

Romain Biever

**Solidarity-based Economy:
Answers to Questions on a New Governance**

Abstract:

Governance is a political issue. In our democratic society, it deals with shared responsibility, different decision-making levels, and even with the contribution of the civil society to the proposal and decision-making process. Representative democracy is not called to question; instead, attention is focussed on the shortcomings of that system. Economy can no longer be satisfactorily organised along the lines of the nation-state or of Europe as a political power for the good of the general public. In this connection, history shows that enterprises gained increasingly in importance in the course of the industrialisation age, and as multinationals, ultimately becoming real policymakers. The accompanying momentum entails that such multinationals are geared only to the expansion of their power and the control of any kind of competition, i.e. alternatives, without taking the real needs of people into consideration. They become not only a state within a state, but they also lever out any democratic mechanisms. To get these mechanisms to function properly again so as to be able to enter the real age of the knowledge society, the construct of the corporation must be replaced by the concept of territory. A modern society must consequently put its territory, its setting, centre stage of economic activity as the point of departure for the production of goods and services, so as to be geared to the real needs of people.

Solidarity-based economy is:

- 1) A socio-political necessity**
- 2) An academic challenge**
- 3) Learning together**
- 4) A challenge to politics and economics**
- 5) Appreciation for the territory**

1) Solidarity-based economy: a socio-political necessity

Solidarity-based economy and governance

There is a great deal of talk about a “new governance” in order to cope with the financial and economic crisis, by which political governance is meant. In plain language, it comes down to renewing the interaction between the political authorities, the governmental administrative departments and their causal influence on society, the citizens and the economic models applied. Put another way: It is primarily a matter of politics and thus the consolidation of our democratic order. What can solidarity-based economy contribute thereto?

In strictly academic terms, it deals with new paradigms that describe economic activity in the service of mankind and provide the concept of a pluralistic economy to that end. This means that there are several concurrent possibilities to engage in economic activities that exclude a reasonable personal gain just as little as a profit-making conduct. In concrete terms, a third space as proposed alongside the public and private sector, one that takes into account the local and regional interests for the benefit of the general public and would allow global action, through fair trade or ethical systems of finance, as a service to the world community.

To be able to govern our social existence democratically (governance), we generally call on a complex and historically developed system of laws and contracts. This complex system has in the course of the development of our democracies gone through changes again and again to be brought into line with the needs and requirements of the social processes. This system has since the 1980s developed for the benefit of an increasingly less controlled free trade and, with the neoliberalism that has thus ensued, has led us to a dead end, now confirmed by the current crisis.

In the form of applied economics, especially in the projects themselves, the solidarity-based company works on various key issues (citizen participation in the sense of subsidiarity, new indicators for social prosperity, new social forms on the non-profit front, sustainable approaches to the design of tenders, construction of ethical systems of finance, etc.), for which it can already adduce concrete ideas and reliable models. These are all relevant approaches today that impinge upon an appropriate new governance and can thus help us find our way out of the dead end.

Solidarity-based economy: An instrument for the democratisation of the economy

Classifying the solidarity-based economy

Solidarity-based economy is a worldwide movement which is in the process of introducing a form of economic activity complementary to the current dual system of the public* and private sector. It has likewise an economic as well as a political approach. The political dimension is essential, inasmuch as solidarity-based economy makes it possible, on the basis of its economic activity, to occupy a civil society space, which is not tampered by the enlightened articulation processes, and can thus make a concrete contribution to participatory democracy.

For one, the purpose of solidarity-based economy is to democratise the economy. This opening to the political and social dimensions is distinguished from both the public and private sectors, and also from any aid and care organisations of a socio-economic character, that have emerged in the organisational process of the welfare state.

Secondly, it has been ascertained, that other hybrid forms of economic activity have emerged during the development of modern capitalism, wherein approaches such as democracy and solidarity are deemed fundamental elements. This applies especially to production cooperatives or cooperative insurance and banking. Even if other ethical values are in the foreground here, such enterprise is in

line with the principles of capitalism and complies with the rules of the free market. In the end, it has to be said that the idea of democracy and solidarity concerns exclusively the inner workings of such companies, and therefore caters exclusively to the needs of the protagonists. As such they can make no general claim that they have contributed to a fundamental social transformation for the democratisation of the economy.

Consolidating civil society space and the right of association

The association is fundamentally an institutional form of the democratic civil law. In this sense, the right to associate makes it possible to describe a civil articulation field, which is complementary to our systems of representative democracies, and thus can bring about a critical mass of ideas and courses of action, to feed the concept of participatory democracy. This means that associations as non-profit economic actors, initiated by citizens and in the interest of general public, acting for the community and the common weal, can develop this role of socio-political power and thus make possible to intertwine the interests of the citizens and of the State.

From association to actor of social transformation

The association acts on the interfaces between society and the community. It scrutinises the democratic rules, built on the concepts of equality and freedom, and can consequently produce new forms of solidarity. Therefore, associations, which can be very heterogeneous in terms of their activities and obligations, are given a key role in the construction of the civil society space, and logically become important actors of social transformation.

The association as a solidarity-based economy actor has a history

The modern history of the association in connection with solidarity-based economy originates in the socio-economic upheavals of the 19th century. At that time, the market economy and capital companies were forced through as the sole and absolute order, on the basis of utilitarian concepts. Only this ideological but also real sovereignty, but solely and exclusively of market mechanisms, has not managed through the course of history to make good on its claim as a peacemaking and fair model. On the contrary, periods of impoverishment and exclusion of entire segments of society are ever recurrent. It is precisely during such periods of social injustice that the association movement comes strongly to the fore and builds upon voluntary social cohesion of citizens as a principle of social organisation and order. Self-help thus becomes the very essence of this project. Social cohesion is guaranteed primarily through the development of rational and vital economic activities and the formulation of political demands.

This analysis shows that the association movement always runs the risk, in less agitated times, during which the public powers almost paradoxically represent more authority, of tending towards a rather philanthropic solidarity, at the expense of its own, originally democratic solidarity.

