

Solidarity Economy: Key Concepts and Issues

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People across the United States and throughout the world are experiencing the devastating effects of an economy that places the profit of a few above the well being of everyone else. The political and business leaders who benefit from this arrangement consistently proclaim that there are no real alternatives, yet citizens and grassroots organizations around the world are boldly demonstrating otherwise. A compelling array of grassroots economic initiatives already exist, often hidden or marginalized, in the “nooks and crannies” of the dominant economy: worker, consumer and producer cooperatives; fair trade initiatives; intentional communities; alternative currencies; community-run social centers and resource libraries; community development credit unions; community gardens; open source free software initiatives; community supported agriculture (CSA) programs; community land trusts and more.

While incredibly diverse, these initiatives share a broad set of values that stand in bold contrast to those of the dominant economy. Instead of enforcing a culture of cutthroat competition, they build cultures and communities of cooperation. Rather than isolating us from one another, they foster relationships of mutual support and solidarity. In place of centralized structures of control, they move us towards shared responsibility and directly democratic decision-making. Instead of imposing a single global monoculture, they strengthen the diversity of local cultures and environments. Instead of prioritizing profit over all else, they encourage commitment to broader work for social, economic, and environmental justice.

These are the already-planted seeds of what many organizers and activists around the world are calling a "solidarity economy." Our task is not to invent a new economic blueprint from scratch and then convince the world to adopt it, but rather to participate together in ongoing work to strengthen, connect and build upon the many economic practices of cooperation and solidarity that already exist. We do not need to wait for a revolution or for "capitalism to hit the fan." We can begin here and now, in our communities and regions, connected with others around the world, to construct and strengthen institutions and relationships of economic solidarity.

Solidarity economy is an open process, an invitation. The concept does not arise from a single political tradition or body of ideas. Its very nature and definition are in continual development, discussed and debated among its advocates. Seeking to "make the road by walking" rather than to push a closed or finalized ideology, solidarity economy is a "movement of movements" continually seeking connections and possibilities while holding on to the transformative commitment of shared values. In such a spirit, this chapter will present neither a complete nor an "objective" view of solidarity economy. Writing as an activist and a scholar in the U.S. context, I seek to contribute towards a concept and practice of solidarity economy that might be useful and appropriate to making change here in the "belly of the beast." While I draw on some writing--and much inspiration--from the work of those in other parts of the world, I also recognize and honor the responsibility that we have to forge our own ideas about solidarity economy. I hope that this chapter can contribute to that conversation.

A Brief History of the Concept

"Solidarity economy" was used as an economic organizing concept as early as 1937, when Felipe Alaiz advocated for the construction of an *economía solidaria* between worker collectives in urban and rural areas during the Spanish Civil War.¹ Contemporary uses of the term appear to have emerged in both France and South America--specifically Colombia and Chile--in the early 1980s. European concepts of *économie solidaire* emerged from a long tradition of "social economy" activism and policy oriented toward addressing social and economic exclusion through "third sector" alternatives to conventional market and state-centered institutions. While the social economy often sought to supplement or compliment the existing social order, solidarity economy advocated a more transformative approach to economic activism. In Colombia, *economía solidaria* emerged out of the country's cooperative movement and understood as a concept that could place *cooperativismo* (cooperativism) into a broader, and more political, context of a vision for building a different economy.² In Chile, the concept was developed more broadly and theoretically by economist Luis Razeto as a cross-cutting "sector" of the economy consisting of diverse enterprises that share a common "economic rationality" of cooperation and solidarity. The task of those seeking economic transformation, said Razeto, should be to connect and strengthen these already-existing alternatives.³ (Is this you speaking, or Razeto?)

Building off of these conceptualizations, *economía solidaria* developed by the mid 1990s into a growing social movement with a shared research agenda and a powerful network of economic activity throughout Latin America, Europe and Canada. In Brasil, work on solidarity economy was particularly strong and included the development of university research programs, support "incubators" for cooperatives and other solidarity-based enterprises, and the growth of extensive local, regional and national networks linking solidarity economy initiatives and practitioners. Similar efforts developed in France, Spain, Peru, Argentina, Mexico and Quebec, and in the late 1990s many of these networks began to make connections. The International Solidarity Economy Group (*Grupo Internacional de Economía Solidaria*, or GES) convened a meeting in Lima, Peru in 1997 that brought together, for the first time, representatives from solidarity economy efforts around the world. It was the birth of a truly *international* movement and the beginning of what later became the Intercontinental Network for the Promotion of the Social Solidarity Economy (*Red Intercontinental de Promoción de la Economía Social Solidaria*, or RIPESS).

