

# Building a socio-economic agenda for the 21st century

## a major challenge for the solidarity economy movement

Pierre Johnson, facilitator for the WSES *strategic* workshop

### Introduction

#### The Challenges

Socio-economic practices based on the principles of responsibility, solidarity and sustainability are emerging worldwide not only as an answer to the problems caused by the current economic problem, but also as building forces for new relationships between men, societies and the biosphere. The most striking problems caused by the current economic model are<sup>i</sup>:

- The exclusion of numerous people and human activities from economic exchanges. Part of this population is engaged in activities of *solidarity economy*<sup>i</sup>, often not acknowledged for, and/or in self- subsistence activities.
- The stronger than ever concentration of wealth and social inequality, while the opportunities for formal employment, particularly in countries from the South, are scarce.
- Financiarization of the economy and of mentalities, which devaluates work and productive activities while creating the illusion of a society without risk<sup>ii</sup>.
- The use of natural resources beyond their renewing capacity, the accelerated destruction of ecosystems and the rupture of the major biogeophysical balances.
- The growth of a *criminal economy* closely linked to the globalisation of finance<sup>iii</sup>.

In summary, an economic model which has failed in a repeated and obvious fashion to answer to the most pressing challenges continues to dominate mentalities, economical and political relationships, as well as the institutional frameworks.

Confronting this failure, socio-economic practices based on responsibility, solidarity and sustainability are showing up under several forms:

- Solidarity economy, through the revival of ancient practices, and the invention of new ones, is not a sector of the economy, but a movement which includes initiatives and practices in most sectors, expressing specific values and contributing to the emergence of a new paradigm.<sup>iv</sup> A number of challenges face this movement, which we can summarize as: integrating in solidarity-based chains, building alliances with other economical and political actors, expanding horizontally and vertically, continuing to innovate and upgrade, promoting. Solidarity economy can also be an active force in the reform of governance at State and global levels.

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<sup>1</sup> See Strategic Line 2 hereafter for a definition of solidarity economy.

- **Responsible and sustainable practices of conventional economic actors**, such as private companies of all sizes, express a growing consciousness of their global (social, environmental...) responsibility<sup>v</sup>. At different levels of social responsibility, they express a new form of social commitment, which goes beyond the economy<sup>vi</sup>.
- Many recent socio-political innovations have economic implications.<sup>vii</sup> Those innovations reveal a new conception of governance, in which the different levels cooperate together, and the State's role is to orchestrate socio-economic interests and the capacities in society. A socio-economic agenda for the 21<sup>st</sup> century should include a new emerging model of economic governance.

## **A collective debate**

All those different elements define the global challenge facing a paradigm shift towards an economy based on solidarity, responsibility and sustainability. Very often innovative practitioners are conscious of the specific challenges they must face, and try to give answers at their level. However, as those challenges are interconnected, it seems necessary to organize the response globally as well as locally, and to collectively build answers, what the Workgroup on Solidarity Socio-Economy (WSSE) has called a Strategic Socio-Economic Agenda for the 21<sup>st</sup> Century. Our focus group has taken the initiative to draft such an agenda, because it could count on reflections, exchanges and documents elaborated by its members during more than half a decade on many of the issues to analyse.

To write this agenda, we have set up a small group of experts and activists from different walks of life and domains, having a very large vision of socio-economy and the global present economic system. As facilitator of the collective debate, I prepared the work and material for the group, on the basis of the proposals notebooks and other documents of the Alliance for a responsible, plural and united world<sup>viii</sup>, drafted an initial proposal and facilitated during several months the communication within the group, through an electronic forum. The group met in France in September 2004 to have an in depth discussion and discuss the main lines identified by the work of analysis of the proposals notebooks, and the areas for which the reflection should be developed at the next stages. The objective decided upon at the meeting for the whole process is a set of conceptual maps of all the strategic lines, as well as a text accessible to a large public carrying the major messages of this agenda.

The Strategic Agenda proposed by the Workgroup on Solidarity Socio-Economy is organized through strategic lines and proposals drawing a sort of transitional itinerary towards a more responsible, diverse and respectful economy, an economy centred on the human being, socially and ecological sustainable and accountable. It is an agenda in constant evolution, which will take into account the recent launching of discussion groups within the WSSE and other relevant dynamics to discuss cross-cutting issues emerging from the idea and practices of another economy<sup>ix</sup>. The results of the thematic and cross-cutting workshops will feed the content and structure of the agenda, and reciprocally, through an iterative process. The goal is to attempt to give a global consistency to the proposals already made by actors and citizens, by identifying the most important issues, the impediments to change, the line forces for change and the leverage effects to implement them.

Its work is complementary to that of another WSSE workshop on the “Vision of an Integrated Solidarity Socio-Economy”. While both groups have in common the exploration of values and representations of solidarity socio-economy and of a new paradigm of development, the “Strategic Agenda” is seeking to develop an agenda that will be process and practice oriented.

### **The double paradox facing a socio-economic agenda**

Before entering in the substance of the agenda, it is necessary to mention in this introduction what may seem as a double paradox. The first paradox is to build a socio-economic agenda, while acknowledging and defending the point of view that, in our vision, economy is not separated from other dimensions of society and life, such as social relations, culture and environment. Some authors even consider solidarity economy as oxymoron. We must clarify that in our view a socio-economic agenda for the 21<sup>st</sup> century goes beyond the issue of changes in what has been strictly defined as the economic sphere (economic behaviour of private actors and economic policies of public actors), even though those will obviously be contemplated with attention. It aims at building a new framework which includes broader issues concerning for example the acknowledgment of new values and principles, building sustainable communities, and implementing new regulations at all levels.

In our particular view, solidarity socio-economy is just a particular angle-view on a global agenda that Humanity still has to build to respond to the challenges it faces. It is however of primary importance if we consider that the economy has taken such a paramount place in our society.<sup>2</sup>

The second paradox is to build an agenda, while following the principal of subsidiarity. This paradox is answered by the obvious need to articulate and integral local practices and experiences, and to find leverages capable of inflecting the current trends. Both of those reasons are why solidarity socio-economy will have its own particular vision of the issues of “globalization vs. deglobalization”, and “growth vs. de-growth”.

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<sup>2</sup> These considerations also justify the fact that from now-on I will simply refer to this agenda as a Strategic Agenda for the 21<sup>st</sup> century, without necessarily mentioning the adjective “socio-economic”.

## **Five Strategic Lines of action**

The summary below presents the major strategic lines of the agenda for a responsible, sustainable and united economy. The following text is complementary to conceptual maps which give a synoptic view of the agenda and will soon be visible online at <http://strategic.socioeco.org>.

The agenda for a responsible, sustainable and united economy established by the WSSE in 2004-2005 is organized around 5 major strategic lines:

**Strategic Line 1: Facilitate changes in values and representations**

**Strategic Line 2: Support the emergence of new socioeconomic practices**

**Strategic Line 3: For a new development paradigm**

**Strategic Line 4: Reform the State and its Policies**

**Strategic Line 5: Build an efficient and legitimate Global Economic Governance**

These strategic lines are obviously interrelated, and have multiple interwoven linkages between them. We only separate them to foster a global understanding. They are not chronological steps, but different areas and dimensions of action.