The economy, territory and democracy troika

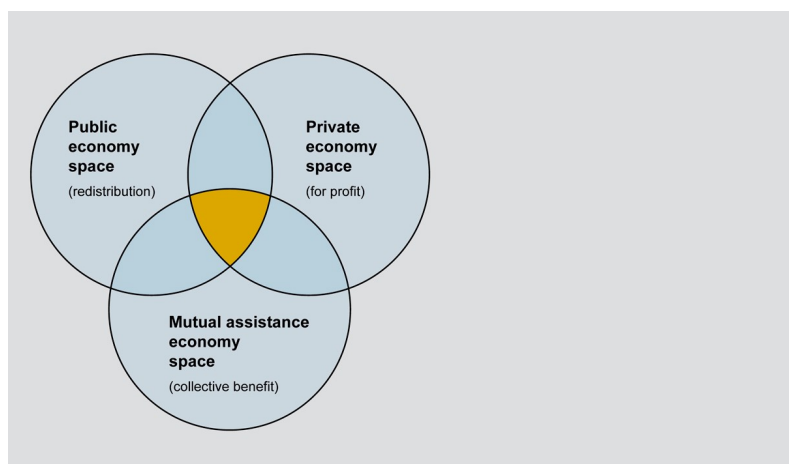


Figure 1: Economy - Creation of a third space, in which solidarity-based (mutual assistance) economy comes into being. Economy is increasingly democratised.

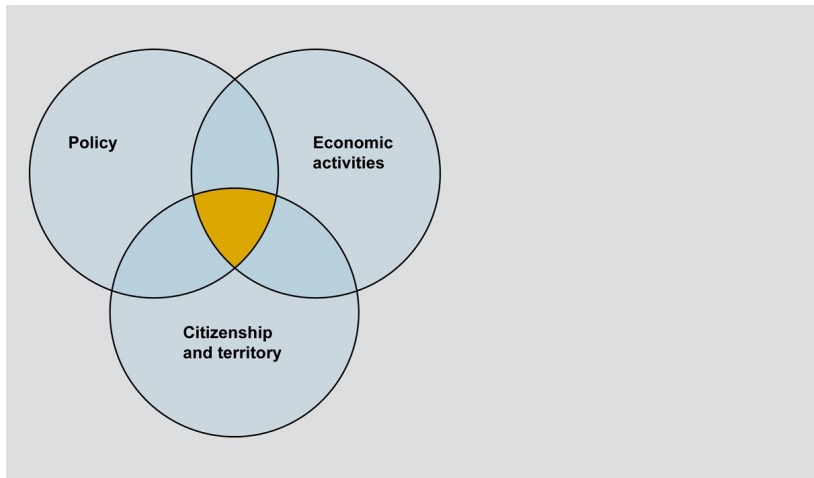


Figure 2: Territory – The civil society and the community are a third factor for socio-political decision making.

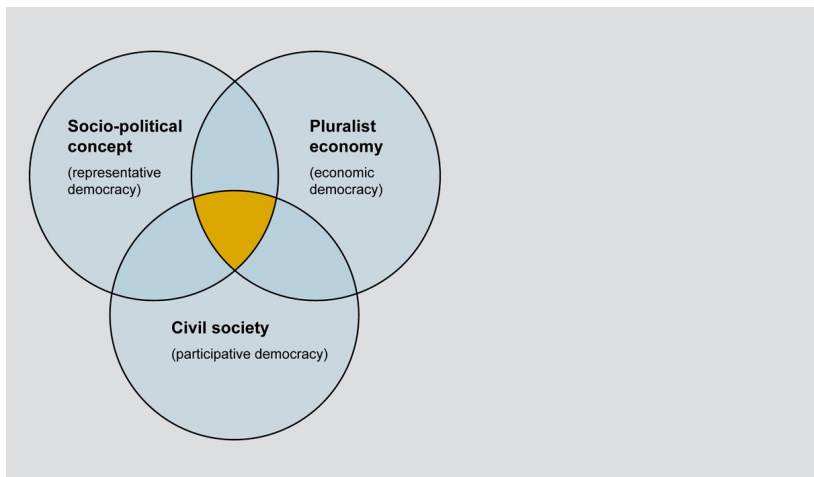


Figure 3: Democracy – Only when real democracy holds sway in politics and the economy, can the organised civil society make a future-oriented contribution.

2) Solidarity-based economy: An academic challenge

A proprietary academic corpus

The question as to whether solidarity-based economy can constitute a separate academic discipline, or whether it is “only” a subject for research, is a hotly debated topic at international level at this time. The figures above clearly show that the complexity and heterogeneity of the issue make it possible, indeed require, a separate such discipline. If, for instance, the private and public sectors are recognised as separate disciplines of economics, then that should also be the case of solidarity-based economy. This fundamental academic acceptance is an absolute necessity in order to be able to discuss solidarity-based economy by comparison with other theories, and thus bring about a paradigm exchange with regard to our current, neoliberal doctrine.

It is time for academics to opt radically for such a step by relying on the extensive and abundantly available works on the topic. And yet, in spite of courses of studies on solidarity-based economy at different colleges and universities, leading in part to master’s degrees conferred primarily in social sciences faculties, we cannot avoid the impression that the academic world is shunning such a step. For one, solidarity-based economy has an interdisciplinary character, in and of itself, and the question arises as to the authentic protagonists. Furthermore, it could also very well be that research on the

subject is perused rather artlessly, for any attempt to grant such research works their own academically recognised corpus would run counter to the prevailing political correctness nowadays.

If solidarity-based economy were to be introduced as a discipline, academic freedom would essentially come up against the political and economic dictates. Whence also the need for close cooperation by and between academics, project officers and the civil society, thereby making such an opening by colleges and universities unavoidable in practice. New models for joint research and learning would ensue. Such new methods are to some extent already being tried and being implemented in different countries and are likewise already producing tried and tested results (e.g. Recifé University in Brazil).

Daily applied research

Applied research in the projects is developing from need. In order to survive in the hostile political and economic environment in which solidarity-based economy exists, and to be able to develop further, the actors in the projects must be compelled to conduct the necessary “research work” in the various fields in which they are active, in order to give their vision sustained form but also legitimacy. This approach is referred to as “*recherche-action*” in French, which describes the method very precisely.

If the environment is recognised to be hostilely disposed, and yet attempts are nonetheless actively and alternatively undertaken, albeit in the knowledge that satisfaction lies in constantly “repairing” social shortcomings, whilst being besieged, because the current social system refuses any alternative actions to the generally accepted reparation function that replaces the intrinsic financing mechanism, it becomes clear all too quickly, that action has to be pursued under a rationale that can be described as positive subversion. This project rationale could be described roughly in the form of two research efforts or instances of strategic development potential: For one, the definition of the real needs of society, and secondly the embedding of the ensuing ambitions and methods in the generally applicable legal system and its adaptation. Concrete examples include that this approach is similar throughout the world, because very often the same topics are broached, usually irrespective of the political and economic environment.