Growth continued on local, national and international levels and by the late 2000s--thanks in large part to RIPESS and to the amplifying role of the World Social Forums--the solidarity economy movement was gathering strength in new regions. The third international conference was held in Dakar, Senegal in 2005. The first Asian Forum on the Solidarity Economy, held in 2007 in Manila, marked the birth of the Asian Alliance for Solidarity Economy. The U.S. Solidarity Economy Network was initiated that same year at the first U.S. Social Forum in Atlanta, Georgia. With a fourth international meeting held by RIPESS in Luxembourg in 2009 and a fifth planned for 2013 in Asia, this much is clear: in the face of a dominant international economy centered on the growth of profits for a small elite, an emerging global network of initiatives around the world is asserting that another economy--an economy for people and planet--is not only possible, but is already being born. "We are building," writes Paul Singer from Brasil, "in the midst of contradictions, in the cracks of capitalism, a new type of society and economy."⁴

¹ Alaiz, Felipe Lorda. 1937. *Por una economía solidaria entre el campo y la ciudad*. Barcelona: Oficinas de Propaganda, CNT, FAI.

² Arias, Deisy et. al. 2006. *Estado del arte de la economía solidaria en Bogotá*. Bogotá, Colombia: Universidad Colegio Mayor de Cundinamarca.

³ Razeto, Luis. 1984. *Economía de Solidaridad y Mercado Democrático*. Santiago de Chile: Ediciones PET.

⁴ Quoted in Guerra, Pablo. 2004. "Economía de la solidaridad: consolidación de un concepto a veinte años de sus primeras elaboraciones." *Revista OIKOS*. Universidad Católica Cardenal Raúl Silva Henríquez, Santiago de Chile.

Solidarity Economy as a Process

One of the great strengths and innovations of the solidarity economy movement is its ability to move beyond the factionalism that has so often weakened historical efforts to imagine and build other economies. Indeed, when faced with the question of economic alternatives, many activists have often been tempted to build or to seek a blueprint, a Big Plan, for how "the economy" should operate. While such "blueprints" for alternative economic structures can be very useful as tools for clarifying and motivating our work, they can be problematic as core social change strategies for at least two reasons. First, blueprints often miss the richness of what might emerge from a *collective* process of imagination and creation; no one person or group is capable of figuring out an economic structure for millions of others to live in. Second, they can lead to a very unfortunate choice of political paths: blueprint in hand, we either convince everyone that we're right (unlikely) or take over the government and impose our plan on everyone (unethical). Either way, we've failed to build a substantially different kind of economy and society, and we've failed to live our values.

A solidarity economy approach takes a very different path. Beginning from a core belief that people are deeply creative and capable of developing their own solutions to economic problems, and that these solutions will look different in different places and contexts, a solidarity economy approach seeks to make existing and emerging alternatives visible and to link them in mutually-supportive ways. The core idea is simple: *alternatives are everywhere and our task is to identify them and connect them in ways that build a coherent and powerful social movement for another economy*. In this way, solidarity economy is not so much a *model of economic organization* as it is a *process of economic organizing*; it is not a *vision*, but an active process of collective *visioning*.

Rethinking Economy and Uncovering Possibilities

"The universe is made of stories," wrote Muriel Rukeyser, "not of atoms."⁵ How we view the world and how we act in the world is profoundly influenced by the stories that we tell about reality. These stories help to determine what we see, what is invisible, and what we believe to be possible or impossible. The dominant stories that economists and many others tell about the nature of "economy" deeply shape our collective sense of possibility and imagination regarding economics and economic transformation. A crucial element of a solidarity economy approach is to recognize the ways that conventional economics has described reality so as to *make invisible* a whole host of practices, initiatives, human relationships and motivations, and thus to limit our abilities to imagine economic alternatives. Acknowledging this, and working to make these other forms of economic life *visible and valued*, opens up the terrain upon which solidarity economy organizing does its work.

The simplest version of the dominant economic story suggests that we live inside of a single economic system (The Economy), called "capitalism" or the "market system" (or any number of other names) that is regulated by the law of supply and demand. The basic building blocks of this economy are the rational, self-interested individuals and groups who seek to satisfy their supposedly endless desires for growth and accumulation (profit-making) in a world of scarce resources. Competition is the name of the game and economics is about understanding this competition and all that it entails.⁶ A more complex version of the story suggests that economic space left unoccupied by capitalist markets is occupied by "the state," which

⁵ Rukeyser, Muriel. 1968. *The Speed of Darkness*. New York: Random House.

⁶ The story I refer to here is not meant as an attempt to reflect a consensus within the discipline of economics. Indeed, few economists would accept such a simple depiction. Rather, it is meant to describe the general outlines of a story that circulates throughout our wider society, reproduced in popular media and in dominant public discourses.

acts as both an accomplice to the economy's growth and as a safeguard for when the economy falters or fails to deliver. The tension plays out endlessly in public conversation about economic alternatives: how much, or how little, regulation should the state impose on the market? Trapped on a "spectrum" between two poles, we swing back and forth on the political-economic pendulum.

