

What is solidarity economy?

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Mr. Verma examines the emerging notion of solidarity economy.

By Manish Verma

NOTE: This article was written to satisfy a personal desire to learn about solidarity economy. While it does draw on facts, it is by no means meant to be a comprehensive document on the topic but merely an attempt to introduce the same to the members. However, the author would like to ask the members to send in more information about similar activities/programs, insights that would help compile more detailed analyses.

Money is not God: Principles of Solidarity Economy and the Challenges

Solidarity: unity (as of a group or class) that produces or is based on community of interests, objectives, and standards

In the wake of the neo-liberal globalization with its unequivocal pursuit of profit lie growing unemployment, burgeoning gap between the rich and the poor, social and state welfare programs in shambles, erosion of cultural values...in short, money is God.

Fortunately, there are many who do not think so. As the neo-liberal juggernaut rolls on, so do the number of people who grow disenchanted with it. They seek economic alternatives that place more value on people and the community rather than on profit; alternatives that cherish the human spirit, knowledge and values; alternatives for whom the driving force is the belief that money is not God but merely a tool. These alternatives form solidarity economy.

The term solidarity economy is interchangeable with social economy, popular economy and labour economy. But the word solidarity (see definition above) describes the processes involved in the best possible way. The coming together of people as a cohesive unit working to serve common vision and interests form the foundation of these initiatives. As the interests vary so do the activities. They range from the obvious micro-credit schemes through local exchange systems, income generation groups, barter groups to collective kitchens and others.

Diversity of the initiatives extends itself to the players involved in them---farmers, women, young people, trade unions, unemployed, etc. and to the types of these efforts---collectives, cooperatives, groups, etc. The diversity makes these efforts wildly rich along with being fairly hard to pinpoint what exactly does constitute solidarity economy.

So it becomes important to list out what are the fundamentals of solidarity economy. As mentioned above, people and community form the heart of solidarity economy. It implies:

- Processes involved utilize the resources available to fulfill social needs rather than those dictated by the market
- Cognizance of value of labour and finding ways for its maximum utilization and preservation
- Focus is on self-sufficiency and cooperation rather than dependence
- Prudent use of resources based on needs rather than over-consumption

- Management strategies/systems are based on democratic processes like cooperation and participation rather than on control and decision
- Values and ethical principles play an important role in developing the models
- Sustenance of the culture, language and customs of the community

Looking at the elements of solidarity economy provides us with attractive alternatives to the neo-liberal globalization in ethical, political, social, cultural and ecological dimensions---all of which bring forth the important relationships solidarity economy shares with resources, people, nature and capital and also how it maintains the fragile balance among them.

Another important aspect of solidarity economy is that it is not limited to the monetary aspects but extends itself to the collective social services where it serves as a ‘laboratory of research and development’ for social ills like poverty, hunger, unemployment, etc. Development of such services often serves as models for setting up of institutional, community-based networks.

If one is to look at the facets of solidarity economy, its importance in women’s life is unquestionable in today’s world. With the patriarchal nature of the neo-liberalism that tends to downplay women’s role in the economy by relegating them into low-paying jobs and long work hours, solidarity economy provides ways in which women can assert their economic independence (through micro-credit and income generation groups), exercise their creativity (through collectives working with traditional crafts) and expand their horizons (through barter groups) in safe spaces.

All these factors not only have a positive economic impact on the women but also contribute to their involvement in social issues in their environment. According to Aminata Diongue Ndiaye, regional coordinator for Dakar's women's actions, these endeavours provide an added ‘social value’ by developing or improving social services like schools, hospitals and even roads.

As the symbiotic relationship that social economy nurtures and develops between the monetary and non-monetary aspects of human life becomes clearer along with the positive impact it has on the marginalized populations, the question arises that is it ready to be replicated on a larger scale?

Not as yet. Though there are instances of integration of solidarity economy by local governments in Brazil, creation of the post of Secretary of State for solidarity economy in France, there is a felt need for designing a ‘common map’ for building networks between the players around the world. Working in tandem with each other would not only provide more visibility and support for the work being done but would also enhance partnerships and exchanges (of goods and services) between them.