First, when defining the real needs of people, the concept of quality of life recurs time and again. This delineates, in accordance with the world region and the environment, the efforts to go from simple survival to a more “meaningful” and “better” life. Research in this field as a rule often relies on what are known as new indicators, which describe and also measure the respective targeted situation. It is usually combined with considerations that follow the work of Amartia Sen, and are based, contrary to the currently applied Gross Domestic Product (GDP) which defines prosperity exclusively on the basis of economic performance and per capita income, on what is known as the Human Development Index (HDI) such as life expectation, education level and democratic participation. It is accompanied by ideas on sustainable development (harmonising the environment, social dimension and the economy) by invoking the appeals of Porto Allegre, Agenda 21, etc. The important thing here is that there is an attempt to implement these global principles mostly at local or territorial level in the form of locally useful activities, so as to meet the real needs – and above all also the ambitions – of people. As implemented in practice, such activities range from reciprocal civic services to the ecological production of goods and other services, and on to alternative monetary and financing systems – essentially in the service of a human development of the community and expressly of social cohesion. Finally, in Patrick Viveret’s analogy, it is like a car accident with all the consequential costs that surfaces under assets in the accounts nowadays, since it contributes a great deal to the gross domestic product, although it is essentially an impairment to the quality of life of those concerned, and certainly does not enrich them.

Secondly, the legal framework in which solidarity-based economy finds itself, is an extremely important field of work for the actors. As already indicated, our democratic order is based on a system of rights and obligations, from which a complex and mature construct of laws and treaties has grown. The legal system and contract administration are fundamentally geared to political decisions and measures in such a way, that the well being of society is based thereon, that (private) economic performance creates wealth and thus makes it possible to counter social grievances through the redistribution of this wealth. That is social policy. And it leads to a very unhealthy relationship of dependency. This in turn fundamentally entails that, in their research work, the actors of solidarity-based economy must go beyond the framework prescribed by social legislation, to free themselves in theory and in practice from any dependency. This means that we must not look for solutions for the recognition of solidarity-

based economy, whereby a law is formulated within the framework of the socio-political dimension, but that our entire legal system as a whole must be broached, to undertake meticulous changes at various points, so that solidarity-based economy gains not only recognition, but emerges clearly and distinctly, and is capable of asserting itself. Concrete steps to this end can be seen in e.g. commercial law, in the field of public invitations to tender. These can be a prominent public-democratic taxation instrument, provided it is not based only on the price of performance, but also takes account of ecological and social aspects, so as to guarantee sustainable development. Non profit-oriented models should counter exclusively capitalistic driven concerns and be embedded in corporate law too. Another front to be tackled is naturally the monetary and financing system, which must be conscientiously realigned, taking due account of local currencies and global ethical financing systems.

3) Solidarity-based economy: Learning together: Upbringing, education, and training

Upbringing, education and training should be arranged in such a way as to enable people to live a meaningful and responsible life within their community and to achieve their ambitions in like manner. This is hardly the case today in the parental home, nor in primary school, higher education, or even in (adult) working life, since the dictates of the neoliberal economic form, established as an end in itself, are omnipresent in all these phases of life. As a result, an elementary component for responsible conduct has gone astray: choice – a free and democratic fundamental right.

Upbringing, education or training?

Let us suppose for a moment, that our children had a real fundamental right to choose their training. We would risk living in a different world tomorrow!

But let's not meet trouble halfway. There are enough such safeguards to steer the ambitions of our children on the right track. The current dominant neoliberal doctrine has ensured that the breeding ground of manpower and the accompanying "personal" inclination are cultivated from a very early age thoroughly for the benefit of this doctrine. Our children are nonetheless supposed to learn an occupation that can at least feed them later on, and enable them to lead a "better" life. What could this mean? Social mobility, more money and recognition? All this in a system all too well known to us, about which we do not tire to maintain that it is socially irresponsible, that it seriously impairs our natural environment, that it has driven our economic activity, which promotes steady growth, into an ever faster turning apocalyptic spiral. If we term this analysis sound in principle, isn't there a danger that we are bringing up and training our children in social Darwinism? Everyone for himself, and the survival of the fittest.

Upbringing and training are the first trail signs as to what kind of world we hold in store for our children tomorrow. Their world? No, certainly not. It is our world, a world we find much fault with, before whose "mechanics" we have partly capitulated, in which our participation is forced day in and day out, as a foregone conclusion. We act particularly so in our work environment, because we evidently feel called upon to do so. But did we have a choice in feeling thus called? Was there no signpost that guided us? Haven't we been increasingly prepared as we grow older, that we have to leave the bosom of the family at some point, and be forced to fend for ourselves? Didn't the school teach us something too? Weren't we instructed there that a hard working life lay ahead and that we would seek one or another occupation according to our abilities? At least it was so when supply, i.e. jobs, and demand, i.e. employers, were still more or less numerically reconcilable.

These coordinates no longer tally nowadays. The phenomenon of unemployment, of not being needed, is empirically proven. The smooth selection that our generation experienced, no longer suffices today. The school is thereby becoming increasingly more of an institution that organises the hounding for jobs. The types of jobs are defined by the economy and all who participate uncritically in its development. Because such closer scrutiny is lacking, economy can determine not only the number of jobs, but automatically also the competencies that it needs, and thus the type of jobs that are needed for its further development.

In light of the foregoing, the unavoidable conclusion is that the allegation that children in our society could give free rein to their calling, then choose their occupation freely and thus shape their future, is a fairytale. Then what about the concept of sustainable development? Shouldn't it be reconsidered also, especially as regards education and training? Of course it does. This issue is indeed broached in

school, as it is by parents, politicians, the media and last but far from least, expressly so by the economy. Do all these institutions then question their current approach? Ostensibly, yes. For parents admonish their children about sorting waste, teachers never tire of explaining the impending climate change to children, politicians invent new taxation and repression systems to punish polluters, the media report critically and extensively on the consequences of the latest tsunami, and the economy is constantly developing new concepts on social and ecological responsibility. The pressure on people in our society is not letting up. On the contrary, to the “demand” for the economic survival of each individual is added the pressure of responsible, sustainable action.