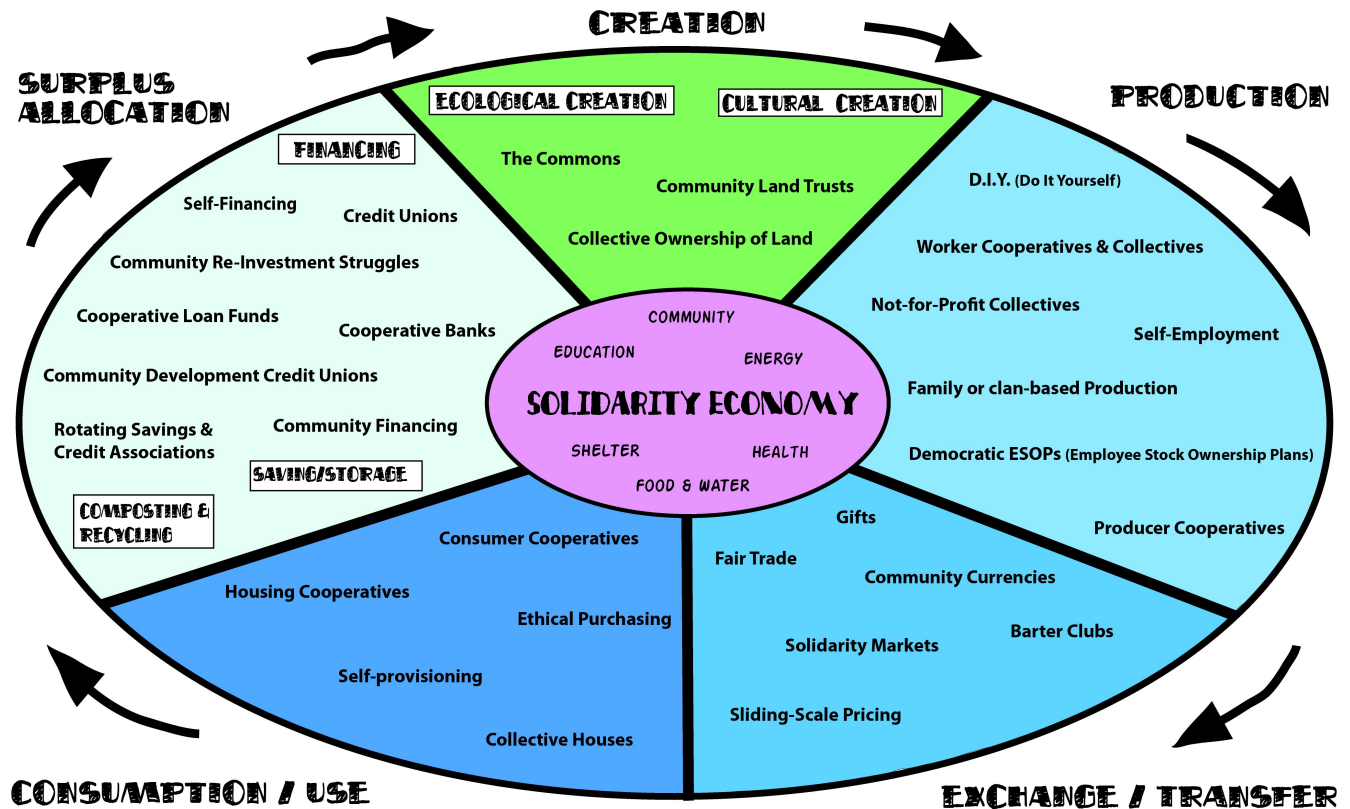
This story obscures more than it clarifies. Behind the veil of the market/state vision of economy are a whole host of other kinds of economic activities, behaviors and motivations. These are forms of economy--many of them built on relationships and ethics of care, cooperation and solidarity instead of cooperation and individualism--that do not fit easily within the frameworks of conventional economics. Instead of telling a narrow story about economies as varying combinations of market and state, a solidarity economy approach suggests that we define economics much more broadly as *all of the diverse ways that human communities meet their needs and create livelihoods together*.