Incidentally, some readers might be interested in the observation that, on a more abstract level, we can organize those strategic lines in basically 3 dimensions:

- The *values and representations* dimension stands on its own (SL 1)
- *New socioeconomic practices* and *building sustainable communities* (SL 2 and 4) both refer to existing or to be *practices*.
- The *reform of the State and its policies* (SL 3), and the *construction of an efficient and global economic governance* (SL 5) both refer to governance.

## **Strategic Line 1: Facilitate changes in values and representations**

The Strategic group agreed that changes in values and representations are probably the most important starting point and leverages for changes in the socio-economic sphere. Consensus and synergy building in this dimension is a most important activity for the movements for another economy. However, values and representations change with practices, which are concerned by the next strategic lines.

### **Promote changes in representations**

After examining the distance separating economic theories based on the assumption of the *homo economicus* and of perfect market conditions with a reality characterized by the concentration of wealth, growing inequalities and ecological imbalance, the WSSE group acknowledged the necessity to do a critique of conventional economics as a separate “science” and to deconstruct the common myths on the economy that result from this vulgate.

The most important item of the new vision to build is perhaps the understanding that from a solidarity economy point of view, economics is not and cannot be an independent point of view nor is it an independent science. Economy is seen as part of a broader process, which involves human societies, their internal interactions, and the interactions they have with the rest of the biosphere. Economics is a social and a political science. But it is also more, and as an art goes beyond science. Etymologically it is the art of managing the household. Accepting this meaning, the activities, institutions and relationships that make up the economy become means to achieve the goal of accomplishing the sustainable well-being and the development of people.

In the past, the conception of economics as the separate science of management of scarce goods, based on the utilitarian axiom (each individual seeks to maximize his/her personal advantage, and the global result is a balanced exchange of goods and services), has led to economical myths, powerfully relayed by the media, the entertainment industry, as well as publicity and advertisement, but also private and public education. Myths can become operative in the real world. The dominant ideology supports the advances of an economy that reduces work into a commodity, robs the working women and men of their dignity as an intelligent being, and systematically destroys the ecosystems for the sake of immediate wealth accumulation.

#### *Some economical myths*

Well-being is related to the level of consumption

Competition is usually more efficient than cooperation

“Real work” is paid work, and unemployed or unpaid people produce no value

The establishment of common goods leads to collective tragedy

Those myths are related to other groups of myths in natural sciences, which assume for instance that competition between species is the driving force of evolution, while contemporary scientists have shown that cooperation also plays a very important role, and that dynamic balance is a core principle of ecosystems. As a science, SSE should in fact be closely related to a new systems view of life.

In order to deconstruct these myths and change the economy, it is necessary to “rebuild” economics as a science and its concepts (such as “work”, “development”, “wealth”, “resource”) on a new, integrated and comprehensive basis, which will necessarily be related to other points of view, social, cultural, ecological, philosophical, and spiritual. Under this basis, the overall aim of the economy is not the generation of material wealth for accumulation, but mainly self- and co-development, cooperation and happiness through the increase of material and social capital.

SSE could thus define **the economy** as the “art and science of managing [our common] house”, or more extensively, ***the art and science of caring for the planet and human beings, and managing the resources produced by them, seeking a balance between individual and collective aspirations***. Cooperation and solidarity are the foundations of this new way of envisioning the economy, not only because they are core values of SSE, but mainly because they are strong and efficient operating forces in nature and its ecosystems. They are not exclusive forces, however, and cooperation as a main force can be balanced in some fields by limited competition.

It is necessary further to develop solidarity socio-economy thought and research, by identifying its emergent principles, its linkages with other disciplines, and responding to its challenges. A good starting point for SSE could be the recognition that solidarity, seen as interdependence and cooperation, is the foundation of ecosystems as well as societies, and that it fosters economic efficiency not only for the generation of material wealth but also, and mainly, for self- and co-development and the pursuit of happiness. The Strategic group will seek to develop further those ideas in the next years.

Some of the challenges of research in SSE are:

- identify common principles for a responsible, sustainable and united economy, (see below), further develop economic practices based on cooperation and solidarity and to know how to link them one to another
- build new information systems and indicators for a sustainable economy
- define subsidiarity in the economical field, and thus the articulation of exchange scales
- identify the linkages between the economical, political and environmental dimensions
- define the type of “development” viewed by SSE, its view of human well-being and dignity

Those challenges are both practical and conceptual, and research in SSE is not isolated from practices. We will develop them further in the next strategic lines.

**This paradigm change could be called the road from “economy” to “oikonomy”.**

**Education** is a major enhancer of the change in values and representations, and SSE will have to develop influence to enhance changes in this area. It will spread its concept by expanding the SSE sphere in society and popularizing its concepts and practices.

I suggest an extended use of the term “**ecoliteracy**”<sup>3</sup> to express a major challenge in this area: popularizing the basic notions of the renewed vision of the economy, as expressed by SSE, with the basic concepts of ecology, through its systems view of life.

### **Agree on common values**

Solidarity economy, as a global alternative, is based on common values. However, there are obviously several ways to present those values. We have chosen a two-set entry. As an economy centred on the human being and the respect for its environment, **human dignity** is central to it, and **ecological sustainability** as one of its primary conditions.<sup>x</sup> Obviously, those two sets of values are interdependent.

**Human dignity** relates to human well-being, an ethics of social relationships, and a new view of “development”.<sup>xi</sup> In a SSE view, the individual and the community are complementary, not contradictory. Unity and diversity are conciliated through an ethics of social relationships, and a realistic vision of their creative development. SSE may thus refer to “the collective individual”.<sup>xii</sup>

While current economics only considers needs that are financially solvent, solidarity socio-economy envisions *well-being* through the self-satisfaction of material and non-material needs (because poverty derives mainly from the need for assistance) and happiness as a type of non exchangeable wealth, that is derived from a whole set of material and non material factors, to which social capital contributes greatly.

SSE reminds us that we all are closely interdependent. This interdependency, and not charity, is the basis of solidarity, in its true original meaning. *Cooperation in solidarity, reciprocity, co-responsibility* of human action and *sharing of material and non-material goods* are some of its expressions.<sup>xiii</sup> Social justice, peace and solidarity are but a result of the process of cooperation. This view is congruent with the indicators developed in the past decades by international organizations such as the United Nations Development Agency. Human Dignity can also be referred to economical, social and cultural rights, recognized by United Nations since the mid-sixties<sup>xiv</sup>.

A responsible, sustainable and united economy is also closely related to a reassessment of the notion of development, both individual and collective.<sup>xv</sup> It views development in a broader sense than in conventional economics, seeing it not as the process of material or technical progress, nor as material growth, but as a bio-anthropocentric (people and planet-centred) process, going from the satisfaction of basic needs, to better-being through the development of social links and with the planet. It implies

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<sup>3</sup> Term forged by the Institute for Ecoliteracy [www.ecoliteracy.org](http://www.ecoliteracy.org)

objectives such as: improving the social performance of activities, and increasing social capital as a whole.

