Never before since the dawn of industrial modernity have the social risks and the threat to people's survival and bases of life through a hostile economic system been as far-reaching as today. The socio-political issues of today are highly complex. They imply the necessity for sustainability and social development of the global society.

And in times when the dominating economic system is increasingly turning against societies and their weakest members, it has become a necessity to rearrange the relationships between social work and the economy. Under such conditions, social work must achieve more than merely to flank the market, it needs to create and defend complementary and alternative structures within civil societies.

Social work and the economy - a troubled relationship

Social movements for civilian rights enforced the socio-political conditions that protect the working population in Western industrialised countries against the societal risks it has been exposed for the first time in history since the beginning of the 20th century. The laying-down of socio-political rights and professional social work with individuals, groups and communities that emerged in consequence were a significant step in the evolution of societies.

The role of the market was to ensure economic value creation and to integrate humans by making them part of the labour force. Governmental policies were intended to take care of the distribution of values, and of corrective action in terms of market access and market performance. The taxation of commercial enterprises served the purpose of financing societal responsibilities such as education, public infrastructure, culture, social work and the health system, whereas social health and security systems were meant to ensure the security of the labour force. Social (re-)integration was one of the tasks of professional social work. This division of labour in a "social market economy" left social work with merely flanking and stabilising tasks that lie outside the actual field of economics. But it has not gone unnoticed that, over the past decades, the parameters for this model of industrial modernity have been turned over under the influence of the epochal changes that "neo-liberal globalisation" has brought about. I will not revisit the details of the factual political and economic changes and the underlying neo-liberal ideology at this point. However, it is immensely important to me to point out that the practice of social work, and of education and training for social work, do not sufficiently reflect these fundamental changes and their underlying conditions, even though social and economic sciences have described and highlighted the changes and their consequences for decades.

Recent scientific discourse on the relationship between social work and the economy has been limited to the requirements of creating market-driven social services and the issue of applying the instruments and standards of business management to social and health services. A comprehensive perspective on the creation and distribution of values in societies, on participation of a society's members in the societal wealth it has created, and on the positioning of social policy and social work in this context, is blanked out. Even

where more recent socio-political programmes² talk of supporting the "local economy", this does not also imply that they have given up the outdated segregation of economic and social aspects. In European states, the relationship between social work and the economic system is largely reduced to accompanying and complementary measures of employment policy, ensuring employability and promoting "soft locational factors"; professional actors of social development do not interpret the mission statement of promoting "local economies" by applying the logic of communities and the people in a community, or by applying the requirements of sustainable development, but by applying conventional business development criteria.

In view of the new forms of plunder and expropriation in societies, of the infringements of social, ecological and economic human rights, and the destruction of the natural bases of life, new, integrated approaches are required in social policy and social work, approaches that encourage local, demand-driven economies in the context of social action. And the process of creating options for independent development needs to be supported through the instruments of social policy.³

This claim, and correlating action, is by no means new. There is international consensus in terms of the theory and practice of community development that local and demand-driven economies are a central prerequisites for the independent existence and sustainable development of communities, and the theoretical roots of community development as an approach to social policy and structural social work do not ignore economic aspects as a central area of life either.

**Social economy in communities - idea and normative claim**

Considering the consequences of neo-liberal globalisation and the changing structures of gainful employment, socio-political considerations needs to pay much more attention than before to the local living space as a place of active participation and integration, of collective self-organisation and sustainable development, without abandoning each individual's rights to social services. Shaping social development⁴ has to be about more than just securing livelihoods in terms of securing the life bases of those who have become "dispensable" through technological and economic change, but about economic activity as an expression of social action which takes the preservation of the ecological and social bases of life⁵ into account.

Shaping sustainable social development raises questions about the logic behind socially integrated economic activity geared to maintaining the capacity for social, cultural, ecological and economic evolution. Economic activity, seen from this perspective, needs to be considered as driven by the requirements of individuals and communities. It is about quality of life, about the fair distribution of the values created, about a self-determined life and our relationship with nature.⁶ Every project with such a claim is contradictory to the overpowering financial interests that rule the economy and societies, and even people's thought patterns, today.

Given a closer look, it shows that the term "community" implies the goals, principles of coordination, and limits to this kind of social economy. The concept of a community-driven economy is based on the following fundamental implications of the concept:

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² e.g. EU-programmes such as URBAN, LEADER, EQUAL or the joint programme "Die soziale Stadt" between German federal government and the Länder.
⁴ Elsen, Susanne/Lange, Dietrich/Wallimann, Isidor (eds.) (2000): Soziale Arbeit und Ökonomie, Neuwied
1. The inextricable entity of use, creation, and distribution of the material bases of life.

2. The shaping of socio-cultural life nexuses through forms of vertical collectivisation based on association and voluntary action.\(^7\)

The idea and claim of social economies in communities as well as its existing forms are always alternative socio-economic concepts to the dominance of financial interests, the focus on self-interest, and the fixation on competition. In their existing real-life forms, approaches that pursue the idea of a community-driven economy are based on fundamental human, social, and ecological needs. From this point of view, economic activity is predominantly to be considered as a reproductive function for people and communities.\(^8\) It is about the preservation and sustainable organisation of the basics that people need in order to exist and live together in communities. A roof over their head, property, gainful employment to earn a living, an appropriate infrastructure, health services, clean water, and more, are among these things.