We are living in an age in which we are on the one hand supposed to explain to our children that an economic system organised along capitalistic lines expects of them to internalise greed and ruthlessness in order to secure our survival, while on the other it shows us that it is time to develop understanding and automatisms that will enable us to deal conscientiously with our world, and are to lead to a situation where our children have the chance to live in an intact world. This dichotomy in our way of living together is irreconcilable and is constantly shaking the trust and confidence of adolescents in our institutions. Are we then once again on the precipice of an institutional crisis, as some 40 years ago, when people rebelled against a fossilised conservative society, in which authority and other unchallenged dictates regulated life in society under the thumb of notability? Who are our notables nowadays? Only the captains of industry and organisations such as the WHO and the IMF? Or are we all numbered among them?

Such institutional crises may be cyclical and periodically, as progress is made, afford new answers to social issues. Forty years ago, young people above all rebelled against the prevailing social conditions. Have things improved since?

If the majority of the working population would today say that it is difficult for them to reconcile their work and the sense of living together, then education, training and vocation should be reconsidered; which could perhaps lead to the realisation that when it comes to sustainable development in future, other occupations are needed than those that the economy demands today. Without bringing progress to question, but seeing it as an opportunity, we should let our children decide what kind of vocation they wish to pursue and should make sure that the ethical as well as the recognising value of their future work can find a commensurate framework.

Community education: Common learning, further training, and above all a collective creative force

Sustainable development compels to reconsider the institutional protagonists of learning. If critical scrutiny is not among the priority issues here, then it should again be perceived as a quasi extra-constitutional initiative, so as to seize increasingly the idea of an institution that enables citizens to come to grips with the world in which they live. In this sense, it would be quite useful to call on the concepts of popular education associations or adult or critical universities. All these efforts since the mid 19th century, regardless whether of a liberal, social or religious nature, were geared to giving people an opportunity to acquire additional knowledge and to discuss it. The aim was to train conscientious citizens and to enable them to make their way in their environment with greater ease. The question therefore arises as to whether and to what extent these concepts could find expression in the people, the citizens, as an additional element of the formative, but also social, change.

Paulo Freire, one of the fathers of this movement, describes the imparting of knowledge in the classical sense of school as *the banking concept of education*, whereby it is primarily the teacher's task to fill the heads of students with content, detached from reality and without any connection to a bigger whole, which awakened their sense of life and could confer meaning; with the exception, that such content could be on call later, according to Freire, as to make students passive, and they did not learn to question the apparent reality of the world presented to them. As an alternative to this, he developed the *problem-posing concept of education*, that should enable people to experience the world not as a static reality, but rather to learn to experience reality as a process; an alternative in which the student-teacher opposition is abolished and people are given a possibility to develop a problem-posing learning capacity to comprehend the world critically. Freire also shows to some extent that in such a dialogue concept, theoretical reflection calls for action. In practice, this means that optimal instruction must involve both elements in a balanced relationship. The duality of this assessment, according to Freire, promotes awareness raising and thus also autonomy for the

individual. This naturally improves his or her ability to communicate and enables enhanced interaction with others. The idea should be expanded by an additional dimension, namely that of collective action in connection with the territory as the natural, but also socio-political and economic immediate environment of mankind.

If Freire's reflection on the ability of people to communicate is seen from the contemporary perspective of our modern knowledge and communication society, the conclusion can be drawn that individual citizens educate themselves through the worldwide cross-linkage of information and knowledge (the Internet!), although there is no guarantee that they, as individuals, can have an immediate influence on their respective social environment. Citizen participation as a progressive movement, i.e. the active civil society, must, in this new, modern and global society, learn anew to move to action accordingly. On the basis of globally available knowledge, a civil society that is ready to learn and stands for positive social change should assume that action is very closely connected with its territory and requires a local, collective and network approach.

From social professions to *agents of change*

In view of the foregoing precepts, the social sciences and professions have to be reassessed. It turns out to be a dilemma: that a type of certainty in particular confers authority on them; and their type of work confers legitimacy; but their work itself, however, requires an attitude to understanding multi-layered uncertainty, in which doubt would have general validity as a common basis. Their dilemma is certainly of more narrow impediment to their ambitions regarding the understanding and analysis of the universal grasp of human or social challenges and correlations, if their ambitions are commensurate with solutions befitting the circumstances, in which they act with support and care, according to tradition. When interpreted with reference to the Hegelian reciprocal recognition theory, this applies all the more if this form of action too lays claim to a very human and altruistic character.

Social sciences aloof from mankind

As regards the first part, the understanding and analysis, it can be ascertained that the different schools have a common denominator in this field, namely the taking into account of the individual, his or her role in the group, and the ensuing impact of the behaviour pattern on the (non) functioning of our society. This task of understanding and analysing of the individual and social groups is all too often reduced to a simple observation, and the ensuing conclusions evade firm positions on real situations in which an individual or a group can find themselves. This way of working requires aloofness and disregards the commitment, and therefore the risks of interpretation and any actions, which, through doubt and participation, would constitute an essential component of understanding and analysis. Viewed in this light, these specific conflicting circumstances constitute one of the main causes for the dilemma. This approach entails that human or collective behaviour and action are divided, ideally still in categories, in order to draw generally valid conclusions regarding specific situations concerning the community.

Whilst such behaviour and action divisions are projected as constituent elements of the individual or the group, standardised patchwork people (or groups) are created, running the risk of correcting the individual or the group in fragmentary fashion, so that it is in line with the community. There is no recognition that defective co-construction and doubt about action can actually lead to the emergence of a reciprocal community from permanent organic transformation. The individual or the group are actually divested from their respective responsibility, and consequently they cannot assume any comprehending and overriding responsibility for the respective framework in which they respectively revolve.

This paper consequently focuses on the behaviour of individuals in an existing system, which hinders a profound cause-and-effect analysis from taking place, and that deprives the individual of the capacity to bring about a change in the system itself. Assuming that the individual is the co-creator of his or her community, the role of creator is logically incumbent upon him or her, as is likewise the right to intervention. This would mean that the social sciences should become more aware of their responsibility and involvement in the aspect of system change and contribute, through corresponding options for action, to bringing new content in the context of social professions, that could then build thereon to lead to new approaches for intervention in regard to mankind and the environment.