To aid us in identifying these diverse economic activities and relationships, it is helpful to visualize economies as interconnected flows made up of different "moments," or spheres of activity, and to examine what kinds of cooperative and solidarity-based forms of economic organization already exist in each sphere. Where, in the diverse economy, are people engaging in activities and relationships that embody values of solidarity, cooperation, equity, sustainability, democracy and pluralism? What kinds of economic relationships might open up space for recognizing and deepening these values in our communities and in our societies? Asking such questions through a diverse economy lens allows us to see myriad possibilities in each sphere of economic life:

- **Creation.** Where do the basic "raw materials" come from? Here, in the form of what we might call "ecological creation" and "cultural creation," we find a powerful gift economy. Ecological creation involves earth processes—birth, growth, photosynthesis, respiration, geological and chemical transformation, etc.—that are the “original points of production” and sustain and generate all life and culture. The moral responsibility to honor and share these collective “gifts from the world” is a key starting point for a solidarity economy perspective. Likewise, cultural creation offers resources such as language, stories, music, ideas, and skills. Generated and transformed over millions of years by collective creativity, imagination, intuition, observation and experimentation, they are gifts passed down from our ancestors and should be shared and held in common trust.
- **Production.** How are goods and services produced in ways that foster cooperation and solidarity? Here we can identify structures such as worker cooperatives, democratic nonprofits, grassroots producer cooperatives, forms of household production, self-employment and self-provision (hunting, fishing, gardening, scavenging and "do-it-yourself" projects), and family or community care provision. We might also examine the possibilities for transforming certain "conventional" forms of productive organization such as municipal and state-owned enterprises and values-based "high-road" businesses into more robustly democratic and cooperative institutions.
- **Transfer and Exchange.** How do goods and services move from production to consumption in ways that enact solidarity values? Forms of solidarity exchange include community currencies, barter networks, fair trade, "solidarity markets," and the use of sliding scale pricing. Transfer also occurs through one-directional movements such as progressive/redistributive taxation and Robin Hood-style re-appropriation (known by those whose excessive resources are being appropriated as "theft"). Gift economies, in which reciprocity is established through giving without expectation of

return, are also powerful and widespread means of transferring resources.

- **Consumption or Use.** Through what kinds of cooperative institutions are people and communities organized as consumers? Examples include consumer cooperatives, housing cooperatives, collective self-provisioning, community supported agriculture initiatives and institutions of participatory, democratic municipal and state citizenship (participatory budgeting, neighborhood councils, etc). How are the demand sides of markets organized socially and institutionally in ways that encourage solidarity? Here we can identify various forms of "ethical consumption" that animate local, ecological and fair trade purchasing practices and institutional "socially-responsible" purchasing policies.



- **Surplus Allocation.** How is surplus, generated in the economic cycle, appropriated and used in ways that foster solidarity values? How does surplus re-enter and re-invigorate the cycle in ways that support other solidarity-based initiatives? Here we have institutions of solidarity savings financing such as credit unions, cooperative loan funds, rotating savings and credit associations, gifting and sharing practices. We also have activities of composting and recycling (also forms of investment) that involve the return of material surplus back into the human productive system and the larger life system.
- **Governance.** What kinds of institutional policies, rules and procedures shape a supportive context in which solidarity-based initiatives can thrive? These might include elements of organizational and business governance (democratic decision-making, grassroots accountability, cooperative and

equitable internal economic structures, etc) or policies and procedures implemented by local, state or federal governments (participatory budgeting, cooperatively-structured service provision, financing support, incentives, favorable legal structures, etc).

By moving beyond the state/market dichotomy and making these solidarity-based economic practices visible, this diverse economy perspective gives us some of the key strategic tools we need to begin charting out paths for solidarity economy education and organizing. In many regions around the world, solidarity economy organizers have initiated mapping projects to identify and make visible potential or existing actors in solidarity economy movements. The Brazilian government, in collaboration with the Brazilian Solidarity Economy Forum (FBSES), has supported a substantial national mapping project that identifies and maps democratically run enterprises across the nation. An initiative in Italy called *Zoes* has developed software that facilitates the mapping of diverse social and solidarity economy initiatives including ethical banks, fair trade buying clubs, housing cooperatives and more. In the U.S., a number of local groups have begun to produce "maps" of their local solidarity economy initiatives and the U.S. Solidarity Economy Network is exploring ways to support and connect such efforts.

Naming Our Practices Through Shared Values

One important way to connect diverse initiatives and build a movement is through the creation of shared identity, naming these practices as part of an emerging "solidarity economy." But what is the content of this naming? What does it mean to say that diverse groups are part of a shared project of building a solidarity economy? For many organizers around the world, the core elements that bind us all together are *values*. "Despite their differences," writes Jean-Louis Laville, "these practices share characteristics that allow for parallels: they all attempt to introduce the notion of solidarity into economic activities, thus advocating a solidarity economy."⁷

While all economic relationships are social in one form or another, solidarity names a specific *mode* of relationship: it begins with a recognition of interdependency. In relationships animated by many different dynamics of power, privilege, inclusion, exclusion, cooperation and exploitation, our lives and fates are bound together with myriad others. Solidarity is enacted when we recognize these connections, take active responsibility for our own participation in them, and work to simultaneously transform those relationships that are destructive or exploitative and to cultivate those relationships that embody care and mutual respect for those with whom we are connected.