What we are seeking to find through social economies in communities already exists - and has always existed - in the shadow of the dominant economy, and it is currently re-emerging all over the world. In the international discourse, these approaches are currently drawing more and more public attention to themselves as alternatives or complementary structures to the current neo-liberal practice, which is increasingly subject to crises. Regardless of their different forms and the different contexts from which they have emerged, they show distinct similarities, and the attempts at conceptualising these make it clear that they constitute real alternatives to the western growth model and neo-liberal profit model.

In order to understand the potential of these approaches for the further development of work in and on communities, their specific adaptations in community work and the social economy, and the concepts that are tagged as "local economies"\(^9\) in current socio-political discussions in the German-speaking part of the world, need to be expanded. Development opportunities arise within the broader context of socio-economic self-organisation, which is integrated into civil societies as a concept of a formative social policy that has the capacity to bring up options for disadvantaged people and communities as well as being a step in the direction of sustainability.

The European discourse is based on the idea of a social economy in the "third sector"\(^10\), which contains a variety of organisations that act beyond the public and private sphere and whose main objective is not the maximisation of personal profit. Their central issue is not the generation of profit, but its distribution - and this is what sets them apart from forms of management that are driven by private capitalism. Besides clubs, foundations and mutual societies, this also includes cooperatives.\(^11\) In the Euro-Romanic area, the term "Économie Solidaire" - in delimitation from the insurance industry and traditional welfare

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\(^7\) Further discussions on the topics mentioned here in: Elsen, Susanne: Die soziale Ökonomie des Gemeinwesens. Eine problemorientierte Einführung. Weinheim and Munich 2007


\(^9\) This term is used in almost all programmes for employment-related solutions in rural and urban regions in crisis (e.g. the "Soziale Stadt" programme).


\(^10\) The Économie Sociale Charta adopted in May 1982 contains seven paragraphs that set forth the principles for the coordination of the sector.

services - is used for cooperatives and other forms of economic self-organisation. The term "solidarity economy" prevails in the global discourse; in particular, the term was influenced by the developments and discourses of the "economia popular y solidaria" in Latin America.

Solidarity economies transgress the boundaries of states and markets, and originate in civil society. This is what lends them the ability to create new opportunity structures and solutions that are tailor-made to meet specific demands. Their potential lies in an extended logic of action in an intermediary sector, and in the effect that civic involvement has on people's own lives as well as common concerns.

The term "solidarity economy" emphasises the significance of solidarity as control medium that opens up the actors' willingness to take on extra-functional responsibilities in economic transaction processes and that generates integrated perspectives.

Solidarity economies counterbalance the dominance of profit and competition as single control instruments for economic activities. Solidarity economies are controlled through solidarity, and generate social capital through cooperation and the joint management of resources.

They are not merely part of a social sector that corrects inadequacies and failures of market and state, but rather, it is an independent logic of economic action with a social objective, something that is particularly apparent in cooperative solutions. Solidarity economies are characterised by voluntariness, solidarity, cooperation, democratic organisation, association, self-organisation and a focus on common good as their principles of action. The function of (monetary) capital is to serve these purposes. Solidarity economies cannot survive without the inflow and lasting effects of social capital - by means of the 'solidarity resource - as they have to resist the powerful influences of the market with a logic of their own and often in spite of restrictions in terms of insufficient funding.

Solidarity, however, is often limited to the members of a community, which excludes others - and this is an indicator for the limitations of the approach. Becoming aware of the global interdependencies and the common interest in preserving the basis of life for everyone could resolve tendencies towards particularity and closure when it comes to solidarity-based action in local communities. The concept of the community economy is thus based on an understanding of solidarity that expands beyond the local and temporary context and claims its universal validity for the global society. A solidarity economy does not only emerge from adversity or out of sympathy, but from the realisation of life-threatening and unfair conditions and the discernment that there are no "others" in a globalised world, as the global society shares an ecological and social fate. Globalised solidarity thus stems from the knowledge that we are part of a social and ecological whole, and the strength it can develop results from organised forms of resistance against the destruction of our basis of life. This is the band that ties the movement of landless people in Brazil, the movement of women for the preservative use of land and biodiversity in India, the union of working children in Latin America and South Africa, the movements against the privatisation of public services in Europe, or critical consumer activities.