System change accordingly requires that research treats the factor of imperfection in an emotionally acting and doubting individual more as a constructive contribution, otherwise there is no getting around the fact that, between the conflicting priorities of “To Have or To Be” described by Erich Fromm, the social sciences today tend all too strongly towards “to have” – also in the sense of certainty, and thus bear co-responsibility for the current socio-economic circumstances, which have more of an exclusive than an integrative character.

Social professions as reciprocal design instrument

Social workers usually work in a context described by scholarship, which quite exclusively and impressively takes a selection of samples of bad behaviour as a point of departure and creates a postulate of certainty therewith, defines a tool therefrom and makes it available, which roughly speaking allows only an authoritarian attitude to intervention. This conjuncture means, for both the social workers or the target group, that an absolutely uneven sender-receiver relationship is established, since by deduction, only one of the two parties can have the certainty, thereby hindering from the outset any form of emancipated reciprocity in the search for solutions and design possibilities. It thus becomes clear, that this “certainty tool” cannot be satisfactory either for the sender or for the receiver. On the contrary, under such circumstances, the concept of (self) pity enters as an amplifier but also as a commodity in the sender-receiver relationship, and must de facto serve a reciprocal means of payment for the tradeoff with the commodity “certainty.” The relationship, which is essentially located in the area of mutual understanding and common design, and thus in the paradigm of being, thereby becomes a quasi economic relation, and occurs in the paradigm of having.

Such a process, which can be tantamount to delusion, is explained by the fact that we have taken to measuring at once also social work, which is carried out at a certain moment and in a certain context, and thus have many familiar instruments and patterns available, with which to broach verifiable and result-oriented work in such a way as to legitimise it. The possibilities of individual and collective restructuring of the social transformation through the emancipated and reform-minded individual and his or her own improved living situation where possible in the course thereof, cannot be brought to bear. The self-imposed quasi neutrality, which represents the “Certainty-Having” dyad, prevents the holistic responsibility of the individual to his or her environment from being exacted, and thus strict limits are set on the multidimensional change in the spirit of a “Being-Doubt” dyad. This is far removed from mutual comprehension in the sense of a problem-solving learning and design strategy. The related concepts of certainty eventually result in social workers acting on their counterparts using instruments of the Being universe, to make it possible for them to manage better in the having universe and to set any (self) pity on a course that is bearable for them and that does not disturb the system. In this way, it becomes apparent, that the social sciences and social work must ask themselves, whether they will continue to follow mainly paths that are aimed at the change of the individual in a given framework, or whether they promote further the individual force of emotion and doubt, likewise in this framework, so that they can participate in an emancipated discussion and design, and thus be able to co-construct the possibilities of positive social transformation in future at the social, ecological and economic level in a sustainable manner. Social work would then emerge as a real and integrative force (*empowerment*) with regard to democratic participation and social change processes.

4) Solidarity-based economy: A challenge to politics and economics

Political and social responsibility

Modern social policy

With the dawning of the 21st century, there is an opportunity at this time to restructure our economic and social order. This cannot be overlooked, especially in view of the current financial and economic crisis. The neoliberal model, which together with its mindset, has gained currency in every aspect of our life for over 40 years, has now reached its limits. It has shown its destructive power, inasmuch as it has continuously dismantled any form of social cohesion and solidarity. Widely disseminated, albeit often only superficially so, are the calls from responsible personalities, who are warning against falling back again in an “everyone-for-himself” mentality, who are calling for a reconsideration, so that economy serves people in future once again, that a new construction on the principles of humanity and solidarity is possible. Does this suffice to bring about a change of thinking? Is the principle of

sustainable development, which has already been touted all too often, strong enough to support such a transformation in practice? Is a general social consensus on these issues possible, and can solidarity serve as the foundation for a new social order?

To answer these questions, it is necessary to deal more intensely with the concept of solidarity in its more recent history, explicitly in interaction with the prevailing European economic and social order. In this connection, Jean-Louis Laville refers to three periods in modern times to be considered and distinguished. These contents should serve to put in a historical context the task that solidarity-based economy has assumed, and in so doing confer democratic, political and economic legitimacy thereto.

First, in the course of the 19th century, the principle of (national) citizenship was introduced with the institution of modern democracy, whence the protection of individual freedom in particular emerged as an essential factor; but also the freedom to organise the civil society, as well as the possibility to become active socially as well as commercially. From this perspective, the concept of solidarity is the point of departure that makes it possible to create forms of self-organisation, to set social relations on a level with know-how, and thus to convey a symbiosis of democratic ambitions and socio-economic endeavours. Second, at the end of the 19th century, with the emergency of the nation states, the national wealth of which was built exclusively on the model of the market economy, the notion of solidarity was increasingly reduced to a philanthropic concept, requiring – and experienced as – pity, which consequently allows for injustice and inequality, and ultimately legitimises the administration of poverty. Third, in the post World War II period emerged the perfected model of the “social market economy” known today; on the one hand with the market as creator of wealth, and on the other with the public authorities in a state redistributing capacity. From this it could be deduced that owing to this interaction, solidarity was raised to a “right;” however, this model of welfare also reached its limits. It is based exclusively on the idea, that solidarity can only take place by skimming excess profits from economic and market growth.

Against this historical background, the question must immediately be asked, as to whether we want to maintain this system, where we then seriously risk falling back in the second age of solidarity, one that allows philanthropic poverty, or whether we want to develop the capacity, to build on what already exists, so as to develop back to the first period, and to have democratic-economic emancipating elements introduced in our reflections and projections.

Selective social policy favoured at present

Selective social policy by definition entails the recognition and separation of conditions, thus also the admission of extremes, which can in particular be clarified by concepts such as “rich” and “poor.” The selective approach is a classic means of conservative policy strategists. The current tactical procedure of politicians from the parties representing the interests of the state can be described by the Roman maxim *divide et impera*. Rare have become the examples where programme differences on social topics between conservative and progressive parties are perceptible.

The debate currently conducted in Europe on Euthanasia is such a topic. It can take place, since it polarises, but it must serve as a sideshow battleground, in order to divert from other vital issues concerning current socio-economic policy. What are specific social-policy topics then? What distinguishes them from other, unspecific topics? Life and death are defined as constituting a social-policy topic. They concern all people. The separation of church and state, for instance, is another such topic.