There is a general agreement that **sustainability**, integrating social, ecological, cultural, political and economical dimensions, is part of the values and objectives of SES, even if the WSSE and the Alliance for a Responsible, Plural and United haven't yet defined clear principles for the notion of sustainability or sustainable development.<sup>xvi</sup>

We suggest, in the following paragraph, to follow the results of ecology as a science, and of systems theory. These allow us to deduce the values of ecological sustainability from a simple idea: **Human life is not separated from life in general, and follows globally (or should follow) the same rules**, to which SES can add practical principles of action for humankind. We observe that nature functions through networks, cycles and diversity, not concentration of power and resources or cultural uniformity. Nature also gives extended examples of cooperation and partnerships.<sup>xvii</sup> The health of ecosystems is achieved through the dynamic balance of a variety of factors, not through maximizing one single factor.

Respecting ecological sustainability means:

- respecting life in all its form and learning from nature's principles and trying to follow them
- trying to link economical and technological cycles with ecological cycles<sup>xviii</sup>, building sustainable production-transformation and consumption chains<sup>xix</sup>
- making long term evaluation of decisions, mainly in the technological and political dimensions<sup>xx</sup>
- making scientists and engineers responsible and accountable<sup>xxi</sup>
- ecological sustainability is also closely linked to the building sustainable communities, and to the respect of human dignity

### **Disseminate common values**

How to disseminate the emergent values of a responsible, sustainable and united economy is a practical question. According to a proposal by Marco's Arruda at WSF 2004, this will be done through:

- the expansion of SSE sphere<sup>4</sup>, the resulting cultural changes, on one hand, and a special focus on education on the other hand
- empowerment of civil society, through the democratization of the State<sup>5</sup> and the building of sustainable communities<sup>6</sup>.
- the struggle for new international regulations<sup>7</sup>.

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<sup>4</sup> See Strategic Lines 2 and 4, below.

<sup>5</sup> See Strategic Line 3.

<sup>6</sup> See Strategic Line 4.

<sup>7</sup> See Strategic Line 5.

## Agree on common principles

SSE is grounded on numerous groups and practices which make its values and principles live and develop. Since its first modern developments, SSE practitioners have developed operating principles for SSE enterprises. The Rochdale pioneers in the XIXth century for example left their mark in history by stating the 7 principles of cooperatives, which are still used today, and could be applied to other economic organizations<sup>xxii</sup>. The Brazilian Solidarity Socio-Economy Network set up its own principals, defining SSE and the relationships between its members<sup>xxiii</sup>. However, the broader context of SES needs complementary principles. Those of the Charter for Human Responsibilities, elaborated by the Alliance for a Responsible, Plural and United World could also be translated into socio-economic principles. Principles should also include environmental sustainability. Nature (ecosystem) also follows its own principles.

While consensus on new values and representations help us defining common views, agreeing on principles is important to define a general framework for action. The principles of SSE can also serve as general principles for a responsible, sustainable and united economy. In the absence of a common presentation of the principles of SSE, we suggest the following five items:

### 1. What is Solidarity Socio-Economy?

Proposal: SSE is a view of socio-economy based on a set of values related to human dignity, ecological sustainability and mutual interdependency. It stresses out the fact that the economy is embedded in a material and social basis, and that it cannot be value-neutral. SSE has a scientific and human basis, which goes beyond what is currently viewed as “economics”, as it defines itself as “the art and science of caring for the planet and human beings and managing the resources produced by them, seeking a balance between individual and collective aspirations, on the basis of equal rights for all people.”

2. SSE **core values** are: social and environmental co-responsibility, cooperation and solidarity prevailing over competition, sharing of material and non-material goods. Co-responsibility has a number of implications, including: sustainable production, transformation, consumption and trade, and a responsible attitude towards science and technology. It is based on a long-term view, which can be expressed in the precautionary principle. Peace, social and environmental justice are just a result of the process of responsibility, cooperation, equal rights and solidarity<sup>8</sup>.

3. SSE practices follow **principles of organisation**, which can be summarized as follows:

SSE organisations are based on voluntary and open membership, they must be democratic and participative, autonomous and responsible; they cooperate with each other building economic chains and exchange networks; their internal and external relationships are based on economic equity, the development of sustainable human capacities, open information, and a fair use and management of common knowledge and resources. The relationships between different levels of

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<sup>8</sup> See definition of solidarity as interdependency and common destiny, above.

organisation and practice are based on the principle of active subsidiarity. The objective of SSE practices' is not hegemony, but a balanced contribution to the common objective of people and planet-centred development.

4. Solidarity socio-economy aims at **people and planet-centred development** (or “sustainable human development”)<sup>9</sup>. This type of development is based on the satisfaction not only of the material needs of the human being, but also of its immaterial aspirations, while taking into consideration the carrying capacity of the planet and its ecosystems. It thus seeks a dynamic balance between objectives of different orders: social, material, cultural, ecological, technological, etc., without prioritizing material or technological growth. It is achieved through a bottom-up approach which involves the building up of a sustainable communities.
  
5. A responsible, sustainable and united economy requires **fair and sustainable regulations** at all levels<sup>xxiv</sup>. Regulations are common agreed rules allowing society or the State to exert a dynamic balance and arbitration between actors, scales of action and objectives (in time and space). In SSE, those regulations follow a series of principles, such as: sustainable management of all types of goods and active subsidiarity. It requires an information system and a new set of indicators. Regulations can be of private and public nature, but with the extension of participative democracy, this distinction is meant to shrink. New regulations also mean to re-establish disrupted balances, either ecological, social or financial, and for example the recognition of the ecological debt of the South, the design of a new system of democratic global governance, new financial institutions, and a new definition of priorities.

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<sup>9</sup> See Strategic Line 3.

## **Strategic Line 2: Support the emergence of new socio-economical practices**

Emergent socio-economical practices which express the values of a responsible, plural and united economy are the laboratories and the material basis on which a transition to a global socio-economy based on those values can be build and expand. Getting to know the diversity of those practices, evaluating their novelty, integrating and reinforcing them, linking them with innovations in the political sphere, are major practical aspects of our SES agenda.

In this part, we shall contemplate two different but complementary movements:

- ❖ Solidarity Socio-Economy initiatives, as a social movement carrying and proposing new practices
- ❖ Emerging practices from conventional actors (companies, banks, etc.) moving, even slowly, towards responsibility, solidarity and sustainability

The significance and strength of those movements are of course different, but both should be seen as complementary, and their differences are sometimes more theoretical than practical. To recognize them, we will consider in this agenda the current features of each movement, and its challenges.

**Solidarity Socio-Economy** (SSE) practices are remarkable by their global perspective and integral features. These initiatives are based on a perspective of the economy as re-embedded in society and the biosphere, and usually rooted at local level (with communities). They give the priority to work on capital, and are based on the participation of all stakeholders, including the local community. New practices are constantly emerging, for example in the area of information technology and the growing sphere of the *open source* movement. Old practices based on solidarity remain important, such as cooperatives, local savings and credit societies, and non monetary exchanges.

