

WORKING PAPER FOR THE ECONOMY of SOLIDARITY WORKSHOP : CREATING A NEW MODEL OF DEVELOPMENT.

Community initiatives for a world in crisis

During the last decade, throughout the world, men and women have created thousands of associations, non-governmental organisations or collective ventures, to set up responses to the challenges posed by increasing social inequality, caused by globalisation. Although these are often local initiatives, they are based on a critical analysis of social and economic relationships that include national and international issues. Apart from theoretical links, a growing number of initiatives, in the Economy of Solidarity, cross over national borders and help strengthen the links between the peoples of North and South, fostering a feeling of being part of one international socio-economic movement.

Whilst these experiments have taken place against a background of an ever-increasing search for a more viable economic model, economic and social problems, stemming from the implementation of neo-liberal policies, have become more and more obvious. Social inequality, between and within nations, has worsened, whilst the methods of regulating the relationships between the State, the market and civil society, established at the beginning of the century, have been turned upside down. It is a sign of the times that the inhabitants of Siberia are freezing to death in dilapidated buildings that the State no longer looks after, whilst Californians are suffering from power cuts that are a consequence of the privatisation of electricity supply during the last few years. On the employment side, a recent report from the ILO shows that one third of the working population of three thousand million are either unemployed or under-employed. (Le Devoir, 25-01-01, B5).

Faced with such a situation it is obvious that individual and short-term solutions are not enough. This is why, in this workshop, we intend to look at a new global system of socio-economic regulation based on shared ethics. A model where economics is redefined to take into account its grounding in social relationships. A model where the economy of Solidarity has its proper place.

Since the publication of an initial report on “Human Development” in 1992, the UNDP has identified various issues that have to be addressed in order to set up a new international order based on development that has a humane face.

- Income disparity between and within countries. The gap between rich and poor is continuing to widen, as is the access to new communication technology.
- The weak bargaining power of poor countries in international markets, linked with the question of debt repayment and the increase of trade barriers that benefit the richer nations.
- Violence and armed conflicts.
- Poverty and social exclusion.

To achieve this, the UNDP believes that nation must devise a new international agreement that places people at the centre of development and goes on to propose a series of measures to bring this about. We can but applaud the fact that this international authority is urging the state to take action. However, we must act to set up a system of control that establishes democratic community regulation, methods that have been developed at the heart of society must be recognised and integrated. That brings us to the question of the Economy of Solidarity.

The Economy of Solidarity, a movement under construction

If "Ground Floor Economics " ("l'économie du rez-de-chaussée"), to use Braudel's phrase, was marginalized by formal economic science, it was kept very much alive by capitalism (Favreau, 2000). For more than 150 years, in every corner of the world men and women, often faced with great adversity, have sought to improve their lot through small-scale initiatives and collective effort. Their actions have been manifested in the areas of education, health, housing, food, employment etc. Constituted as associations or workers' collectives, some of these experiments have been so successful that they have been reproduced on a large scale and become a fully integrated market economic force, as has been the case with the Popular Savings Banks set up in Quebec in 1901. In most cases, however, these initiatives remain ignored and marginalized. However, they have been useful in showing the way forward to a new model of development. It is important to draw on these experiences and share the essential lessons that will help us get closer to constructing an alternative economy.

The Economy of Solidarity refers to initiatives firmly rooted in a thinking that is distinct from capitalist society whose ideological base is economic liberalism. This latter has led to a society dominated by money, where workers are separated from the means of production, and where work is simply another form of merchandise and is a prerequisite for access to social rights (Laville, 1999). The Economy of Solidarity, in contrast, is founded on reciprocity.

We offer the following definitions for you to consider.

The Economy of Solidarity covers various forms of organisation that enable citizens to create their own sources of work or which give them access to quality goods and services at the lowest price possible, in a setting of reciprocity and unity where the interests of the individual are linked to the collective interest (Ortiz Roca, 2001).

The Economy of Solidarity, from the descriptive point of view, covers activities that are mainly concerned with neighbourhood services and local initiatives whose objectives

is the strengthening of social cohesion and the creation of employment (Lévesque, Bourque and Forgues, 1997).

Social Economy...groups together all the activities and organisations arising from collective action, that are organised around the following rules and principles.

- Service to the members or the community rather than a search for profits or financial returns.
- Administrative independence in relation to the state.
- Constitution and decision making process that involves workers and users.
- Priority placed on people and work over and above money in the allocation of income and surplus.
- Activities based on participation, care and collective and individual responsibility (Chantier de l'économie solidaire, 2001).

Economy of Solidarity initiatives share the following characteristics:

- Reciprocation is at the heart of their economic action. People have joined forces on a voluntary basis with the sole purpose of satisfying social and cultural needs.
- The defining factor is collectiveness. There is no attempt at personal gain or "returns on investment".
- These initiatives continue by combining both non market and non monetary resources (hybrid finance; state control, independently generated finance and voluntary contributions)
- These experiments have come together as community initiatives that have encouraged the setting up of "espaces publics de proximité» (the creation of instances for economic and political activities rooted in the neighborhood) (CRIDA, 2000).