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12 There has been a Secretary of State for this sector since 1999 in France.
14 On the significance and effects of solidarity as a control instrument, cp: Habermas, Jürgen: Die neue Unübersichtlichkeit. Frankfurt am Main 1985 p. 158
17 Elsen, Susanne (1998): l.c., p. 100
campaigns from every region of the world, together. Association and socio-economic self-organisation are also types of reflexive acquisition of democratic rights in an economy or society, and of defending these - sometimes even in conflictual processes that are linked with experiencing empowerment and that strengthen the sense of democracy. The normative premises for community economies are, at the same time, also kinds of strategic behaviour. The following criteria are common to solidarity economy movements around the world:
1. Democratic organisational culture (democratic vote "one person, one vote")
2. Inclusive ownership (use ownership)
3. Activity driven by need (not primarily focused on profit)
4. Profit appropriation (for defined purposes)
5. Social integration

The organisation principles set out by the international movement for cooperatives one hundred and fifty years ago are the basis for this. Lack of capital is and always has been the main motivation for cooperative work. The concept of community economy foots on an extended interpretation of the term labour, based on a broader perspective on meaningful work for a society, covering neighbourhood work, family work, and personal contributions, barter, subsistence economies, work in cooperatives, gainful employment and forms of civic involvement.

The central concept of "community" is derived from the idea of a community of equals based on mutuality. Consequently, it also implies ideas of reciprocity - these are the concepts of reciprocity and fairness that govern acts of exchange, based on equality, between people. The re-distribution process is aimed at correcting the unequal distribution of goods and access, and thus at the mitigation of social injustice, because only the fair distribution of goods make reciprocity and equivalence possible in barter deals and contractual agreements.

Consequently, community-based social economies (community economies) should always be considered in the context of a formative social policy that grants disadvantaged groups the right to claim extensive rights within the civic society.

"Common good" and "access for all" are the essential foundations of community-based work. Access for all refers to granting each member access to the central prerequisites of work and life. This kind of access has a defined operative value, but it is also a normative value and assumes differentiated concepts of ownership. Social community economy is based on both collective and individual ownership, and creates sustainable and emancipatory types of ownership through different kinds of solidarity economies.

**Community economies as a real utopia**
The "community economy" concept is not a standardised position in economic sciences. Its occurrence is both normative and a phenomenon that has occurred in a variety of ways in the past and is currently appearing in various shapes and forms across the globe. The history of community economies as a contrasting concept to the capitalist approach can be traced back more than two hundred years. There have always been people who counterbalanced the dominant economy with such concepts of a real utopia, and who claimed more social justice and responsibility for communities.

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18 An in-depth description of the diversity of these associations and their development is given in: Elsen, Susanne (2007): I.c.
Until today, examples of this can be seen in places where people take on meaningful and essential tasks in communities, where people develop forms of escaping the constraints of capital through subsistence economies and barter trade, where cooperatives act as alternatives to commercialisation and the expropriation of people's basis of life, and where people develop models of solidarity economies collectively or together with - and for - those who are in need of their solidarity. These complementary and alternative networks act collectively and co-operatively. They are based on a holistic view, and, like those of the historic pioneers Robert Owens or the Rochdale Pioneers, they economic concepts based on the idea of community.

When I talk of "community economies" as an option of for the development sustainable social policies, I am referring to concepts of socio-economic self-organisation in the context of civil society, of organised forms of solidarity or parties that support socio-economic approaches to securing people's livelihood, to integrating and emancipating disadvantaged people, or to preserving the basis of life in communities. Such organisations are based on association, voluntariness, and (are supported by) self-organisation, but commercial interests and/or paternalistic social work do not dominate them. It is a prerequisite that they extend the scope of action options for disadvantaged actors without harming the good of the community.

Cooperatives as a means of organising labour and the organisation and control of public services bear particular potential for solving social problems with economic means.

**Recent examples and an attempt at their explanation**

Community economies around the world have always emerged - and still do so today - out of lack of other means of securing one's livelihood and socio-economic participation, or as an explicit and reflected alternative concept to infringements through the globalised market economy. Traditional forms that resemble the logic of a community economy are still the most important basis of people's livelihood in poor or underdeveloped regions of the world. As a reaction to infringements through transnational enterprises, new and reflected alternatives are currently emerging not only in these countries. Faced with a deepening rift in society, the political and economic organisational abilities of the poor and marginalised groups in transforming and developing countries are increasing. The reflections of globalisation-critical groups and increasingly harsh acts of infringement and expropriation are making it more and more obvious that many are affected by the same situation, and the cohesive power of defensive and pro-active movements in growing stronger.

New forms of social distortion on the one hand and the growing influence of the alternative globalisation movement on the other act as the driving forces of movements for controlled and socially integrated economic activity. The current hunger crisis can be attributed to the policies of the IMF, WTO and World Bank, policies that have ruined traditional subsistence economies in the local markets of transforming and developing countries in favour of monoculture and an orientation towards export and global markets. Acts of speculative land expropriation through the agro-industry are becoming increasingly aggressive, especially in Latin America, due to the high demand for animal foods for the production of meat and due to the production of diesel for the agricultural sector. A global civil war is forming, with a focus on Asia and Latin America, against the genetic piracy associated TRIPS agreements, which are driving people all over the

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22 150 years ago, the "Rochdale Pioneers" set forth the operative principles for cooperatives based on common use ownership, which apply until today.