Many of those practices refer to particular “moments” of the production-exchange-consumption chain (social finance, local exchange systems, fair trade, for instance), while others are movements of specific social actors (associations of farmers, women, young people, the unemployed, district dwellers). Some are grassroots initiatives, whereas others support or are linked to the grassroots initiatives on a second or third level. Some are completely independent and self-managed while others are carried out in collaboration with the public sector (employment programs and companies, appropriate work centres, participatory urban management, etc.).<sup>xxv</sup>

Solidarity economy initiatives express values mentioned in the first strategic line (solidarity, cooperation, sustainability, etc.), as well as a new, more integrated approach of the economy, closer to the functioning of living systems. They are still young, however, and face a number of challenges. They are often isolated from each other and from other businesses and the State. We shall summarize those challenges with the following responses:

Integrating those practices in economic chains based on solidarity, building relationships with the State and companies respectful of its values, expanding horizontally (disseminating) and vertically (changing

scale, as well as upgrading and innovating, promoting its practices and values, develop communication between solidarity economy actors and with other actors.

#### *Integrate SSE practices*

Many SSE practices are still isolated as they refer to only one moment of the economic chain (finance, services, credit, etc.) or to specific social actors, and they lack integration with practices developing complementary functions. The solidarity socio-economy movement can now build economic chains which integrate the higher number of functions possible (production, transformation, credit, trade, etc.). These chains are of primary importance to expand the sphere of solidarity within the economy, as will new relationships with conventional actors. Basic needs and aspirations should be the main objective of those chains, determining the conditions of production, transformation and trade.

#### *Expand transformative practices horizontally and vertically*

We mentioned that many solidarity economy practices are grassroots initiatives, whereas others are the expression of a specific category of actors support, and others are linked to the grassroots initiatives on a second or third level. Solidarity in the economy can be expanded through the dissemination of good practices at grassroots levels and of specific movement beyond their initial constituency. Second or third level initiatives can be platforms for the exchange of information and the establishment of relationships between first level initiatives. Vertical expansion means that local initiatives need not only to integrate, but also to change scale, growing from the local to the regional, national and even international levels. This can only be done gradually of course, through the integration of practices, the building of networks of grassroots initiatives, which, with second and third level initiatives will contribute together to this organic growth of initiatives.

#### *Enhance communication and information between SSE actors*

The communication between players of solidarity economy and with other economic actors is currently insufficient. Today, we have all the necessary tools to develop this communication, including those provided by the *open source*<sup>xxvi</sup> community (which should be viewed as an integral and necessary part of the SSE movement). Enhancing linkages with this community and its contribution to the challenges of solidarity economy will be a primary factor for the expansion of the SSE sphere, both on a practical level (providing the necessary tools) and on a social and conceptual level (incorporating the innovations and lessons of the *open source* movement within other spheres). Along with information and communication tools, the development of practical tools, and practical “concept packages”, such as sets of specific indicators and alternative planning methods (at business or public level), will help the actors to work together in synergy.

#### *Build new relationships and alliances with conventional actors*

Solidarity economy practices should not view itself in isolation, and believe it is *the* solution to the current crisis, which would be illusory<sup>xxvii</sup>. Though it should privilege business relationships with other solidarity initiatives to expand its sphere, it has to deal with other, more conventional, economic actors, and with actors in the political field. This is the opportunity to try to build business relationships with

them, based on shared principles and whenever possible common goals and shared indicators. Those relationships will encourage the exchange of points of view and the spreading of innovations, as well as finding convergence points and clarifying business relations and contracts.

In relation with the State, some SSE initiatives are completely independent while others are carried out in collaboration with the public sector. In both cases, relationships with the State can be seen as complicated, based on dependency or on mistrust rather than mutual respect. They should be more elaborate, and rely on agreed mechanisms and shared principles. Those initiatives could thus show their contribution to local development, gain recognition and contracts from public authorities.

#### *Promote solidarity in the economy*

It is often difficult to recognize and appreciate socio-economic practices that really have a solidarity component, because certain phrases have been over-valued for the public in general. In the field of finance, for example, the WSSE makes a difference between pre-banking micro-finance and social finance. The latter aims at strengthening social capital, while the former is just a tool for the integration of the poor in the global market. It is thus necessary to give a global visibility to the social performance of economic practices if we are to strengthen solidarity in those practices. Social Performance Indicators and other tools are a means to do this.

Another relevant strategy is to create or tighten the links between SSE practices and the social movements emerging at local and global levels. These practices must be viewed as concrete answers to the issues raised at different levels by social movements.

#### *Perspectives*

We mentioned before that the expansion of the SSE sphere will provoke cultural changes which will contribute to further changes of values and attitudes in the economy. Action on the political field, both nationally (SL4) and internationally (SL5) is complementary to socio-economic action. The building of sustainable communities (SL3) could also be a major enhancer of changes in values and practices.

#### **Changes and innovations of conventional economic actors**

Conventional economic actors (private and public companies, banks, etc.) also innovate, answering to a series of challenges that they face. Some of those challenges are common to all organizations, including solidarity economy initiatives, others specific. Many of the innovations have been analyzed by the various workgroups of the Alliance<sup>xxviii</sup>, but a more systematic identification and analysis of the current changes and mutations in companies and business relationships must be done.

This part will thus proceed in two steps: presentation of identified innovations and mutations, suggestion of strategic lines to reinforce sustainability and cooperation in businesses. Those should be further developed during the next stage of the work of the Strategic group.

Current changes in practices of conventional economic actors are related to the following trends: global changes in the economy and in business relationships (including investment and consumption), internal challenges of organizations (management) and the responsibility of economic actors in their

relationship with the social and natural environment. We will summarize the innovations for each trend, the related challenges, and further the lines of action to face them.<sup>xxxix</sup>

#### *The different levels of social responsibility*

Private companies and financial institutions are probably among the most powerful actors today, favoured by the current global context. As a result, their responsibility is questioned by consumers and social movements, and they are seeking some legitimacy from civil society. Social responsibility is the buzz word for changes in practices that range from cosmetic to deep and global commitment, while it seeks to summarize many of the challenges of business. Social responsibility has a different meaning depending on the type of business and company, as companies are characterized today by major economic, social and cultural differences.<sup>xxx</sup> Big transnational corporations tend to be more and more directed by shareholders and investors, while small and medium enterprises can have a very different constituency. While corporate social responsibility emerges as a global principal, it will have a different reality in each of those milieus.<sup>xxxi</sup>

It is however possible to define globally different levels of commitments of companies in what we call "social responsibility". The evolution line of private business is probably to pass from shareholder responsibility to global responsibility, with the involvement of all shareholders.