While articulated by numerous solidarity economy networks with different words and nuances, clear commonalities can be seen. **Cooperation** and **mutuality** are emphasized above unfettered competition. **Individual and collective well being**--defined by people and communities rather than distant "experts"--are prioritized over profit and financial accumulation. **Economic and social justice** (or **equity**)--struggles to end social and economic oppression in its many forms--are seen as key priorities. The responsibility to work towards **ecological health**--developing respectful and sustainable relationships with our ecosystems and their other inhabitants--is a core focus. Robust **democracy** at all levels of society and of organizations, placing people and communities as the active agents of their own lives and development, runs like a thread weaving other values together. And finally, these values are articulated with a strong emphasis on **diversity and pluralism**--the belief that there can be no "one way"; that people, working together, must forge their own unique paths toward freedom. As the U.S. Solidarity Economy Network describes, this is a pluralism that encourages "different forms in different contexts, open to continual

⁷ Quoted in Guerra, 2004.

change and driven from the bottom-up."⁸

A number of substantial questions may be raised at this point. The values of solidarity economy, like all values, are subject to interpretation; how do we determine if a given initiative is living up to them? Isn't the "devil in the details" in terms of how well any given group achieves these lofty ethical goals? And isn't it the case that no one initiative or project, given the complex world that we live in, will ever fully embody these values? What to do then? And how do we avoid cooptation? What happens if a group pays lip service to these values but does not, in fact, demonstrate an active commitment to following through? Who decides what "following through" really means? Indeed: how can such a loose framework, so full of big questions, form the basis for a substantial political movement?

These are essential questions, and debate around them lies at the heart of the solidarity economy movement. The task is not to decide on final answers to difficult questions but rather to allow the questions and struggles themselves to animate, inspire and connect. The shared values of solidarity economy are not meant to function as a set of fixed, schematic criteria that can be objectively measured and evaluated or applied evenly and universally across multiple contexts, but rather as "coordinates" for shared ethical debate and learning.⁹ Instead of dictating the details of our actions or enforcing an impossible purity, these value coordinates create a metaphorical gathering space: we are invited into a room called "solidarity" and there, together, in an ongoing process of experimentation, constructive debate, mutual challenge and collective learning, we create provisional, working definitions of shared, enacted values.

This approach not only upholds the open, bottom-up approach that solidarity economy seeks to embody, it is also *strategically* important. It recognizes that while many people, groups and movements *agree* with the general values articulated by a solidarity economy approach, many fewer (if any) are actually able to claim success at *fully achieving* them all. A movement that both embraced such broad values and required everyone to live up to them all, all of the time, would be a small movement indeed. The key, instead, is to convene those who--while far from pure--share a *committed aspiration* toward enacting these values. A commitment to both self-transformation and to the transformation of the world in the service of these shared values is a fundamental binding element of a solidarity economy approach.