Such topics raise the question about living together in our society in future. They ask about the values of our society, to give politics the possibility to serve the public interest creatively in the best democratic sense of the term. What about pure survival? Is this also a social-policy topic? Probably not unconditionally, because here politics, whether conservative or progressive, tells us that we must broach the topic differently. The predominantly philosophical discussion on values thereby finds itself in the background and is replaced by a series of pragmatic and consequently sectoral debates. What do society and its members need to survive? To mention but a few important factors: Security, work, a well functioning economy (above all growth?), a decent school system, an optimal healthcare system, an incorruptible legal system and an intact environment. But above all, solidarity and cooperation.

Is solidarity a socio-political topic then?

Often, social cohesion – solidarity by and between people – is presented as an absolute priority goal for policymaking in our society. Which branch of politics is responsible, if not all? In practice, however, this topic is “broached” by certain ministries, which pursue circumscribed principles under their scope of responsibility, such as the Ministry of Health and Social Security, the Ministry of Families and Integration, or the Ministry of Labour and Employment. They see above all to the redistribution of generated wealth, while the attendant conditions for creating such wealth were created by other ministries.

In our social market economic model, this redistribution policy has hitherto occurred more or less by gauging the needs of the population and by trying to meet them collectively, i.e. through the old-age security and health insurance systems, the regulation of labour relations or other welfare benefits. Today, these ministries responsible for redistribution are instructed to proceed more selectively with their tasks. The reason: The resources to be redistributed no longer suffice – albeit against the background of a continuously expanding economic output, and thus on the basis of an unprecedented wealth in our society. This selective approach and the parcelling of responsibilities are reminiscent of a recently outgrown Taylorism for the organisation of work in the industrial society. Politicians have constantly tried to explain that we are on the threshold of the knowledge society and that we are in the process of implementing the Lisbon strategy objectives – an absolute contradiction. It is clear that the draft programmes of the parties, whether conservative or progressive, are more and more subject to a long outdistanced technocratic approach, and the political centre turns out to be the playground for the betrayal of political responsibility. For the individual, this means the selling out of solidarity. From heretofore generally valid rights of citizens are creeping individual claims of each and every one. This increasingly more expensive apparatus has to be handled by administrative authorities with very specific remits, tasks, competencies, etc, hence, power, since they react mostly to individual wishes, and are confronted less and less with collective claims. This means, that not only do the political authorities shirk their creative responsibility, but increasingly also their responsibility in the role of guardians of public institutions and departments.

Economy and social responsibility

The production of goods and services can be accomplished partially by individual persons, but, when the complexity thereof is taken into account, such production is generally accomplished by groups. These groups constitute the company. In the capitalist system, the production of goods or provision of services, that should benefit the community, is no longer the principal task of a company. Instead, goods and services are the means to the end of maximising profits.

Against the background of the generally accepted need for social transformation for the sake of sustainable development, the need for companies to reconsider their tasks should also be accepted. And this seems indeed to be the case, at least superficially, in view of the large-scale media campaigns that tout their sustainability ambitions with audience appeal on the markets under the magic formula of “corporate social responsibility.” Are we being deceived?

Human capital for the survival of the company

If the call for corporate social responsibility has grown loud recently in the course of globalisation, it is because this ideal has hitherto hardly interested private enterprise. Companies had become used to generating a financial profit that kept their shareholders satisfied, in a speculative universe where the primacy of supply holds sway over demand, where the workforce becomes a commodity and thus a variable adjustment factor, and where above all the endogenous character of production and products is blurred, through a constant redefinition of the space to be worked and occupied (territorial, national, international and global).

If these be the sole constituent attributes of a company, then we are faced with a rationally operating object, yet one that is scarcely capable of fulfilling its original task: to meet real needs. It should be in the nature of the corporation, to serve the needs of people; not vice-versa, as is the case today, where it has mutated into a mastodon which, in order to exist, makes people serve it. The corporation is predestined to see itself as a distinct finality, whose life is the justification of its existence and enables it to content in a struggle with analogous elements in a hostile world that has thus come into being. The mechanisms that govern this world have been entrusted to us and we have apparently

internalised them as a fatality. These are competition, obsessive growth, performance, rationalisation or relocation – to name but a few. All this takes place in order to guarantee the survival of the company. But what about the survival of mankind? One cannot help but admit, that the survival of mankind is sacrificed in the name of the survival of the corporation. The much conjured corporate social responsibility is turned to farce. It is downright illogical, since an anonymous, abstract and indifferent being such as the corporation can develop no humanoids and noble-minded patterns of behaviour. It is becoming clear, that in this context, it is far more a matter of the entrepreneur's social responsibility.

Corporations for the survival of mankind

The original relationship with enterprise must be revived, so that the corporation can operate as a socially acting construct for the good of mankind. The solidarity-based company does this. Mankind is at the centre of the economic action dynamic. The company is a means to an end. This goal is reached first by having companies genuinely geared to the objective of “sustainable development,” in the sense of ecological, social as well as economic dispositions, thereby creating the precondition that future generations too will find a planet on which they can live and undertake. Secondly, by offering the civil society the possibility to entrench itself in the concept of “territory,” i.e. the municipal or regional level, wherein to engage, including in terms of socio-economic activities. This territorial dimension described here as a sphere of action is unquestionably the one suited to enable co-determination for citizens in the sense of an effective participatory democratic process.

The foregoing stands in opposition to the currently recognised spatial concept for economic activity, which as a project is still closely connected to the nation state. It should be noted, however, that less and less democratic decision-making takes place in this space, since projections ranging from the European Union to a globalised new world order, are increasingly gaining the upper hand with respect to the regulation and orientation of socio-economic events. This is all the more dangerous, because the self-appointed organisers of our world order, read the G8 and G20, supported and in large measure guided by an armada of experts and lobbyists, have proceeded to retain competition as the only force for the further development of mankind and of society, and in so doing want to impose the ideology of competitiveness on the state, unconditionally, on the example of commercial operations. This competition between democratically constructed nation states or large politico-economic blocs, such as the European Union, cannot be the aim of a peaceable world order. On the contrary, in such a form, it can only be the cause of inequality through the abuse of existing economic and entrepreneurial advantages and disadvantages and lead to a globalised social policy, in which profit maximisation is the prime goal.