Among the first changes companies do in this direction is to adopt codes of conducts. Those are not always the sign of radical changes, but they can be their indicators. These codes can present the risk of circumventing the role of the state and of labour unions, while representing for the social movement a hope to remedy the lack of judicial power. The most innovative companies understand social responsibility at its different levels: treatment of employees, relationship with consumers, with suppliers, with the surrounding community and with the environment.<sup>xxxii</sup>

#### *Green business and industrial ecology*

Companies are taking a variety of initiatives to take into account their environmental responsibility, often not only for ethical reasons, but mainly because it can prove more profitable in the long term. Many of them try to use more energy-efficient techniques, and reduce their material consumption. Others also go beyond this conventional approach by converting their central purpose from producing material goods to producing services, i.e. transportation instead of cars, documents and communication instead of copying or faxing machines. This savings approach is also visible in business relationships, with industrial ecology:

Industrial ecology can be defined as a systemic and integrated approach of all the components of the industrial economy and its links with the biosphere. It puts forward the biophysical basis (or constituency) of all human activities, and recalls that no system can grow indefinitely. It also acts in defence of a re-localisation of economy activities, and makes relative the relevancy of money in accounting for flows of matter and energy. To summarize, industrial ecology considers industrial activities as ecosystems, and leads businesses to realize that cooperation with other businesses and with the environment is more efficient and powerful than competition.<sup>xxxiii</sup>

### *Business relationships from competition to cooperation*

Private companies themselves have realized that cooperation is often more efficient, even from a business point of view, than sheer competition. Innovations in this area include “business clusters”, “industrial ecology” and other approaches. Successful small and medium companies often are those that adopt a collaborative approach to their business, instead of the “killer” approach, still taught in business schools.

*Business clusters* allow for example companies, regions and interest groups to share resources and adopt a collaborative approach to resolve practical issues like training, infrastructure and procurement. The result is a gain in responsiveness, quality, innovation and critical mass. Business cooperation and integration through industrial ecology described above is also a radical approach to sustainability and the transformation of business practices.

### *Companies: from money-making machines to living communities*

The new global understanding of social responsibility, cooperation and sustainability will allow private companies to make the gradual changes that will bring them from profit-driven private institutions to human communities that share a variety of objectives in a dynamic balance perspective (which is that of living organisms and should be also that of humanity). The ascending curve of social responsibility can be summarized as the passage from being “money-making machines” to living communities.

Sociologists stress the fact that companies, like all other human institutions have two dimensions: they are created for given objectives, and they are groups of people which build relationships together. As the curve of objectives goes from profit to finding their right place and function in the sustainable activity of human society, less tension should be felt in their internal and external relationships, making it easier to conciliate the two dimensions at each step of this change.

This curve also implies changes in management, which can already be observed in the processes of defining objectives, usage of power and distribution of wealth, as well as conciliating formal functions with the life of existing “communities of practice”. Companies that try to be “learning organizations” are changing their management practices (from charisma to facilitation of innovation), the usage of power, and sometimes the internal distribution of wealth.

## *Strategies*

- Private actors and particularly companies must involve all stakeholders at all stages of the elaboration of a strategy of social responsibility, from design to verification, considering all the dimensions of their activities, from labour relations to supply-chain management and
- Management practices should evolve from shareholder responsibility to global responsibility, acknowledging the living and human dimensions of all organisations (companies and institutions).
- All economic actors should adopt and encourage an “economy of service and flow” approach, to preserve natural and human resources, as a path to a more sustainable economy.
- It is necessary to analyse and disseminate the experiences collaborative business networks, as well as solidarity economy networks, to share and spread their methods.
- Business clustering and industrial ecology approaches should be disseminated and supported by appropriate policies at all levels, as part of a sustainable, responsible and cooperative economy.
- Private businesses should adopt a global system of indicators, allowing them to measure their social and environmental performance.
- Indicators such as “industrial metabolism” (amount of matter and energy circulating in the economy) should be used by all economic actors, in order to support the development of those approaches.
- Energy efficiency and the reduction of material consumption should be strongly supported by society (consumers) and public policies.

## *Conclusions*

We can now draw a first comparison of current mutations, by Solidarity Socio-Economy actors as well as conventional actors that seek to be more responsible and sustainable in their activities. They all have convergent challenges, even if they start from uneven points. They both have to integrate various dimensions in their activities, and to link with each other as well as with the community.

The current changes in the management and internal organization of companies probably tend to be less profound than those introduced by solidarity economy, as the latter face the contradictions between being still profit-driven and implementing new human relationships.

But in other areas, involving for example relationships with peers or with the environment (clusters, ecology...), some private companies may actually be in advance of solidarity economy practices. Thus, it seems necessary to survey innovative changes in the practices of all economic actors, analyse their potential and limitations, promote and support them through business relationships as well as citizen and political initiatives. Through common research and dialogue with private actors, new indicators to improve social responsibility and innovation in management should also be elaborated.

### **Strategic Line 3: For a new development paradigm**

We have seen in Strategic Line 1 that SSE is closely related to a new paradigm of development. Because this concept has been so much abused by policy makers and conventional economics, it is important to stress out the fact that what SSE views as development is very far away from what economists have called “growth” and set up as the main objective of economic policies and activities. It is well known that infinite growth on a planet with limited resources is impossible. Plants however do not grow forever, but only until they achieve their form, and ecosystems only expand when other ecosystems leave the space for them. In many regions of the world, human activity is reaching the limits of its sustainability. The issues that are raised are the coexistence of those activities with that of other natural systems, and of the balance between human communities.

#### *People and Planet Centred Development (PPCD) – Human Sustainable Development (HSD)*

The overall objective of solidarity socio-economy is the self-satisfaction of human needs and aspirations, through the respect of society and the environment. SSE thus seeks a new balance between material and non material needs and aspirations, technological development and the capacity of nature and society to absorb them (resilience).<sup>xxxiv</sup> For most of the actors of SSE, development should be seen as a bottom-up approach, focused not on maximizing economic benefit, but on enlarging opportunities and the possibilities of sustainable and equitable well-being for all, SSE practices remind us that bigger is not always better, and that small or local experiences are often laboratories of cooperative and sustainable relationships. Of course, the development of productive chains and of the whole socioeconomic system through relationships based on cooperation and equity is an important means to achieve this objective. But training, education, and the development of well-being are necessary contributions. The development sought by SSE is based on a dynamic balance between a variety of objectives and priorities, economical, social, cultural, spiritual and ecological.

This development approach could be labelled “people and planet centred development” (PPCD), Human Sustainable Development (HSD), or other appropriate expression. It goes beyond SSE *stricto sensu*, by focusing on the laws of dynamic balance which guide relationships between ecosystems. Human activities can thus learn from living systems for their own development rather than trying to submit nature to a linear logic, which is the dominant view today. The focus is put, as we see, on sustainability, in its deeper meaning. In its systemic view PPCD or HSD can be achieved by starting at the local level, the level of living communities and territories, and following the principle of active subsidiarity. As it is not focused on economic growth, PPCE may even be compatible with what some ecologists call “de-growth”, and some analysts “de-globalization”, but discussions must go under way to define areas of compatibility between those conceptions.