The Economy of Solidarity is separated neither from the market nor the public service sector. Most of the time there is some link, but certain experiments (local barter and exchange networks for example) have explicitly attempted to disassociate themselves from both the market and the State. Market economy occupies such a dominant position in present-day society that the contributions made by the Economy of Solidarity and, more generally, those of a more domestic, informal or popular nature tend to be invisible, and are manipulated to the benefit of the controllers of capital. Even so, the Economy of Solidarity is a creator of wealth and social unity, a consequence that is rarely considered by the State, which has hesitated to invest in a social form of production that is difficult to measure. **This is why we are inviting you to share your experiences with the forum participants and to take part in the debate generated by the following questions.**

In what way can the Economy of Solidarity be a part of economic development, and how should it relate with the market and the state to set up a more balanced pluralist economy, at local, regional, national and international levels?

How can we strengthen the Economy of Solidarity so that it will contribute to the various ways of creating wealth in society?

1st hypothesis: TIGHTER LIAISON BETWEEN LOCAL AND REGIONAL CIRCUITS OF PRODUCTION AND CONSUMPTION

To what extent is it possible to initiate cross sector solidarity circuits that link production, trade, services and consumption based on a joint action plan that brings together financial and technological operators along with government agents.

2nd hypothesis: AN ECONOMY OF SOLIDARITY AT INTERNATIONAL LEVEL.

Local and national NGOS, and international cooperation agencies, have played an important part in the development of various solidarity initiatives in the countries of the south. Ironically, several of the “models” favoured by this approach have come from the traditional economies of native peoples and those who were colonised and now make up the Fourth and Third World. As an example we can consider the «Tontines» or the rotary credit associations (Boulianne and van Kemenade, 2000).

The emergence of decentralised forms of cooperation has enabled North-South solidarity, which for a long time was based on “guilty feelings “ in the North, to take on a new face, which now centres on joint construction of social and economic development tools rather than on a unilateral transfer of technology, know-how or international aid. This is so, for example, in the case of twinned villages, municipalities and organisations, fair trade initiatives, inter regional exchange, as well as cooperation that is directed at institutional development rather than the support of specific development projects.

New sector-based networks make it easier for the horizontal transfer of information, expertise or technology. A new way of “doing business” is gathering momentum, where one can invest or buy products and services in partner regions and countries, in a way that benefits the workers of North, South and East.

In the same way operators of Economy of Solidarity have set up networks, not only to share their experiences but also to bring to the forefront proposals for a better organisation, at international level, of the Economy of Solidarity sector. The challenge consists of increasing the places, areas and levels of intervention (local, regional, federal, national and international) so that the micro-economic level, that so often characterises present-day economy of solidarity initiatives, can be left behind (Social economics workshop, 2001:18). In March 1997, an international conference on social economy in the North and South brought together over 400 people from about 30 countries: some months later, a conference titled “The Globalisation of Solidarity” was held in Lima with the participation of about 275 community representatives of non governmental organisations, who came from 32 countries. This conference, which led to the Lima Declaration (<http://www.unites.uqam.ca/crises/delima.html>), set forth both principles and commitments. The proceedings of the meeting were subsequently

published (Ortiz and Muñoz, 1998). A *second international conference* on the Economy of Solidarity will take place in Quebec during October 2001.

All these initiatives have brought new social and economic relations that would be lost if they weren't institutionalised in one-way or another. Furthermore, the Economy of Solidarity faces some important challenges. On the one hand, it must not limit itself to being a local economy repairing the perverse effects of neo-liberal globalisation. It must remain critical of liberal capitalist methods of organisation and production, through concrete socio-economic practices. On the other hand, it must avoid being manipulated by international institutions that, too often, borrow the concepts put forward by these popular movements, empty them of their content and give them a new meaning that corresponds to a neo-liberal vision of development and democracy.

Within this context, we pose two other questions.

Under what conditions are the initiatives and networks of the Economy of Solidarity standard-bearers of a globalisation that exhibits responsibility and Solidarity?

What concrete proposals can be presented to municipal, provincial and national governments, as well as international authorities for economic and social control such as the UNDP, the IMF or the WTO, so that Economy of Solidarity is given proper recognition?

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If you would like to take part in the debate, you can register on the workshop web site <http://ecosol.socioeco.org>. Please fill in the section "introduction" as well; as this will help the other participants get to know you. You can also e-mail this information to us at: animation@ecosol.socioeco.org (including your last name, first name, organisation, e-mail, fax, postal address, telephone number and a personal introduction in a few lines).

If you do not have access to e-mail you can send us your reactions/replies by fax to (418) 656-2831 or by regular mail to Manon Boulianne, 2160, rue Dickson, Sillery (Quebec), Canada, G1T 1C9. Messages and contributions for the forum can be written in English, French or Spanish.

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