spotlight. The mapping of solidarity economy enterprises (SEEs) is therefore a meaningful next step after the inclusion of minorities, refugees, the unemployed, precarious workers and employees of insolvent

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companies. This is an important instrument in strengthening alternatives. This tool raises awareness of SEEs and people living alternative lifestyles and helps others to find them, encouraging the creation of new cooperative projects.

Euclides Mance, theorist on the solidarity economy and the philosophy of liberation in Latin America, emphasises the importance of SEE mapping, including the flow of materials, so that, for example, one enterprise can supply another, or the waste produced by one company can be recycled by another and returned to the circuit.

### *Solidarity economy in Brazil*

In Brazil, under Lula da Silva, the State Secretariat for Solidarity (SENAES, Secretaria Nacional de Economia Solidária) was established within the Ministry for Labour and Employment. It was legally created on 26 June 2003 on the initiative of President Lula, after a request by the former Solidarity Economy working group of the World Social Forum. Under the leadership of economist and sociologist Paul Singer, the SENAES worked with SEEs, which had organised themselves into forums within the individual Brazilian states, and which together had created the Brazilian Solidarity Economy Forum (Fórum Brasileiro de Economia Solidária, FBES). Other supporters of the solidarity economy are also active in this forum, including church organisations, universities, trade unions, NGOs, municipalities, administrative districts, and federal states. All actors form independent, growing networks, while simultaneously forming part of the Grupo de Pesquisa em Economia Solidária (ECOSOL), a solidarity economy movement.

All the solidarity economy enterprises (SEEs) were repeatedly called upon by SENAES to clarify their priorities, and to send delegates to solidarity economy general assemblies held in Brasilia, in order to share their needs and interests. During the first twelve years, three large general assemblies were held, all of which were attended by more than 1200 delegates. At these meetings, joint planning processes were coordinated. In the same period, unemployment was virtually eliminated, and refugees from Haiti were increasingly entering this process of inclusion. When national policy shifted and neoliberal adjustment measures were implemented in the form of interest rate hikes and austerity programmes, unemployment began to grow once more.

Today, *incubadoras*, a form of counselling centre, have been set up at more than 100 universities. People (often women) who want to join forces in small solidarity economy enterprises can go to these centres to receive advice and support in their efforts to generate local income. This does not merely involve the sharing of economic knowledge, but also the provision of political education on a level playing field (following Paulo Freire's method)

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about gender issues and group processes, including joint decision-making. A mapping process throughout the country enables regional visits and learning processes within the movement. In this way, interested students and researchers can directly connect newly established SEEs with customers and suppliers from solidarity networks.

Paul Singer and many other activists have connections to solidarity economy actors responsible for building and promoting SEEs in, for example, Argentina, Colombia, Uruguay and Chile, as well as in their institutes and organisations.

### France and Italy as European examples

In France, a social solidarity economy (SSO) has been a tradition since the end of the war. It is very active, and is also recognised by local authorities. The city of Lille promotes the SSO movement through, among other initiatives, two *maisons de l'économie solidaire* (solidarity economy houses), in which civic organisations run small offices promoting the common welfare. In July 2014, the French Parliament passed a law promoting the social solidarity economy. Among other things, the law improves access to project finance and supports forums encouraging the exchange of experiences. In addition, the law gives workers the right of cooperative acquisition of their company if the previous owners are not in a position to continue.

In Italy, a law was promulgated in 1985 which promoted employee initiatives to take over insolvent companies in the form of cooperatives: the Marcora Act. In the current crisis, it also provides for the rescue of regional jobs, infrastructure and expertise. There are also now many Gruppi di Acquisto Solidale (GAS), solidarity purchasing groups, which enter into cooperative and purchase agreements with local organic farmers. Many organic farmers are able to survive solely due to their GAS customers. At the beginning, in the 1990s, this style of direct marketing was only widespread in north and central Italy, but over the last decade the first Sicilian smallholders visited Milan and learnt about the GAS groups at the Fa'la cosa giusta ('do the right thing') fair, a trade fair supporting critical consumption and sustainable lifestyles. The smallholders then began to supply GAS groups in northern and central Italy with citrus fruits and other Mediterranean products such as almonds and olives, thus emancipating themselves from the predatory dominance of the Mafia-ruled large-scale commercialisation. Landless farmer cooperatives are also active in the fight against the Mafia. They manage land that has been confiscated from Mafia bosses in accordance with organic guidelines (see Forno 2011).

There are now hundreds of social cooperatives in Italy offering housing to refugees and supporting them in the integration process –also because the State leaves this to the municipalities.

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We could name countless other examples. The solidarity economy is made up of inspiring stories, encouraging us to experiment and imitate.

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### 2. Who is part of the solidarity economy, what do they do?