As all of this requires a perspective that spans the globe while remaining rooted in the grassroots where most of the innovations are based, construction of “an international articulation with the different processes, realities, networks, concepts and practices existent” is really required before the solidarity model is to be successful.

The move away from the profit as the sole indicator of success in a neo-liberal model, proponents of solidarity economy express a strong desire to develop other indicators that echo and embrace their fundamentals. These indicators would put social development and

sustainability as primary outcomes (as opposed to more wealth) and, based on these 'pillars,' work to not only improve the working lives but also democratize the economic and political institutions.

What is being proposed is a radical departure from the 'older' ways in which the world today is functioning. Simpler way of looking at things would suggest that solidarity economy would supplant the existing economic model but if one is to look carefully at the way it has evolved and the features that it possesses, solidarity economic models are improving and complementing the existent model.

The move from the grassroots to the international, global and regional scale has begun with World Social Forum in Porto Alegre, 2003, attracting more supporters of the movement. So the outcome looks bright. Hopefully, soon, the word God will be used more often to signify something more spiritual and pure than just bits of paper. Money is certainly not God.

References:

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<http://www.globalexchange.org/campaigns/mexico/ppp/desmi.html> An article based on the book Si Uno Come, Que Coman Todos, Economia Solidaria By Alma Cecilia Omana Reyes and Jorge Santiago Santiago. Published by DESMI

http://www.alliance21.org/en/proposals/finals/final_ecosol_en.pdf A Proposal Paper for the 21st Century: Solidarity Economy Revised by Marcos Arruda

<http://www.clcr.org/Articlesreports/neamtan%20on%20the%20social%20economy110602.htm> Background paper The Social and Solidarity Economy: Towards an Alternative Globalization by Nancy Neamtan

<http://www.whrnet.org/docs/perspective-palmieri-0206.html> Excerpts from The Worldwide Resistance of Women to Neoliberalism by Joëlle Palmieri

Another World is Possible: Popular Alternatives to Globalization at the World Social Forum. By William F. Fisher, Thomas Ponniah, Eds. Fernwood Publishing, Canada, 2003. ISBN 1842773291

Some Resources

ATTAC: ATTAC is the Association for the Taxation of financial Transactions for the Aid of Citizens. ATTAC was founded in France in 1998, and now has over 80,000 members worldwide. It is an international network of independent national and local groups in 33 countries. It promotes the idea of an international tax on currency speculation (the Tobin Tax) and campaigns to outlaw tax havens, replace pension funds with state pensions, cancel Third World debt, reform or abolish the World Trade Organisation (WTO) and, more generally, recapture the democratic space that has been lost to the financial world. website: <http://attac.org> (in several languages including English, French and Spanish)

World Social Forum: Set up as an alternative to World Economic Forum, WSF has become a

powerful movement in the way of neo-liberal globalization. Site contains interesting alternatives along with workshop summaries, etc. For those interested in solidarity economy, the link

<http://www.portoalegre2003.org/publicue/cgi/public/cgilua.exe/sys/reader/htm/preindexview.htm?editionsectionid=107&user=reader> contains interesting articles on the topic, albeit most of them are not in English. website: <http://www.portoalegre2003.org> (in English, French and Spanish among others)

Solidarity Economy Group of Quebec: website:

<http://www.uqo.ca/ries2001/fr/gesq/sectiongesq.htm> (only in French)

Mercosur: The "Common Market of the South" - (MERCOSUR), constituted by the governments of the Argentine Republic, the Federative Republic of Brazil , the Paraguayan Republic and the Orient Republic of Uruguay for the creation of a four country common market, and it is based on the mutual reciprocity of rights and duties Website:

<http://www.mercosur-comisec.gub.uy/MERCOSUR/ESPANOL/qesmercosur.htm> (in Spanish, Portuguese and English)

UNPAC: The UN Platform for Action Committee (UNPAC) in Manitoba, Canada was established in 1995 after the Fourth World Conference on Women in Beijing, China 1995 for the implementation of the Platform of Action born out of Beijing as well as other United Nations agreements which advance women's equality. Website

<http://www.unpac.ca/economy/who.html>