24 TRIPS Programme of the WTO "Trade in intellectual Property Rights"
world to poverty and dependency and which destroy cultural and biological diversity\textsuperscript{25}. The credit crunch, which has demonstrated the societal dangers that lurk in the international finance markets repeatedly within a short period of time, is a tailwind for movements that criticise our pecuniary logics and interest mechanisms. Actions to preserve public services (housing, water, public infrastructure, etc.) are a reaction to the privatisation imperative that the WTO has set out in its GATS agreements.\textsuperscript{26}

The growing importance of solidarity economies as alternative or complementary structures is particularly visible in the current developments in Latin America and in the discourses on the significance of solidarity-based economic activities for a different modernity that are held there. The phenomena we currently see emerging all over the world - or that have always existed, but that are currently moving more into the centre of attention - can basically be regarded a part of the tradition of "popular economies" - or "économia popular" - that have existed as a complementary or alternative practice to the dominating form of economy for centuries.

But, as they did 100 years ago, people in the industrialised countries - where such forms of economic self-organisation have been extinguished from collective memory - are now increasingly returning to these concepts of securing the core requirements of life. In welfare states, self-help is a last resort that people only turn to in times of a drawn-out crisis, when all other options have been exhausted. Economic self-help activities are currently taking place in the fields of labour, preservation of public services, strengthening of local and regional economies, and local control over money.

In the industrialised countries, cooperative businesses are currently being founded in the following sectors:
1. Employee-owned companies that are founded as alternative ways of organising labour in the industrial economy, aimed at securing gainful employment locally by taking over businesses as cooperatives.
2. Cooperatives as forms of alternative local employment policy, with women and men who suffer disadvantages in the employment market (Cooperatives to ensure livelihood). The Cena et Flora" cooperative " in Riesa\textsuperscript{27} is worth particular mention in this respect.
3. Productive cooperatives in which mainly highly-qualified professionals join forces to improve their chances on the market, e.g. technical engineers or IT specialists who are having difficulties to find secure jobs in the public sector, or productive cooperatives of medical professionals (intellectual capital cooperative).
4. Social, educational, cultural, and health cooperatives whose aim is to counteract cutbacks and the downgrading of service quality in these fields through privatisation. These cooperatives are founded by those who offer or use these services and, as alternative socio-political solutions, sometimes receive public funding. These forms of cooperation also need to be considered as emancipation of their sponsors or users (independent living) as the foundation of such a cooperative rids its founders from incapacitation through "experts". Italy is an impressive example for the development of cooperatives with a social objective.
5. Consumer and customer cooperatives, which emerge along the borders between cities and regions, as a consequence of scandals surrounding the industrial production of food. "Tagwerk", a cooperative from the region north of Munich, is a convincing example.
6. Cooperatives and funds within the local population to protect public infrastructure and public services (housing, energy, water) against commercialisation. Multi-stakeholder organisations are particularly suitable in this field as well as in the field of educational,

\textsuperscript{25} c.f., in particular, Vandana Shiva's work
\textsuperscript{26} GATS Programme of the WTO "General Agreement on Trade in Services"
\textsuperscript{27} Spain passed a law reform in order to promote the foundation of micro-enterprises as a way out of unemployment.
social and health services. Such forms of "privatisation by collectivisation" are a serviceable alternative, especially when it comes to the privatisation of public services. Foundations of local cooperatives and civic funding in social, health, school and care services in Finland, Spain, Canada, Italy, and Japan come as the local population's response to privatisation, commercialisation and expropriation of public institutions and services.

7. Endeavours to gain local control of money by means of alternative or complementary currencies, local banking cooperatives or investment funds in order to promote local value creation and social integration. The extent and scope, the variety and quality of approaches taken in Japan are particularly worth notice. A broad range of local complementary currencies, barter systems and cooperative companies, based on forms of professional organisation, has developed within civil society. They depend upon extra-familiar alliances and are based on the mistrust of market, state, and the value of money. Under the responsibility of civil society, they create sustainable alternatives to these by bundling skills and resources and by non-monetary trading. The Süddeutsche Zeitung described this phenomenon as the "social flight of capital". In Japan, cooperative-based communal solutions have been developed, mainly in the fields of health care and nursing, combining mutual help, self-help, non-monetary trade and professional help.

8. Movements for the appropriation and self-determined use of ground and for reactivating subsistence options in cities are particularly common in Japan. There are even radical groups, which call themselves the "garden guerrilla". However, the trend towards urban gardening or community gardening for social, cultural, or therapeutic reasons or for local economic or ecological purposes can be seen in almost all regions of the world, even in Europe and the German-speaking regions.

9. Fair trade and fair investment initiatives and the control of government procurement processes in terms of their social and ecological compatibility have come out of the niches they were previously restricted in only five years. These initiatives, which are often linked to promoting independent local cooperatives in developing countries, are also an investment into social capital that build bridges between the rich and poor parts of the world, and can even be regarded as community work in the global community. The work of the Nord Süd Forum in Munich is a good example of this.