Before this attempt at the political economisation of democracy reaches irreversible proportions, the sense and purpose of a corporation should be critically scrutinised on the basis of various touchstones, taking into consideration previous neoliberal economic and entrepreneurial errors and especially with the aid of the large number of alternative economic actors. Based on this scrutiny, which is closely connected with the question of competition and/or cooperation, the following fundamental questions provide an initial blueprint for a new ethics for economic action:

First, where do corporations stand on the issue of their social responsibility? Do they promote a community spirit or do they tend to favour individualism? (*See Figure 4: XXX Title*)

Figure 4 is an attempt to provide a diagram, where the various relevant economic actors are confronted through the crossing of two axes with the touchstones “collective/individual responsibility” and “public/private sector,” in four fields and depending on the importance of their contribution to social cohesion.

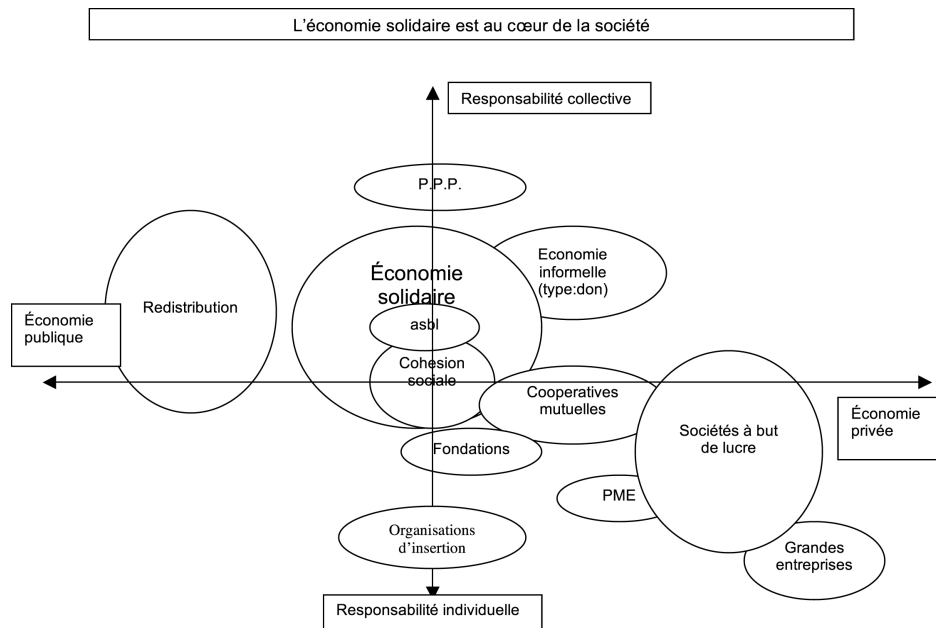


Illustration : Romain Biever 2008

Solidarity-based economy is at the heart of society
Collective Responsibility

PPP

Public Sector
Redistribution

Solidarity-based economy

Informal economy (type: donation)

Non-profit Association

Mutual cooperatives

Social Cohesion

Foundations

Profit-making companies

Private sector

SMEs

Integration organisation

Large corporations

Individual responsibility

Figure 4: XXXX

Second, how are corporations faring in terms of their contribution to the democratic system and their territorial responsibility? Do they favour co-determination or are they supporters of a global and uniform doctrine? (See Figure 5: XXX Title)

According to the same pattern as in Figure 4, the economic actors are in Figure 5 confronted with the touchstones "democratic/dogmatic space" and "local/worldwide space," in order to weigh their contribution to social cohesion.