Making Connections

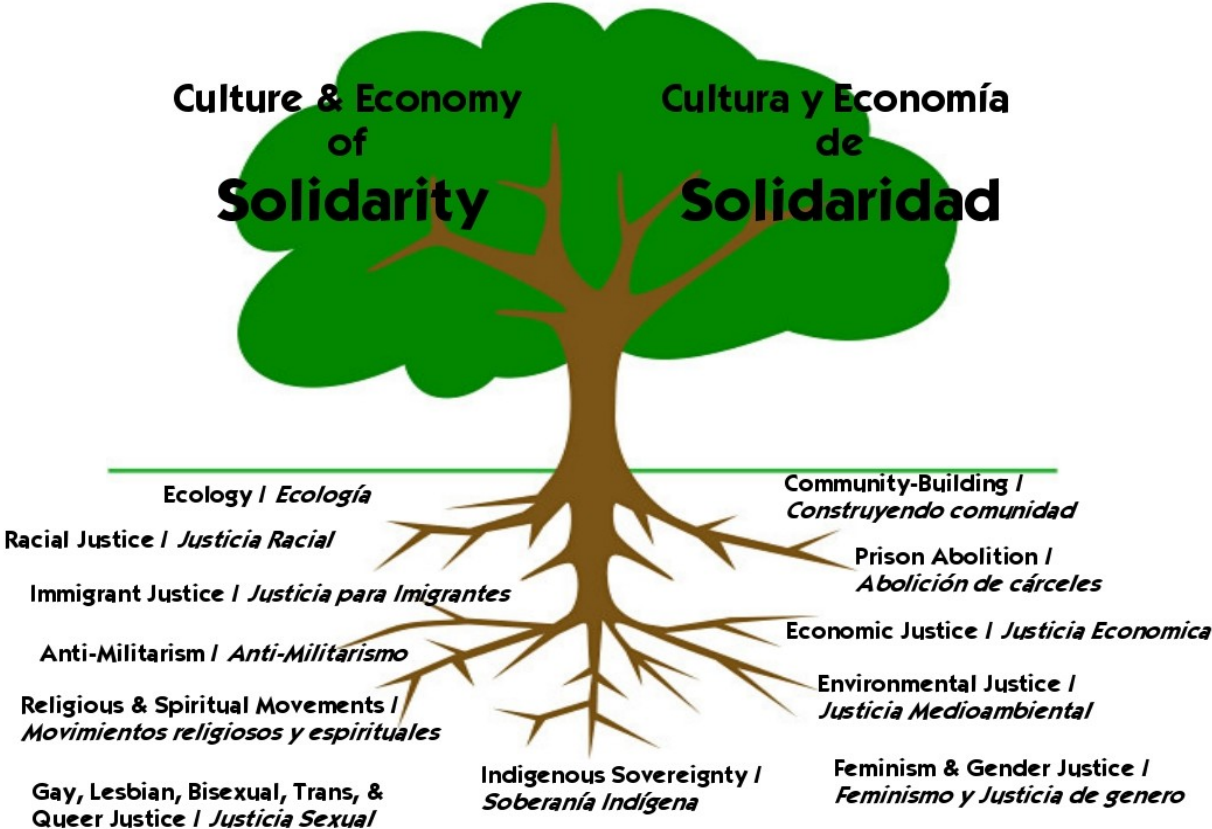
Developing identities and mutual recognition around shared values is one important starting point for making connections and building economies and movements, but it is only that: a beginning. What remains is the substantial work of building concrete relationships, both social and economic, between and among solidarity economy initiatives that embody these values and increase the conditions of possibility for these values to flourish more broadly. This is not simply a matter of debating and envisioning, or of facilitating knowledge of each others' activities and innovations, though such work is crucial. It is, most importantly, the work of *building actual economies*-- developing real and substantial relationships of economic support and exchange throughout networks of solidarity economy actors. In Brasil and elsewhere, this work is called "economic integration," or the construction of "circuits of solidarity exchange." A "value chain" becomes here a *values chain*.

⁸ U.S. Solidarity Economy Network, <http://www.ussen.org>

⁹ This concept of "coordinates" for collective ethical debate and learning was proposed by Massimo De Angelis ("Reflections on Alternatives, Commons and Communities." *The Commoner*. n.6, Winter 2003) and further developed by J.K. Gibson-Graham (*A Postcapitalist Politics*. Minneapolis, MN: University of Minnesota Press, 2006).

To think strategically about these interconnections, we can return to the spheres of economic activity illustrated above. Recognizing these economic moments and identifying solidarity economy practices that are active in each realm can help us to see existing relationships and imagine new linkages. The circle is not meant to be a diagram of a specific economic structure but is, rather, a tool for strategizing possible connections. How can we build stronger linkages between (for example) worker cooperatives and housing cooperatives, which might provide organized markets of "solidarity consumption"? If we seek to make such connections, can we do this in ways that cultivate solidarity forms of exchange? Perhaps a connection emerges between worker cooperatives, community currency and an organized coalition of housing cooperatives and intentional communities. Can this organized "values chain" then mobilize its surplus to help finance other production cooperatives? These are the kinds of questions that a solidarity economy approach encourages, and the kinds of organizing that might emerge.

The linkages necessary to build strong dynamics of solidarity economy development cannot, however, be reserved to "economic spheres" alone. Social movements, broadly defined as organized efforts to challenge structures of economic, social and ecological injustice and to build popular power, are essential expressions of solidarity values in society and key potential bases of support for solidarity economy initiatives. These connections, in the United States at least, are not always strong. A core goal of a solidarity economy approach must be to further *integrate economic alternatives into social movements* and *social movements into economic alternatives*. The work of defending our lives and communities from colonization and injustice, the work of actively opposing oppression in all forms, the work of healing together from trauma and hurt, and the work of imagining and building alternative ways to live together and meet our needs must all be connected as integral parts of a holistic movement for transformation.



Social movements have the potential to act as bases of accountability for solidarity values. Living in a social context that often pressures us to conform to "market values" or to make compromises that do not embody our core values, *communities of mutual accountability* are crucial resources. We need to be reminded by others who share our values--but who are not facing precisely the same form of temptation to compromise or give in to dominant value systems--that such struggles are both important and shared. We need to be continually engaged in diverse relationships that both challenge and support our work to enact solidarity values. In this way, alternative economic institutions embedded in a social movement context may be more likely to sustain an active commitment to self- and collective transformation.

