

## **Solidarity-Based Productive Chains**

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### **Brief definition**

Production chains are constituted by all the stages necessary for producing, distributing and commercializing goods or services until they reach their final consumption. For some, the concept also includes a product's financing, developing and advertising processes, considering that such costs are part of the final cost, adding value to that cost which will be recovered by the sale of the product. In other words, a productive chain can be mapped by identifying the different items that were consumed or processes that were carried out for the production of a particular good or service. When considering productive chains in network economies, we always begin by looking at the final and productive consumption stage, in order to understand the linkages and flow of materials involved, information and values that circulate through the different productive stages in the feedback process. A reorganization of productive chains based on solidarity, following a logic of abundance, increases the social benefits of economic efforts as they work towards supporting consumption within the networks according to the distribution of wealth.

### **Current importance. Main controversies.**

Solidarity-based economy network systems do not always regard the analysis and reconstruction of productive chains as very important. Fair Trade practices, in general, do not require the certification of input suppliers; it is enough if the productive undertaking that generates the goods to be consumed respects ethical and environmental requirements. Exchange networks, likewise, by focusing on the moment in which goods are exchanged, do not provide a comprehensive strategy for intervention in productive chains.

In contrast, other more complex networks that are grouped under solidarity-based credit, consumption, production, commerce and service organizations have began replicating their best expansion and consolidation strategies, realizing the need to boost productive chains through a solidarity approach. This progressive boosting would make it possible for solidarity-based economies to gradually become the socially hegemonic mode of production and not merely a secondary, palliative or complementary sphere of economic activity, intended only for poor populations or those marginalized by capitalist forces.

The basic idea behind this boost is to replace the input suppliers that operate according to the logics of capital, with suppliers that operate according to the logics of a solidarity-based economy; to replace inputs produced in a non-ecological way with others developed in an ecologically sustainable manner. This would make it possible to correct the value flow (see ECONOMIC FLOWS), increasingly empowering the solidarity-based economy and promoting a socially equitable and ecologically sustainable development.

To achieve this, the proposal is not a centralized scheme intended to plan out the involvement of all the members participating along a particular product's entire productive chain. The strategy is simpler and more complex. It entails that the different solidarity-based operators involved in the productive chain choose solidarity-based suppliers, if available, over other types of suppliers, replacing inputs with a view towards attaining the goal of ecological and social sustainability. If those inputs or suppliers do not exist, local

networks should themselves undertake the production of such items. When the required investments are beyond the possibilities of the local networks, or the level of consumption of the local network is not enough to provide for the viability of the new undertaking, the regional networks should evaluate the best options, and thus it should be in increasingly horizontal approaches.

In boosting solidarity in productive chains, the organization of final and productive consumption is fundamental. The activity of consumer cooperatives and other organized consumer groups proves that by organizing themselves, consumers are able to increase their purchasing power and improve their quality of life, while at the same time –if they belong to solidarity-based networks- making it possible to commercialize the goods produced by solidarity-based ventures. Thus the novelty of this system is that productive chains can be boosted through a solidarity approach starting from the final and productive consumption, insofar as supply undertakings are selected according to technical, environmental and social considerations. That selection is based on the notion that the price paid by consumers for the final product not only spurs the production of the enterprises that sell the final product, but also indirectly spurs the production of the different operators that supply an input incorporated in the final product consumed or any other element used in the process of production of that good or service. Thus, the consumption of the final product is what enables companies whose products are sold at one end of the chain to earn and reckon the profits corresponding to that part of the product consumed. Meanwhile, as the solidarity-based network boosts the productive chain, creating supply ventures, the profit that was previously accumulated in those segments of the productive chain becomes, thus, a surplus that goes back to feed the expansion of the network. In this way, a network that organizes ventures capable of generating a certain amount of surplus can grow by collectively reinvesting such surpluses, engaging in new ventures and boosting the productive chain of the final product itself. So, by selling the same amount of the final product, there can be a substantial increase in the number of workers in the network, the number of solidarity-based productive ventures, the volume of income distributed in the network as wages, the surplus generated in the network and its assets.

With the aim of promoting the correction of value flows, ensuring the well-being of consumers and increasing the possibilities of sustainable ventures, the proposal is to diversify the final product offering, allowing for base ventures to be simultaneously integrated into several solidarity-based productive chains. As a result of such multiple connections and network flows, these ventures become sustainable by receiving a significant volume of steady demand.

In this way it is possible to generate the conditions necessary to progressively replace the relations of capitalist accumulation and to expand production and consumption relations based on solidarity, sharing the surplus generated, creating new jobs, increasing consumption among participants and developing a great diversity of products and services that ensure the well-being of all those involved in solidarity-based labor and consumption.

## **References**

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