### *Characteristics of sustainable communities*

Collective life is more at ease with itself, more genial, varied, fruitful  
when it can concentrate itself in small spaces and simpler organisms.

Sri Aurobindo

Local communities are appropriate spaces where sustainability can find a meaning for the people and their environment. In this paper, the meaning of the terms “local” and “territory” goes beyond the physical basis of a “community”, and refers to a system of relationships between human beings, society and their environment. In this view, communities can form the foundations for the reconstruction of the vital cells and the basic functions of society and economy (which financial globalization and the liberal economy tend to destroy).<sup>xxxv</sup>

Sustainability will not be achieved by the overspecialisation of national economies, but on the contrary when they form a network of sustainable communities where citizens can produce the material and social conditions to live sustainable livelihoods with dignity. These communities are the “building blocks” or base nodes for re-building socio-economy at higher levels. They must seek to be as autonomous, participative and rooted as possible, by enhancing synergies between local activities, in harmony with the ecosystems, while staying open to exchange with peer communities.

To achieve sustainability, a change in lifestyles is necessary, that is a change in the way we conduct core activities such as production, transportation or consumption. Local communities can support those changes by building their own models of sustainable production-transformation-consumption chains and exchange systems, depending on local conditions and available resources. In sustainable communities, all the activities respect the potentials and limitations of society and the environment.

### *A space for cooperation and integration of activities*

Integrated development strategies are more easily designed and implemented at local level, by local communities and territories. At this level, human beings can better relate to one another, with the environment and their own nature, making political, ecological, social and cultural aspects of their activities converge in synergy. They can, then, build up at higher and more complex levels (national, regional and global) on this basis.

Local Agenda 21 has already proven to be an effective and useful tool for communities in the reorientation of their economic activities to take into account social and environmental sustainability. Solidarity economy initiatives can propose a number of practices reinforcing local solidarity and sustainability, such as local currencies and finance systems, community indicators, systems of production and exchange based on cooperation. Those initiatives should be part of local and national sustainable development strategies. They can articulate to initiatives in the private sector already mentioned, such as business clusters and industrial ecology systems. They will all contribute together to the building of local sustainable economies. Cooperation at local level also means bridging the gap between people, related to differences of location (urban or rural for example), age, activity or culture. SSE proposes solutions, such as community supported agriculture and intergenerational practices. Those practices can be proposed within sustainable development agendas and public policies.

### *Enhance local democracy and participation*

The links between socio-economical and political initiatives at community level are particularly important for the reform of governance, and to ensure a good synergy towards sustainability. Governance should have a territorial (local- or land-based) approach, based on local potentials and needs.<sup>xxxvi</sup> SES networks are comfortable with this approach, and propose strategies capable of reproducing locally the material conditions of life for individuals and societies. Social security and food sovereignty are some of the main focus of local development for large sectors of the population. The relationship between SES initiatives, civil society, and public authorities should be defined as dynamic. This implies cooperation between all the stakeholders and the participation of every citizen.

Innovations in public policies emerge more often and easily at local level. Citizens active in solidarity economy should also be politically participative, and push local authorities to impulse changes and encourage participation, by adopting innovative decision-making systems, supporting sustainable socio-economic practices and providing information and indicators to the community. Systems such as the participatory budget, local currencies and community indicators will have a high impact on participation and sustainability. As politics will become more participative, the distinctions between social and political aspects of life will be reduced.

### *Evaluate social and ecological sustainability*

Environmental organizations have popularized the notion of “ecological footprint”, allowing each nation or community to measure the impact of its activities on environment. SSE should add to this image, which supports a global set of indicators, the analysis of socio-economic relationships, such as social responsibility, social performance, equity, etc.<sup>xxxvii</sup> Each actor has the responsibility to monitor the impacts of its activities, and integrate what has been called “negative externalities” into his accounts. Public authorities should facilitate and integrate this monitoring activity through local information systems (through meetings and computer networks).

This perspective will support sustainable activities, local know-how and innovation. Ecological sustainability should be sought through the promotion of organic agriculture and community supported agriculture schemes, ecological building, urban planning and transportation, industrial ecology and energy efficiency. In those communities, cultural and social diversity will be seen as a resource providing social wealth, security and resilience. SSE practices are enhancers of social sustainability, through cooperation and solidarity at local levels, by the use of local currencies and finance system schemes and of local know-how. The reform of local policies, especially of tax and public management systems will also induce sustainability.

### *Build up from local to global*

If the local level can be seen as the building block of a new society, based on solidarity relationships and socio-political participation of everybody, we shouldn't forget that this metaphor hides multiple interdependencies between. Human society can be seen as a hierarchical set of local, national and regional systems, with complex interactions between levels. A narrow relationship of interdependence exists between the local and the global level, and certain people use the neologism "glocal". The concept of scale articulation and the principle of active subsidiarity rely on the observation of this reality. Those concepts determine the relationships between the level of local sustainable development, and the higher levels, which will be examined in the next strategic line. This is an ongoing reflection within the WSSE. The principle of active subsidiarity means that the degree of autonomy of local communities is not established once for all, but depends on evolving relationships, and that the local level is a mirror of the global.<sup>xxxviii</sup>

Local communities will thus also seek to contribute to the building up of a new global socio-economic system, through alliances and networks between territories and communities. Decentralized cooperation between local communities and Fair Trade are two types of practices through which these types of alliances can be built. Those types of relationships will contribute to solidarity and cooperation slowly imposing themselves as stronger forces than competition, which is still pregnant in policies of many local governments, through social or environmental dumping.

## **Strategies**

- **Promote People and Planet Centred Development as an alternative to economic growth**
  - ❖ Abandon all development policies based on overspecialization, competition and social dumping. Promote autonomy, rootedness and cooperation between people and communities.
  - ❖ Build social and ecological local agendas, adding to the Agenda 21 process a strong social dimension, and valorising SSE practices as appropriate vectors for its implementation.
  - ❖ Adopt the social and ecological footprint as a way to measure the social and environmental impact of activities and lifestyles, to promote sustainable livelihood and economic practices.
  - ❖ Build up a set of indicators and methods for PPCD. Gain a better understanding of the exchanges within and without the territory, and of the interactions between society and the environment.
  - ❖ Promote appropriate changes in our lifestyles: values, behaviours, economical acts.
  
- **Development strategies and policies should follow the principals of subsidiarity, responsibility and sustainability.**
  - ❖ Use SSE practices as the basis for strategies based on the development of human potential, on cooperation between actors, solidarity, and environmental sustainability
  - ❖ Build sustainable chains by integrating SSE practices and articulating them to sustainable and responsible business practices, such as business clusters and industrial ecology
  - ❖ Local communities should build their own models of sustainable production, transformation, consumption and exchange systems, depending on local conditions and available resources.
  - ❖ Each community should set up a balance between objectives, based on the analysis of their interactions and the participation of the community to the definition of priorities.
  
- **Adopt political innovations that enhance citizen participation in the community's life.**
  - ❖ Encourage citizens' political participation and help local authorities design policies than enhance cooperation, responsibility and sustainability
  - ❖ Spread political innovations; systematize the methods for citizen participation.
  