On the significance of socio-economic self-organisation for societies

Every alternative or complementary economic activity has social and socio-political significance, and indicates a profound break with neo-liberal ideology and practice. There are six strongholds of such alternative concepts, all of which the traditional economy also claims for itself:

1. the general organisation of all economic concerns in markets,
2. the utilisation and management of public, cultural, intellectual and biological goods in markets,
3. the conditions of utilising labour,
4. the power of making decisions on economic participation or exclusion,
5. the definition of prices for all these goods,
6. the definition of the logics of money,

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28 Fritz, Thomas/Scherrer, Christoph: GATS: Zu wessen Diensten? Hamburg 2002
32 Süddeutsche Zeitung, 7th Jan. 2003
7. the organisation of social services as a system that is external to the economy in order not to compromise economic interests. There are different conclusions one can draw from the emergence of these new associative socio-economic structures and networks all over the world: not least, they are a sign of the transfer of participative democracy to the economic sector - not only to the political sector - and of the consequences responsible citizens are drawing from the realisation that the dependencies and weaknesses of politics and the infringements and irresponsibilities by the economic system require drawing a line and providing sustainable alternatives. Apart from those kinds of "popular economies" that arise from adversity, it is important to pay attention to those kinds that emerge as a reflected alternative to social distortion or as a responsible step towards a sustainable society. These economies are characterised by their actors' motivation, which is a different from the accumulation of wealth. The modernisation theorists Hans Loo and Willem van Reijen described these economies as alternative concepts to the market economy of post-industrial societies, and as experimental ground for a new kind of local economy which is organised by laypersons in connection with social movements. These "amateur entrepreneurs" are also part of the "anti-productive alliance" described by Jürgen Habermas, of the movement of "growth critics' dissidence" that aims to strengthen the vital foundations of life-worlds against the momentum of subsystems that are driven by administrative powers and money through forms of self-organisation at grassroots level. They have the critical awareness that makes them an ally of socio-economic innovation in favour of socially disadvantaged groups. "Old", pre-modern models of a plurality economy, which survived in periphery regions of the world before the market economy replaced them completely, or existed in poverty economies of indigenous populations or welfare states, can be carried over into "new" forms. For a few years now, as the social movements from around the world are linking up, the residues of pre-modern economic activity have been stepping out of their shadow existence and have gained an understanding of themselves as alternative concepts to neo-liberal expropriation. In either case, the pre-modern or the new, the actors do not expect a solution to come from the "cathedrals of economic, scientific or governmental power". Rather, they have identified them as part of the problem's cause.
The knowledge about cooperative forms of economic self-organisation, which originates from other parts of the world, is still a learning context for developing a formative social policy that promotes civil society-based solutions. Sustainable "progress" can mean "regress" in terms of socially integrated economic activity. Oskar Negt comments on this as follows: "One should not seek alternatives to the existing system in something that is radically different (…), but underneath the current conditions, their tangible forms and the individual trouble spots". The socio-political potential of mixed life-world logics
The potential for socio-economic innovation lies within the mixed logics of the "third" or "intermediary sector". Where the boundaries are blurred or there are ambiguities, as is the case for economic activity with a social objective, this results from the life-world context and its means of coordination, which create this kind of un-differentiation within,
between, or outside of various functional areas. Life-world related issues and hardships, and the coordination of actions through communication, cooperation and solidarity, exceed the unambiguousness logics of economic and political systems. The extra functionality of voluntary commitment becomes an innovative capacity of its own. It stands for an openness that stretches beyond functional organisational systems, it stirs up the rationality of the logics of economic and political systems and engenders new combinations and closer-to-life options.

The emerging parallel and complementary economies are hybrid organisations that, transversal to the systems of society, pursue both social and ecological as well as economic goals, that act as if part of the economy, but are actually part of the organised civil society. Well established delimitations between private and public, political and social, or cultural and economic, are challenged by life-world based forms of limitation, appropriation and intervention.

The processes in which social movements intervene through forms of association and socio-economic self-organisation cross borders between the life-world and the political and economic sectors. Among other things, they also cause a de-monopolisation of sectors and expert knowledge, and introduce new actors and life-world logics to the state and market systems.

The foundations of cooperatives as socio-economic companies resulting from a life-world context are a mirror for the socio-economic transformation process in industrialised, transforming and developing countries. These foundations also emphasise the opportunities that result from process-like action on the lines of market, state, and civil society. The permeability of these lines and the resilience of the intermediary sector's mixed logics are central to the development and stabilisation of socio-economic concepts. Cooperative economies are the classic counterpart to capitalistic utilisation and expropriation. The recent developments in this respect should not be regarded as a backslide to pre-modernity, but as an anticipation of ways into a different modernity. Their specific potential stems from the opportunity to combine powers, the tendency to disconnect from the market through management by members, and the principle of identification. Current examples from industrialised, developing and transforming countries illustrate the socio-political potential of an ancient type of social and local economic activity:

- In transforming and developing countries, the organisation of social and healthcare services in cooperatives is substituting care through family members, which is no longer a matter of course as traditions are lost and the conditions of living, working and lifestyle are changing. It is especially the women that are looking to new, collective forms of organisation to replace the traditional family care work.
- Cooperative organisations for public educational, healthcare and social infrastructure and services are substituting public providers in industrialised countries. Cooperatives for providing social, health and educational services are basically a re-privatisation of public services as the government is drawing out of its responsibility for this field. But this option contains the chance of preventing a purely commercial privatisation in favour of organisational models that are controlled by citizens and provide access for all. This model, however, should be considered as a socio-political instrument which expands the particularity of community-based solutions, and should be aimed at providing access for every citizen.