Reciprocally, solidarity economy networks can infuse social movements with concrete examples of their values in action on the economic level. Oppositional work can be deeply strengthened when linked with visions and demonstrations of alternatives. In this way, solidarity economy offers ways for social movements to move beyond critique and challenge towards an increasing commitment to demonstrating that it is possible to *build real livelihoods* while also building another paradigm of social values.

Scaling-Up Through Collective Action

Connections based on shared values and strong collaborative relationships can build collective capacity. We are stronger together. The integration of solidarity economy initiatives with each other and with broader social movements offers possibilities for collective action and institution building that no single initiative could imagine on its own. This is the construction of "political economies of scale": groups can link together and scale-up their capacity to engage in transformative activities such as education, knowledge and skill-sharing, the development of solidarity markets, the provision of services, financing, and policy advocacy and governance change.

Education, knowledge and skill-sharing. In a culture in which solidarity and cooperation in the realm of economics is not part of a "mainstream" education, the importance of building movement spaces for knowledge and skill sharing cannot be underestimated. A crucial function of networks is to cultivate spaces for such cooperative education: gatherings and conferences, workshops and classes, skill-sharing sessions, and widespread public media outreach. Additionally, networks can develop the capacity to partner with academic institutions and assist in the development of solidarity economy curricula and programs within existing educational structures. These collaborative meeting spaces have the potential to foster new forms of innovation and "solidarity entrepreneurship." What kinds of new economic innovations might arise from long-term cross-fertilization between initiatives as diverse as worker cooperatives, community currencies, land trusts, community supported agriculture programs and neighborhood mutual-aid networks? And how do we develop collective capacity to support and *disseminate* (word choice?) these new innovations as they arise?

Solidarity markets. The development of dynamic relationships between solidarity economy initiatives and social movements can generate a mutually-strengthening dynamic, each providing concrete bases of economic support for the other. Participants in social movements can constitute committed "solidarity markets"--organized networks of solidarity-based demand--for solidarity economy producers and they can animate the social and organizational networks through which economic linkages described above are forged and sustained. Solidarity economy initiatives, reciprocally, have the potential to offer substantial material support for the social movements of which they are a part as well, both through providing employment, goods or services to movement communities and through sharing portions of their surplus in support of social change work.

Financing. Access to financing is one of the most significant logistical challenges to solidarity economy initiatives. Groups structured as non-profits may have access to foundations, government grants and individual private philanthropists, but this is often either extremely limited or comes at great costs. Such groups become dependent on unstable external funding sources and find their work shifting from being mission-driven to being funder-driven. Groups structured informally, in "unconventional" ways (such as worker-owned cooperatives or collectives), or even as conventional businesses with unorthodox missions and methods often find sources of funding even harder to secure. This is the case particularly where such enterprises limit, by their activities, potential returns for investors or have structures that make external profit-driven investment impossible.

To address these issues, networks of solidarity economy enterprises can pool resources to create cooperative financing options for other projects. In the Emilia Romagna region of Italy, for example, an area with a population similar to that of northeast Ohio and boasting over 15,000 diverse worker, producer, consumer, housing and service cooperatives, every cooperative is required to distribute 3% of its annual profits to cooperative development funds administered by regional networks. These funds provide substantial capital for creating new cooperatively-owned enterprises in the region.¹⁰ The Mondragon Cooperative in the Basque region of Spain provides another example. Mondragon's large network of cooperatives collectively own and support a bank called the Caja Laboral which, in addition to offering diverse banking services to its members also administers a significant fund and technical support division for the creation of new cooperative enterprises.¹¹ These examples offer a glimpse into the kinds of financing that might be possible through cross-sector collaboration.

Provision of shared services. The potential of large networks of solidarity economy initiatives to utilize their collective resources in the service of network members is tremendous. In realms such as insurance, financial services, legal services, communications and facilitation, technical support, and research and development, networks can create what economists call "external economies": aggregations of the financial power of many small enterprises into networks that can leverage economic power at scales of efficiency similar to that of larger companies. Examples of such resource collaboration exist in some realms of the cooperative movement, including in Emilia Romagna and Mondragon which have both developed a number of "second tier" service cooperatives that provide insurance, research and development, marketing and other products to their members. Solidarity economy movements can explore similar initiatives.