- **Build up alliances and exchange networks between local communities and territories based on common interest and complementarities.**
  - ❖ Promote those alliances and networks as the form through which local changes in economical and political governance can get global.

#### **Strategic Line 4: Reform the State and its policies**

Creating a socio-economy based on cooperation and solidarity, and ensuring the conditions for a legitimate and well-balanced governance are closely related challenges. If economy is “the art of caring for or managing our common house”, governance can be defined as “the art of managing interdependencies in a peaceful manner”. Principles for governance are valid at different scales: local, national, regional and international, among others. However, the reform of governance at the national level is strategic from different points of view, mainly because through the notion of “sovereignty” (inherited from monarchy) the Nation-State is still widely considered as a sacred entity, despite the context which undermines its power, and then because its current governance is blocking the reforms necessary for the emergence of a sustainable, responsible and plural socio-economy.

Reforming the State and its policies seems also a precondition for the global emergence of sustainable communities. It is easy to observe that the contemporary evolution of State policies in the fiscal, social and economical fields occurs in general, with a few exceptions, at the reverse of a solidarity economy. Today, the main actors of influence over public decisions are: national and international lobbies of major companies; at international level, the World Trade Organization directives; in the South, the decisions imposed by international financial institutions. The difficulties that public authorities encounter in reacting to the current challenges are also the expression of a crisis of governance and public action. Even the way decentralization has been managed seems in many cases not adapted to those challenges.

The WSSE proposals notebooks highlight the innovations in the socio-political field related to the economy, which must be now completed by proposals for new economic policies, coming from the formulating of new principals for public action. The reflection of the WSSE has evolved since it initiated its works, a few years ago. The model of a State initially promoted was close to a Welfare State, but the reflection integrated new elements, including the socio-political innovations, and the reflection of the Alliance on the principals of governance. It has become obvious that the integration of the political dimension by socio-economy of solidarity must rely, among other things, on a reflection on the role and the function of the State, and on the mobilisation of society for its democratisation. But differences still remain on this topic between participants of different countries or themes, who have different position on the role of the State regarding development.

In the following paragraphs, we give some strategic orientations, deduced from the proposals of the Workgroups on Solidarity Socio-Economy and Governance and Citizenship. To translate those orientations into precise lines of action, it would be necessary to have discussions related to the historical experience and the concrete situation of the various countries and regions of the world.

### *Innovations in the political field and the democratization of the State*

The current crisis of public action is quite widely a crisis of legitimacy of representative democracy. Recent innovations in the political field rely on the assumption of the relativity of State sovereignty and of representative democracy. In those innovations, citizen participation in public authorities and administration at all level is enhanced. The Participatory Budget of the city of Porto Alegre (Brazil), one of the best known examples of socio-political innovation, is related to local economic policies.<sup>xxxix</sup> In this model, local civil society participates to the definition of local priorities in terms of public expenditures (infrastructures, social, and education). The distinction between political authorities and their constituency is blurred. Other cities in Brazil and other countries, also in the North, have adopted participatory budgeting mechanisms, based on this example. The population's participation has also been promoted at other levels or in other sectors of public action. However, there is still a need to define participation mechanisms that will work at national level.

### *New principles for public action*

The reform of **governance** at national level implies redefining the principles for public action. From a socio-economy of solidarity point of view, the State is an adequate level for regulation of the economy, with shared control and planning between different kinds of actors: public, private and civil society.<sup>xl</sup>

Some of its basic principles can be expressed as follows: a land-based approach; active subsidiarity; organising the co-operation and synergy between actors; defining the rules for the economy; participation, transparency and accountability.

- ❖ A land-based approach means re-embedding the economy in its socio-cultural and ecological basis. The State is considered as just another level of governance, complementary to the local, regional and international levels. It contributes, at a higher scale, to the objective of building sustainable communities (SL 3).
- ❖ Active subsidiarity means that economic and political action should be exerted at the lowest level possible, and that each specific community has the autonomy as well as the responsibility to develop the best responses for its local challenges. It supposes to enhance society's participation at all levels. It is also a principle that helps defining the relationships between different levels of governance (local, national, regional, global...).
- ❖ The role of the state is to orchestrate socio-economic interests and capacities in society. In this new vision, the State acts as a facilitator of the relationship between actors of different natures. The market has clearly failed as a hegemonic model for economic regulation, and cannot have anymore the monopoly of regulation. However, there must be a consented definition of the spheres of application of the different means of regulation. Wherever possible and applicable, cooperative management of goods should be privileged over private appropriation. There must be at all levels a commonly agreed definition of a public sphere for the management of common public goods, which are those goods that cannot neither be divided nor appropriated by private actors.
- ❖ The State should also orchestrate the time dimension of socio-economic activities and transformations. It should help society regain the sense of organic rhythms of its activities. Long

term strategies, the mastering of mutations and new sets of indicators will contribute to this objective.

- ❖ In a democratized State, citizens' participation should be encouraged. New forms of government, which are mixed and combined, should be promoted. Transparency and accountability are of course basic assumptions that help re-legitimize the State.

Our group was concerned by the practical means to promote those principles. It suggests to social and economic movements to join efforts to defend them at national and international levels through public campaigns, the promotion of positive examples, and advocacy. They can contribute to the reflection done in research centres and think tanks through the promotion of those principles and appropriate examples.

*Jointly elaborate public social and economic policies based on cooperation and sustainability*

How the basic principles of legitimate and participative governance give way to specific policies is still to be experienced. There is a lack of experience at this level, which can be overcome by developing participative research on sustainable policies. Ecological think tanks in the North and the South have already brought up some major strategic lines for the reform of public policies aiming at sustainability<sup>xii</sup>. Those principles can be adopted by the advocates of a socio-economy of solidarity. They pinpoint the following items:

- ❖ Taxation should be reformed to reflect real environmental and social costs. This taxation reform goes in the same direction as a sound management of our "common house". Existing studies point out that ecological taxation will bring about more employment and greater protection of the environment. Integrating social aspects in environmental taxation will go in the same direction.
- ❖ Social fairness and social security can be simplified through the definition of a minimum living wage. This wage illustrates two facts: the global interdependency between people, and the level of productivity already achieved by Humanity, which makes us produce high above basic needs for all. This means that current social inequalities and the spreading of misery are just the expression of an income distribution problem, and of the lack of solidarity, not of the production of wealth.
- ❖ New sets of indicators replacing the archaic GNP will be on the dashboard of public authorities and communities, and help them measure their progress of their constituencies and policies in the different dimensions of sustainability (social, economic, environmental...). Education, health and culture, for instance, will be viewed as long-term investments contributing to sustainability, and not as charges to society.