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• Foundations of cooperatives in the economic sector have different roles: in developing and transforming countries, they can pave the way from the informal sector into the market. In industrialised nations they make it possible to tap into particularly labour-intensive segments of local markets or to organise local economic activity in a synergetic manner. Moreover, they are capable - under certain conditions - of stabilising and preserving conventional companies by turning them into cooperatives.

A full examination of these potentials requires abolishing prejudices, even within the critical left, and a serious examination of the conditions of the success or failure of collective economies. It is a demonstrable fact that, over the last 150 years, it was not only the lobby of the capitalist economy that rejected, drained or assimilated unconventional socio-economic projects to promote self-determination and self-government, but also the social democratic and orthodox Marxist labour movements.

Social movements, civil society and socio-economic development

The social movements for workers' rights, for disadvantaged and unpropertied people were fields of socio-political conflict in the 19th and early 20th centuries in western industrialised countries. The conflict potential that social innovations and alternatives can generate is also apparent in current social movements that act in a delimiting and formative way, whose actions expand beyond established government policies and capitalist economies, and extend their influence into the established political and economic systems.

The fact that they are both rooted locally and have international effects gives them an unprecedented quality. Like the social movements of the 19th and early 20th centuries, their attitude is anti-capitalist and collective41, and they are conceived as a new socio-political force with formative and limiting powers. A multitude of international organisations has evolved from the context of recent social movements; and while these organisations have the capacity for trans-national protest, it is their orientation towards local concerns that bears a great deal of potential for mobilising people and is a source of criticism of the current economic and political practice42.

Nicanor Perlas, the president of the Philippine-based Centre for Alternative Development Initiatives (CADI) and Right Livelihood Award laureate, places great hope in the power of civil societies, which have connected at local and global levels since the last part of the 20th century and are now making themselves heard, and counteract the forms of abuse, exploitation and destruction of our planet and humanity that we are experiencing today. "Civil society, in its present form, is the most important social innovation of the 20th century. Its significance equals that of the establishment of nation states in the early 17th century, or the emergence of modern market economies in the 18th century",43 Perlas defines civil society as one of the dimensions of the socio-cultural life-world, which represents specific roles, norms, practices, relationships and competencies. According to Perlas, these norms and practices of civil society - association, self-organisation, and organised communication - are not restricted to individual spheres of society, but take effect in political, social and economic contexts44. He regards the growing strength of the civil society as a balancing third power and speaks of a redistribution of power between

44 With this definition, he is referring to - amongst others - to: Cohen, Jean/Arato, Andrew (1994): Civil Society and Political Theory. Massachusetts.
state, market and civil society. And in a society which has become unbalanced and contorted under the influence of neo-liberal globalisation, which has conceded defeat to a predominant market and has enslaved its other parts to the economy, he interprets this redistribution as a process towards the societal threefolding of politics, culture, and economy.

Perlas’ conception of threefolding is not that of competing sectors, but of an integrative cooperation between politics, economy, and culture, based on citizen’s critical commitment which advocates the concerns of society and nature. He sees socially and ecologically responsible economic activity as a global force to bolster the social dynamics of threefolding. De facto, the activism of civil societies around the world is making this novel concept of threefolding perceptible, but reflection upon and conscious description of the process are still in their early stages. A conscious policy of societal threefolding, however, would allow the influence of civil societies to fully unfold, Perlas states. An intermediary function between civil society and state, he says, is just as indispensable as rooting politics in civil societies.

Moreover, new actors of civil society have also “entered the socio-political arena. Their grassroots level and project-based way of working, their orientation towards organisations with networked structures, and their disposition towards protest and civil disobedience place them in the vicinity of what we have already seen in the new social movements”.

Historically, a conflictive impetus emerged from social movements, and present-day government social policies and professional social work have evolved from it. The new forms of socio-economic self-organisation against expropriation and privatisation or in order to secure livelihoods can be regarded as the fight for the basic civil right to social, political and economic participation. The objectives of these organisations span beyond the interests of particular groups, taking on a socio-political dimension. These movements are true forms of social self-help, as they are a collective effort and originate from a social motivation. Socio-economic self-help and self-organisation are radically different concepts from the quest for employment or the - often precarious - business start-ups through individuals. These concepts aim at achieving goals that are primarily social by employing economic means, which always makes them political. "People's own activity, the collective acquisition of rights, skills, creativity, resources, and power" are their decisive factors. These models concentrate their limited strengths in associations, and attempt to secure sustainable access to their own and shared bases of life.