#### Solidarity economy includes many alternative economic practices and actors

Dealing with practical experience is at the core of this strategy. The theory of solidarity economy develops from what happens in real life; it learns from practice. Simultaneously, this practice benefits from the latest insights in the fields of theory and research. Theory disconnected from practice is sterile and, in the face of today's global problems, irresponsible. The mapping of the various existing initiatives and SEEs enables them to become aware of each other, and to network with each other. As a result, actors are strengthened because they can work together: locally and regionally, but also across borders. They are gradually forming an alternative, decentralised, bottom-up system which is able to provide a livelihood for the growing number of people excluded from the current prevailing system: perhaps not a permanent job in the usual sense, but cooperative activities which satisfy their basic needs<sup>2</sup>.

Examples of solidarity economy initiatives include:

- Self-governed enterprises and progressive cooperatives, for example energy cooperatives, water cooperatives, social cooperatives run by people with disabilities, land purchase cooperatives, pub collectives, film and theatre collectives
- Housing projects, eco-villages, communes and other communities
- Fair trade Community Supported Agriculture, community gardens including intercultural gardens
- Mutual assistance (mutualism); historically: health and accident insurance schemes organised by employees
- Self-organised financial instruments such as savings associations or credit unions; historically: cooperative banks, savings associations
- Food cooperatives, member stores, producer-consumer communities and other forms of self-governed consumption or producer-consumption (consumption and co-production)
- Free knowledge, for example free software, encyclopaedias, education, media and culture
- Self-governed free alternative schools and day-care centres, maternity centres, cultural centres, free radio stations and open channels

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<sup>2</sup> See the definition of needs by Manfred Max-Neef (Max-Neef/Elizalde/Hopenhayn 1990); see also: [https://en.wikipedia.org/wiki/Fundamental\\_human\\_needs](https://en.wikipedia.org/wiki/Fundamental_human_needs)

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etc.

- Open workshops (community workshops), repair cafes
- All actors in Brazil –and also in this part of the world– are also members of regional and national solidarity economy forums, for example: solidarity economy enterprises (SEEs); specific SEE support organisations (for example, offering advice); various organisations and institutions that promote and support SEEs (church, trade union and civic organisations, municipal, district and state administrations, universities).

As a representative of the social cooperative SOLCO in Mantova (Italy) once explained, the solidarity economy growth strategy is like a strawberry plant: when a strawberry plant is fully grown, it does not get any larger; instead it forms offshoots, new plants, which in turn form offshoots, until strawberry plants cover the whole hill. The initiatives do not wish to 'grow bigger'; instead they multiply and spread their experience, knowledge, and methods. As a result, not all infrastructure is concentrated in the cities; instead jobs and services are distributed widely and can meet local needs in each respective region.

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### 3. How do you see the relationship between the solidarity economy and Degrowth?

#### The solidarity economy and degrowth: Common goals

By using the concept of the 'solidarity economy' as a starting point here, we are building on initiatives in other parts of the world, raising awareness of them. This makes us all stronger, for example when we make political demands for recognition, support and better conditions. The academic world encompasses a very broad range of activities on the solidarity economy, based on cooperation, self-administration, a focus on the common good, and links to nature. In the meantime, many other movements have also developed (transition towns, economy for the common good, degrowth, commons, sharing economy, collaborative economy, demonetisation etc.). On the one hand, this diversity is a positive attribute that makes the host of alternatives more resilient: when one channel is hijacked by corporations (for example, car sharing), the whole movement is not simultaneously discredited. On the other hand, we should not overlook the fact that the variety of designations may ultimately be due to our current system, which is based on competition; every social innovation must emphasise its unique features in order to convince potential donors and the public.

For this reason, cooperation and coordination between the various movements is desirable, as they help to avoid 'duplications' and increase the effectiveness of all efforts. Joint events, such as trade fairs and congresses on



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critical consumption, and joint campaigns have already taken place (e.g. Solikon in 2015<sup>3</sup>). At such events, one movement usually plays the role of ‘host’. However, projects or campaigns jointly initiated by multiple movements working together are still lacking.

Solidarity economy and degrowth share a core idea, although they define it differently. Degrowth wants to renounce growth as the goal of the economy. Solidarity economy wants to enable inclusion through self-management, and to renounce the necessity to multiply capital (profit maximisation), which in the mainstream media is glossed over as ‘growth’.

The capitalist system has developed countless growth strategies: from colonial plundering, wars and the destruction of competition, to built-in obsolescence and the creation of artificial ‘needs’ through sophisticated advertising. Conversely, solidarity economy creates institutional frameworks, networks and production chains based on non-capitalist principles (cooperation instead of competition). Here, networks strengthen individual enterprises and initiatives and provide the possibility to learn and gain experience in order to create a culture of cooperation.

Solidarity economy also builds local distribution cycles, thus saving on transport energy, and addressing people’s needs in harmony with nature. This necessarily involves the production of useful, long-lasting and repairable products. Much less scrap is generated, less rubbish is created, and fewer resources are wasted. This coincides with the goals of the degrowth movement.

Increased cooperation between solidarity economy and degrowth is desirable, and would raise awareness of both.