Policy advocacy and governance change. The role of public policy in shaping the economic and political context in which solidarity economy initiatives struggle, survive or thrive is significant. While engagement with the state involves many dangers (dependency and values compromises, for example) and deserves vigilant caution and careful strategy, it can also be a powerful tool for mobilizing supportive resources and cultivating a "friendly solidarity environment" (as opposed to the "friendly business environment" often used as a euphemism for prioritizing private profit over community well-being). In this vein, solidarity economy networks can and *should* become players in shaping policy. Such policy might include the creation or improvement of enabling legislation for various types of cooperative and collective enterprise structures, the development of tax policy favoring solidarity-based initiatives, the investment of public funds into solidarity economy development efforts, public support for solidarity

¹⁰ Logue, John. "Economics, Cooperation, and Employee Ownership: The Emilia Romagna model." Ohio Employee Ownership Center: <http://dept.kent.edu/oeoc/oeoclibrary/emiliaromagnalong.htm>

¹¹ Whyte, William Foote and Kathleen King Whyte. *Making Mondragon: The Growth and Dynamics of the Worker Cooperative Complex*. Ithaca: Cornell University, 1991.

economy education and technical assistance, or policy mandating that any privatization of public services be done through the creation of community-run social cooperatives (rather than for-profit private businesses).

Also crucial here is the work of *reimagining the state itself* and working to transform governance structures so that supportive policy becomes easier to implement and sustain. Participatory budgeting, in which government spending priorities are decided in directly democratic processes by citizens, is an excellent example of such an effort. Since the launch of the Brazilian city Porto Alegre's participatory budgeting program in 1989, hundreds of such programs have emerged throughout Latin America and, increasingly, in other parts of the world.¹² These and other such innovations have the potential to open up space in which organized solidarity economy networks and movements can increase public support for solidarity-based development while also changing the very nature of state power.

Some Key Questions and Debates Within Solidarity Economy Movements

Solidarity economy is clearly an open and contested world of ideas and practices: in the context of a space of shared values, debate and difference within solidarity economy networks are alive and well. It might, in fact, be the case that the greatest tension for solidarity economy is how to negotiate the complex lines between, on one hand, keeping a robust scope of debate and difference *inside* the movement and, on the other, recognizing that some differences may, indeed, lead to real and important divisions in terms of tactics, strategy and vision. Inclusiveness may have limits when it comes to the transformation of dominant economic relations; where *are* these limits? There are no easy answers, nor will I attempt to suggest any here. I want to conclude this chapter, instead, by raising more questions. These are a few--though by far not all--of the key questions that we might raise about solidarity economy networks and organizing efforts:

- Who, really, should be included in "the solidarity economy"? While inclusiveness and openness are priorities, don't lines need to be drawn somewhere? How do we create such exclusions without creating divisions that weaken a potential movement?
- How should solidarity economy efforts relate with initiatives that share similar values but identify with different terms (such as "cooperative economy" or "local living economy," for example)? Can we have a solidarity economy movement with many names that is still connected and strong?
- What is the relationship of solidarity economy movements to "markets"? How do we rethink markets and market dynamics in ways that foster solidarity values? Are certain kinds of markets inherently problematic? How can "solidarity markets" avoid re-creating exclusionary dynamics of currently dominant market structures?
- When might engaging the state prove dangerous to a movement seeking to build real, grassroots power and agency? In what ways can the state be transformed and in what ways might it always carry oppressive potential? How do we avoid an either/or binary – that is, engage the state while also maintaining autonomy and critical distance?

¹² Lerner, Josh. 2006. "Let the People Decide: Transformative Community Development Through Participatory Budgeting In Canada." *Shelterforce*. Issue 146, Summer 2006.

Conclusion

In summary, we can say that solidarity economy is a ***way of thinking about the economy*** that opens up spaces of hope and possibility for building a more just, sustainable and democratic economy. It is an ***emerging language*** for building a movement to transform economic life. It is a ***framework for strategizing*** about how to create this other economy, building on our strengths and connecting our practices from the ground-up. And finally, solidarity economy is ***a space in which to imagine, debate and create*** visions for another economy based on shared values.

As a political and economic project, solidarity economy is both humble and ambitious. It is humble in the sense that solidarity economy movements do not claim to have all of the answers, recognizing instead that our strength lies in coming together with creativity and courage to experiment and learn. Its ambition lies in aspiring to build strong linkages across multiple sectors of society and economy, to build coordinated social movements in which opposition to injustice is intimately bound up with the creation of practical and inspiring alternatives, and to ultimately transform the current socioeconomic order.

Solidarity economy is far from being a magic bullet proposal for the achievement of such change. For all the promise of its concepts and approaches, it is up to us to bring these potentials into being. Unlike many radical social change theories of the past in which economic transformation was supposedly built into the logic of the structure itself, unfolding out of some "historical necessity," or from the "contradictions within the system," the solidarity economy approach comes with no such theories or guarantees. If solidarity economy is to succeed, it will be a product of courage, struggle and collective creation. As Jose Luis Corragio writes, "the viability of social transformation is rarely a fact; it is, rather, something that must be constructed."

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