The Canadian Robert Campfens describes the effect of such socio-economic movements in his international survey on community development: "Another trend witnessed in recent years is the spectacular rise of social and co-operative movements, many of them serve as agents of CD. Among the most numerous of these movements (...) are the myriad of apparently spontaneous, self-managing local rural and urban organizations that seek to ensure their members’ survival through co-operative production, distribution, and consumption. (...) these ‘defensive’ social movements do not explain the rise of all those social and co-operative movements, that exist to create change (...) These latter movements are often driven by the search for alternatives to the capitalist industrial models, to the state-controlled social programs, and to the centralized, hierarchical, top-down, institutionalised structures of decision-making. The alternatives these groups apply

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46 Ibid., p. 140.
may take the form of redirecting the economy toward the community, the environment, and a sustainable future."\(^{49}\)

**Socio-economic self-organisation and socio-political innovation**

According to Böhnisch, Schröer and others, restructuring the relationships between the field of voluntary commitment by means of collective self-organisation and the welfare state take centre stage in the concept of the formative social state. "This is based on the idea that social policies require a general reinvigoration in order to develop a counterworld to - and, consequently, raised social discomfort with - the development of digital capitalism."\(^{50}\) Hence, they are not related to institutionalised leadership, but to the socio-political discourse on the fraught relationship between the economy and social system, which, historically, developed as an independent power and uncovered fields of both consensus and conflict in societies.\(^{51}\) The standard to measure social policies by today is a further development in the direction of full societal participation based on the opportunities offered by unfolded productive powers, the effective striction of infringements through the market around the globe, and the promotion of civic self-organisation in all socially relevant fields.

Twenty years ago, Jürgen Habermas commented as follows on the situation of the welfare state: "In a situation in which economic stagnation, increasing unemployment levels and crises of public institutions can be related to the cost of running a welfare state, the structural restrictions of the compromise on which the welfare state is based and by which it has been maintained can be felt."\(^52\) In such a situation, the welfare state runs the risk of losing its social basis, in the case that its (yet) gainfully employed contributors turn against the claimants of its benefits, thus revoking the welfare states' basic legitimation. If, under such conditions, the welfare state was to lose its central reference point - labour - it can no longer be about including this norm. The project of a sustainable welfare state should exceed beyond introducing guaranteed minimum wages in order to break the spell that the employment market has cast on the life stories of all those that are fit to work - also affecting the growing and increasingly excluded potential of those who only stand in reserve. This would be a revolutionary step, but not revolutionary enough."\(^{53}\) Habermas adds that the advocates of the welfare state project only ever looked in one direction: "The primary task was to discipline abundant economic power and protect the life-world of salaried employees from the destructive effects of critical economic growth."\(^{54}\) But no attention was paid to the legal and administrative means of implementation for the programmes of the welfare state, which led to a practice of individualisation of cases, levelling, and control, a practice that separates, restricts, and supervises the claimants, forcing them into a passive and conformist role.

Habermas emphasises that there is no alternative to preserving the welfare state and developing it further, but this requires a path-breaking combination of administrative power and intelligent self-restriction in order to mitigate the destructive effects of an interventionist state on its citizens' life-world. This points to a formative social policy that enables and promotes civil self-organisation. As long as social policy is "lined up as a policy to create readiness for work, and every agenda item that is identified arouses the institutionalised suspicion of abuse, a change towards structural regulation means a

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\(^{51}\) Ibid., p. 183.

\(^{52}\) Habermas, Jürgen (1985): l.c. p. 149.

\(^{53}\) Ibid., p. 157.

\(^{54}\) Ibid., p. 150.
reproduction of the pattern of undersupply, exclusion and repression that we are already familiar with.”

It is true that unemployment should be the starting point for any endeavour of socio-political reform. But unemployed or poor people also need to be able to form a social movement through collective self-organisation. As a matter of fact, none of the employment policy measures that have been put into practice in Germany since the 1970s were aimed at cooperative forms of self-help. These are intensely contradictory of the systematic individualism of neo-classic economics. The social security system of the welfare state centres on the redundant and isolated individual. The ignorance towards approaches of cooperative and mutual action, e.g. the foundation of cooperatives with employment-related and social objectives, and the fixation on individualised approaches to explaining causes and intervention approaches are deeply rooted in the history of the capitalist society. Solidarity and a diversity of lifestyles and ways of utilisation are systematically rejected and are perceived as a threat to particular interests.

Making individual provisions, taking care of oneself, and acquiring wealth are - and always have been - highly rated. Joint efforts to improve one's situation, on the other hand, have never been - and are still not - desired. Instead, preventing collective self-organisation is a recurring theme both in history and in at present. "So long as the needy restricted themselves to welfare work and other activities that were neutral towards the system, such as work in friendly societies, they would be - subject to a certain extent of supervision - tolerated. Society-based initiatives took on a political character, though, and now pose a threat to the existing balance of power and ownership structure."

The bans on forming coalitions and on assemblies enforced in the late 18th century and in the 19th century forced such associations to work in the underground, which, however, only increased their internal cohesion. But today, as opposed to the former workers' movement, there is no shared experience of unbearable working conditions, which had previously led to the formation of defensive movements and cooperatives for economic self-help. This is a major problem for the growing number of victims of the economic system, especially in western industrialised countries, where problematic social situations are individualised in the discourse and then professionally worked upon. Shame and retraction are the intended consequences of this, not the abilities required for self-help and self-organisation.