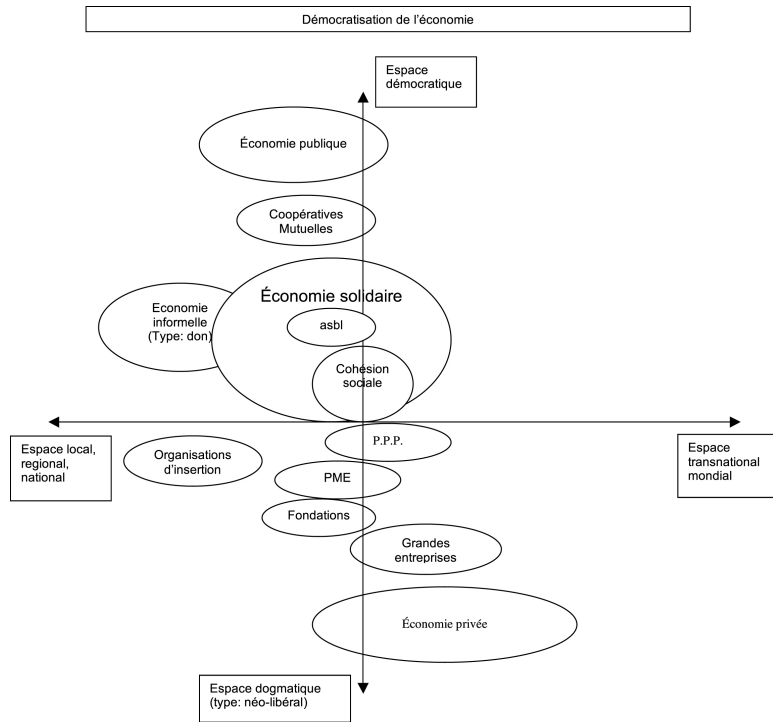


Illustration: Romain Biever 2008

Democratisation of the economy

Democratic Space

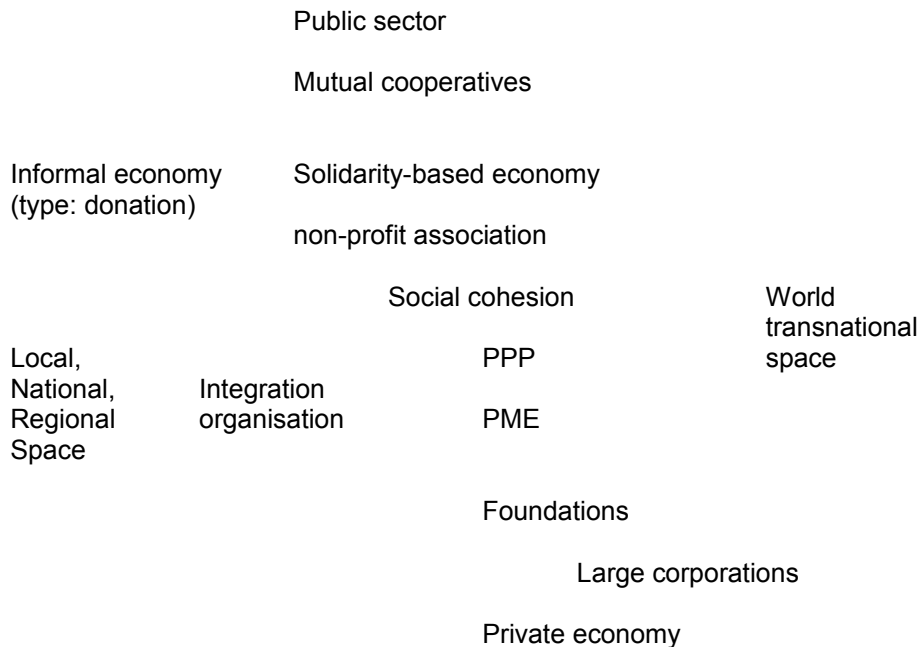


Figure 5: XXXX

The graphs, which show the basic requirements for corporations, describe initial preconditions which lead to a democratisation of the economy. Provided with a precise, space-specific questionnaire, based on sustainable development elements, this description is an attempt to undertake an ethical analysis of corporations in a delineated area (territory), e.g. a municipality, and a basis for a well-founded line of argument on the socio-economic reorganisation of the living environment. Participatory

democracy becomes possible thereby. Furthermore, this attempt can be developed into a type of “tool box” that makes it possible to monitor measures continuously in order to verify their ethical comportment.

5) Solidarity-based economy: Appreciation for the territory

If the foregoing analysis is pursued further, and if the territory is to be considered as an independent actor of its socio-economic development, then the base of the relevant actors should be expanded and the specific attributes of the territory concerned should be taken into account. The territory as the engine of future socio-economic development is consequently a construct, one that describes a dynamic, which history shows is revived time and again, with positive as well as negative effects on the social cohesion; such is the case, for instance, with urbanism, beginning with the Greek city states, the *poleis*, through to the medieval development of the Hanseatic league, to the idea of the ideal city in the Renaissance – all of them examples that put the concept of the territory at the centre of socio-economic considerations.

The value parameters of the territory have shifted drastically in modern history, according to Pierre Calame. He believes that the age of the Enlightenment, with the introduction of civil rights, which ultimately also introduced the concept of the nation states, already entailed a territorial reorganisation, but that as the industrial age set in, this reorganisation conceded priority to other, new actors, namely the industrial concerns. With time, they became increasingly pivotal for the socio-economic development of our society.

The idea of the dominance of utilitarianism over the geographic reorganisation for the benefit of the market, described in the chapter on development and social policy, is also found here (Chapter XXX). New borders were drawn almost arbitrarily, bringing into being new nation states, as well as their subdivisions into departments, states, cantons or municipalities. This occurred more or less as on the drawing or chequer board and guaranteed a certain authority for politics, but above all promoted the already assertive hand of the market economy, which assigns to the new actors, the emerging industrial concerns, a key role in the development of future socio-economic scenarios. This development is accompanied by the disappearance of an entire social patchwork universe, built on traditions and specific characteristics and ambitions, to make room for the idea of a new, rational uniformity asserting itself at the national as well as international level.

In our globalised world, this principle of rational uniformity permeates every aspect of our way of living, steered by the major corporations and transnational conglomerates. This becomes evident when children throughout the Western world wear the same clothes, when we can find the same food in every corner of the globe, or when we perform standardised work, which contributes nothing to the well-being of our community. Against this background, it is clear nonetheless, that the idea or the institution of an effective democratic world society as a global adversary of the concept of rational uniformity could well develop, but not successfully, since detached from the real needs of the community, it would be a *de facto* obsolete and anonymous construct, assuming only the role of accomplice to consolidate the neoliberal theory. Humanity must thus decide how important community is, to what extent it can develop confidence, pool the creative forces within a territorial community, and thus take greater initiative to meet self-defined needs. Such a development would mean that the isolated territories could engage in a sort of “equivalent competition” with corporations. This would be the breakthrough of a new type of politico-economic governance, provided the political will was there to invest more responsibility and resources in the community.

Modern communities would here comprise urban as well as rural communities that emerged in the course of modern history and which exist to the present day. Communities formed through time and created an independent existence through the accumulation of investments, intangible assets and human capital. This is based on the concentration of diversified and qualified work on a defined location. In this way, these communities availed themselves of a diversified offer of goods and services through small and medium-sized enterprises as well as alternative undertakings. Support for the development of their territory was provided by public universities and research centres. Vested with these attributes, it would not be outlandish to bring such a territory again to bear as an important and independent economic actor in future, instead of leaving this organised economic pattern

exclusively to the multinational corporations, which would mean that the territories could be played against each other.

The concept of plural economy, i.e. distributing, profitable and non-profit trading, would thus come under the direct control of the community through authority of the "territory" and open up a real opportunity for participatory democracy in the sense of citizen participation in the decision-making processes regarding the socio-economic co-determination of the territory. In a second phase, this would mean that the possibility of democratic policy making holding sway over the independently developing (neoliberal) economy would be restored, since the leading corporate circles, which today feel they are called upon to organise and to stabilise the world order, would be compelled to negotiate on par with reinvigorated and inter-networked "partners." Accordingly, the assumption of the much conjured danger, that politics is there to learn from the economy and to organise and lead the state according to its principles, is deceptive and false. This assumption essentially only distracts from the fact that the real danger lies in that the leading corporate circles use the original philosophy of a national-democratic economy that in moral and ethical terms is there to meet the needs of all people, to slip, almost unnoticed, into the role of a world government, through the mechanisms of more and more (power) concentration. This is possible only through an increasingly tougher social Darwinism for corporations. In so doing, people are left entirely out of the loop: which in turn means that this entire development can take place unavoidably, without any democratic legitimacy.

These findings outline the danger of a creeping totalitarian system. They should suffice to describe the future importance of territories as well as the need to accept diverse economic actors in the sense of a plural economy. The principle of solidarity-based economy should be seen here in the light of defending the abundant and diverse possibilities of working for the benefit of the common weal and the communities. Concrete efforts are being made in widely different forms of solidarity-based companies, the circular economy, non-profit associations, mutual associations and production cooperatives, the Cultural Creatives movement, in fair trade and in ethical financing projects. What they all share in particular is that they are either linked to the territory or they are networked and operate cross-territorially with due respect and responsibility.

* in the sense of the public authorities