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### **4. Which suggestions do they have to each other?**

#### **Degrowth needs socially acceptable concepts and visions**

In itself, degrowth is not yet a vision –rather, the word describes what is not wanted: economic growth without meaning or reason. Degrowth criticises the foundations of prevailing economic thought and its categories. It opposes the use of gross domestic product (GDP) and its growth as the measure of a society’s ‘success’, regardless of the social and environmental costs. Degrowth means: growth must stop. This means putting an end to waste, senseless infrastructure projects, dangerously uncontrollable technologies, arms exports, the ruthless exploitation of nature, and the destruction and poisoning of the environment. But we do not know how to do this; there are no criteria yet. Who can guarantee that this downsizing of society will be

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<sup>3</sup> <http://www.solikon2015.org/>

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democratic and based upon the common welfare?

Degrowth must provide an alternative design for society with explicit principles and forms of action, such as bottom-up approaches and participatory democracy leading to self-management, solidarity, inclusion, equality, frugality, conviviality and recognition –in short: to a good life in community. In practice, this is certainly partly the case, but it is not reflected in the concept. Critique of the status quo and the development of alternatives belong together: a successful anti-nuclear or anti-coal movement cannot exist without a renewable energies movement, strategies for converting destructive production in meaningful production, and the inclusion of the unemployed. Degrowth is sounding the alarm, and rightly so –we really cannot go on like this. But the goal of the degrowth movement, to live in lasting peace with our neighbours and in harmony with nature, can only be achieved in a socially acceptable manner through solidarity, democracy, participation, equality and inclusion.

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### **5. Outlook: Space for visions, suggestions or wishes**

#### **An entire toolbox for building solidarity-based perspectives**

People sense that things cannot go on as they are, and a myriad of initiatives from around the world are calling for a different way of treating the planet and our fellow human beings. More and more people are taking responsibility, getting up from their sofas, turning off the TV, and getting involved in local affairs. Thousands of people have already begun working on the development of alternatives that are emerging all over the place. Digital communication offers unprecedented opportunities for disseminating information and enabling participation. Appropriate Internet-based tools can make a major contribution to helping alternative approaches break through.

Good practices in various countries and continents are demonstrating that alternative economic forms already exist, and that they are viable. We need to look in detail at these practices to sharpen our awareness of the path to another mode of production. University research centres dealing with degrowth, the solidarity economy, and other alternatives should seek contact with real-life practitioners; they should promote the establishment of solidarity economy enterprises (SEEs) and other alternatives, provide them with advice, support them, share knowledge, and make new discoveries together. Above all, it is extremely important that we discover what people near and far have already achieved –in order to learn from them, to make their experiences known, and to disseminate awareness of the alternatives already in existence (through films, videos, interviews, congresses, conferences, articles, books, seminars...). In this way, we can support existing alternative projects, and help them share their knowledge, create networking oppor-



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tunities (for example through common open source platforms, mapping, trade fairs), and inspire other people to tread new (or very old) paths. The goal is to weave a tapestry of alternatives, available at local level all over the world, which offers the countless people ‘thrown onto the garbage dump’ by the system, and fleeing war and destruction, the chance of survival and a good life.

In Germany, many refugee initiatives have emerged in recent times, wherever people listen to their feelings, show compassion, and are not controlled by fear. They try to help refugees with accommodation, language acquisition and integration. Is this a spontaneous movement of the solidarity economy? It certainly corresponds to the movement’s criteria, which are the laws of humanity: to regard others as equals, and to share with them so that everyone has enough, no matter all the talk of ‘homo oeconomicus’. Ultimately, the exact vehicle used to participate actively in the transformation doesn’t matter –whether it’s solidarity economy, degrowth, economy for the common good, commons, economy of contribution, sharing economy, demonetisation, or simply compassion.

Collaboration in practice is crucial –in community-supported agriculture, in residential projects, in refugee projects, in urban gardens, in urban commoning, in self-managed production enterprises, in political community work, but also in political education, in public relations, in books and films, on Internet platforms, and in the organisation of congresses, trade fairs and other events. Various schools of thought provide further resources. Their common vision is already lighting up; those who look will find structures of cooperation. Synergies are being created. Recovering our connection to nature is on the agenda. We don’t have just one key that might not fit everywhere: we have several to choose from, a whole toolbox. This is our chance.

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### Links and Literature

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### Links

Forum Solidarische Ökonomie e. V. – Portal für Solidarische Ökonomie:

<http://www.solidarische-oekonomie.de/>

Entwicklungsperspektiven – economic series of publications: <http://www.upress.uni-kassel.de/katalog/schriftenreihe.php?entw.html>

Socioeco – Resource Website of Social and Solidarity Economy:

[http://www.socioeco.org/index\\_en.html](http://www.socioeco.org/index_en.html)

Workerscontrol – Archive of worker buyouts and takeover struggles:

<http://www.workerscontrol.net/>