Creating the political and legal framework to enable socio-economic self-organisation or encouraging it through social policy, as it is practised in Italy, is hardly conceivable in a country as statist as Germany. Even in Italy, this practice could only unfold its lasting strength through an intense cooperation between organisations with different mindsets and different professional associations in civil society, which joined forces to assert themselves against the economic and political system. The development of cooperatives with social objectives in Italy is a convincing example of the success that active governmental support for socio-economic self-organisation as means of formative social policy can bring. These cooperatives take on social, educational and health service related tasks, and are targeted at the integration of disadvantaged people into the labour force, or combine social and healthcare services with the integration of employment. These cooperatives are partially exempted from income tax, social costs, and contributions to

insurances and pension funds, and are also financially supported and have a cooperative infrastructure of their own at regional and supra-regional levels.

Böhnisch and Schröer also devise an interesting step towards a formative social policy in connection with the possibilities of civic engagement through elderly people. "As elderly people are not subjected to the constraints of their role in the labour society or in their families, they have a freedom to experiment that younger people do not have, and this can be activated. This means that elderly people, as a social group, could be assigned an important role in building regional social economies. (...) Why should elderly people not be capable of providing services - from the general merchandise store to social care services - in rural areas? They do not need to rationalise their offers or their work, on the contrary, they have the capacity and capability to take on complex social tasks. (...) The special value of such regional economies is the fact that people from both the producer side and the consumer side contribute to them and can build social relationships. (...) The new elderly could also participate in intergenerational models, which are based on the division of labour and could help overcome the intergenerational competition that has crept into markets and society lately."

Elderly people would need to be financially secure in order to bring in their full potential. They could become the pillars of socio-productive innovation in civic society - which would give them the chance of putting the professional and social skills they have gained during their career to practice without the need to shy away from conflict. In order to make this concept of socially productive commitment happen, the traditional culture of caring for the elderly would have to make room for socio-economic structures of enablement.

In the western industrialised countries, new socio-economic associations are primarily run by organisationally skilled citizens that also fight with and for disadvantaged people and their right to participate, in organisations that are based on solidarity - such as social cooperatives. The opportunities for self-help run along the demarcation lines of social inequality, and in welfare states, the efforts in favour of self-determined participation for disadvantaged people are often opposed by the self-interests of those organisations that claim themselves to be the representatives of the poor and disadvantaged members of society.

The principles that characterise associations are the voluntary basis on which they are formed, the solidarity between and equal status of their members. As organisations based on community, they can only serve to enhance freedom and existential security in combination with social policy. The latter provides the life management resources that individuals can - but are not obliged to - incorporate in their action strategies. These resources are a necessity, but the conditions and barriers to accessing them need to be reduced.

Formative social policy would thus need to be based on the following fundamental premises:

1. To protect the social and ecological life interests, and value these higher than ownership interests.
2. To enable socially productive participation by means of self-organised activity which is based on commonality and targeted at a social objective, as well as the participation in social and communication networks across all relevant areas of society.
3. To take into account the social aspect as an integral part of socio-economic solutions. Social problems should not be regarded as external to the economy, and not be worked upon as separate issues from economy.

4. Public spending should be organised in a pluralistic and democratic organisations - e.g. in multi-stakeholder enterprises - in an effective and synergetic way.

5. Social local policy should use the available material resources and social capital a way that is socially productive. It should generate and manage material resources and social capital.

6. Formative social policy should open up opportunities for learning and experimenting with new approaches to solving societal problems, also and especially in areas where members of society are marginalised. It requires new forms of organisations, especially in the economic system, the system of education and the system of political administration.\(^{60}\)

7. It should be guided by the principle of a plural economy that serves the satisfaction of human needs and respects its ecological limitations.

8. It requires the possibility to generate resources independently through activity in markets and non-market economies geared at social objectives.

9. Against the backdrop of mass unemployment, it is necessary to relieve the people affected by redundancy from the crushing fears for their existence through providing guaranteed basic social care, and to rid them from the indignifying compulsory labour in order to receive transfer payments. The partial detachment of being gainfully employed and making a living is the basis for the development of new, socially integrated economies.

Social policy develops from collective attempts of coping with social problems. When individuals who are affected by the same conditions form associations, this generally bears potential for political change. Today, just as it used to be in the times of the beginning workers' movement, the capacity for collective action is based being in the same situation together and reflection upon it, and sharing a common interest to change it. According to Böhnsch and Schröer, this capacity is the historic legitimation of socio-political movements, and it needs to be reactivated in view of the current conditions of excessive capitalism and the tendency towards the redundancy of human labour.\(^{61}\)

Everywhere around the world, collective actors are opposing the new economic mindset of expropriation, are defending life's basic rights and bringing socially integrated forms of economy to life as alternative concepts. They are part of a new grassroots social policy, which will lead to social change in the long run despite the strong resistance there is to it. And today, in view of the changed conditions, all this is no longer only about regaining political control of the powers of the market, or about protecting individuals and communities from infringements through the market, but about developing and maintaining plural forms of independent community-based social economies as an integral part of the life-world.

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