To those items of public policies, solidarity economy can add the following:

- ❖ Reorganizing finance for the common good, as an immediate corollary of the above. Today finance mainly serves finance; money circulates unproductively in financial circuits. It is necessary to place finance under the custody of public authorities, and to manage it as a common good.<sup>xiii</sup>

- ❖ Legalizing the circulation of a variety of currencies, under social control, operating at several levels (local, regional, national), will serve as an instrument of economic active subsidiarity, and enhance community initiatives and participation.
- ❖ Aiming at well being and a balanced state of material and immaterial production, rather than simple economic or financial growth, will help Humanity find the path to sustainability, solidarity and cooperation. This means not only favouring a “dematerialization” of the economy, but also (re)defining, as human communities, new goals and values.
- ❖ The State is the ideal level to implement a new vision of wealth, based on sustainable livelihoods and well-being. It can express and operate it precisely through new systems of national accounting, new indicators and aggregates.
- ❖ Partnerships should be established between players in the economic and the political sphere, in order to discuss and elaborate policies that are adequate and adapted to the variety of national contexts, which will guide their evolution through time. Solidarity socio-economy initiatives can contribute with their own research and their own conclusions to the definition of those policies, along with research centres and policy makers.

### **Strategies**

- Base the action of the State on the principles of a legitimate and democratic governance: a land-based approach; active subsidiarity; organising the co-operation and synergy between actors; defining the rules for the economy; participation, transparency and accountability.
- Identify and spread socio-political innovations which are congruent with a responsible, sustainable and united economy.
- Establish partnerships between actors of the economical and political spheres
- Elaborate proposals for new economic public policies, on the basis of the principles of a solidarity socio-economy, with the support of appropriate research centres. Fields :
  - ❖ Tax reform, to reflect social and environmental costs
  - ❖ Social security reform and definition of a minimum living wage
  - ❖ Building new sets of indicators for national accounting systems, based on a new conception of wealth.
  - ❖ Reorganizing finance for the common good
  - ❖ Implementing a plural system of social money and complementary currencies.

## **Strategic Line 5:**

### **Build an efficient and legitimate Global Economic Governance**

We insisted in the previous strategic lines on the relevancy of an approach based on active subsidiarity and the promotion of ascending dynamics (reinforcing and articulating innovating practices). This approach is complementary to a global approach of the global challenges, necessary in the context of a multi-facet crisis (economical, social, financial, geopolitical, environmental, etc.). This crisis is also a crisis of global governance, as the existing multilateral institutions are facing a deep crisis of legitimacy and efficiency, while global threats on Humanity and the Biosphere are growing. Despite the shared consciousness of the emergency of facing this situation, no legitimate system of global governance has been set up.

There is a wide consensus among civil society on the necessity to define and build a new and legitimate system of global governance, which would respond to the major challenges facing Humanity and allow democratic and efficient regulations at all levels. In this new system, institutions responsible for the economic and financial aspects of human activities won't have the primacy over the other institutions, dealing with economic and social rights or the environment, but will only be one piece of the new architecture.

#### *From the failure of the current system to a new system of global governance*

For the representatives of civil society and the WSSE, the multilateral institutions which are today in charge of economic and trade regulations have failed and bypassed their legitimate mandates, while those which represent other aspects of common well-being, such as the environment, security, common goods or culture, are not endowed with any real power. The most powerful of those institutions, the International Monetary Fund, the World Bank as well as the World Trade Organization condition the financial and trade policies of the States, and now tend to regulate all aspects of human life, without taking into consideration its ecological and social dimensions. The Bretton Woods institutions have imposed structural adjustment programmes with disastrous effects for developing countries, without solving the problems they were supposed to answer to.

The multilateral trading system set up within the World Trade Organization, which continues the GATT mandate after the Uruguay Round, aims at liberalizing the trade of goods and services at all costs, and doesn't recognize any other national or international authority. The United Nations system considers wide aspects of human activities (from peace to culture, education, health, technology and the environment), but in most cases without any binding authority for the States or the economic players.

Several strategies have been proposed by the social and economic movements to face this situation:

- ❖ **The confrontation strategy** opposes whatever participation to current financial and trade multilateral institutions, and tries to torpedo negotiations in those institutions through mobilization and other types of action.
- ❖ **The reform strategy** seeks to change the rules of the game by reinforcing those global institutions that are under-powered in the current configuration (International Labour Organization,

UNCTAD and the United Nations itself) and the progressive international agreements (Biosecurity Protocol, International Criminal Tribunal, Kyoto Agreements, etc.), and strives to change the rules of the game in those institutions that are over-powered, through lobbying and training of representatives from the South (in the World Trade Organization, namely).

Economical and financial multilateral institutions are necessary in a legitimate and efficient governance framework. However a complete rebuilding of current institutions is necessary. Several complementary objectives to achieve can be mentioned at the moment:

- To check and balance the power of current financial and trade organizations through other international organizations expressing the rights of people, labour (ILO), of the environment and common goods.
- Get a deep change of multilateral financial and trade organizations<sup>xiii</sup>, be it through reform or replacement (depending on the political conjuncture), so that their mechanisms would be legitimate, and they would follow the rules of a sustainable economy rather than the interests of financial institutions and major corporations.
- Building up SSE as a global alternative, capable of proposing other economic and financial rules than the current ones.

#### *Building up SSE as a global alternative*

Reinforcing practices based on cooperation and solidarity, networking and articulating them at global level, can be an important contribution to the reform of global governance is to:

- Local and national solidarity finance systems and currencies should at some point gain the necessary momentum and cohesion to build an International Solidarity Finance System, which would be a step towards the reform of the current international financial system. By International Solidarity Finance System we mean the federation and articulation at the global level of national and local solidarity finance systems.
- By spreading at different scales, and through the subsequent influence it could gain on economic policies, Fair Trade networks would contribute to the definition of new trade regulations, based on the respect of labour, transparency, internalization of environmental and social costs, and solidarity. These new regulations will challenge the international trade rules defined within the framework of WTO.
- Socio-economic chains based on the principles of responsibility and sustainability, be they built by SSE initiatives, responsible companies or industrial clusters will also contribute to having new regulations emerge. Those movements will need the collaboration and complicity of local and State authorities to operate, grow and articulate. SSE strategies should thus aim at this articulation and building up, as well as cooperation with allied public authorities at all levels.

#### *How to face emergencies*

Building SSE as a global alternative is a long-term strategy. It will surely take time for responsible and sustainable economic initiatives to articulate and expand enough to build up and propose alternative models of global governance. And a satisfactory reform of multilateral institutions depends on ratio of forces in an indefinite time frame. But the survival of the human species also depends of the global answers to a situation that the current unbalanced set of global institutions, which can barely be labelled as a “system of global governance”, hasn’t help to solve, but on the contrary made worse.

It is thus now urgent to define the major priorities for humanity and set up emergency programmes, based on international mobilization. The current state of global insecurity is due to strong unbalances in modes of production and exchanges, which express themselves in long-term trends. The results of those trends are ecological and social disasters in many areas: climate, biodiversity loss in all ecosystems, silent and obvious contamination, water, soil degradation, poverty, pandemics, terrorism, war.

Emergency programmes are necessary to face each one of those challenges. They must not be imposed on the populations through any “enlightened dictatorship”, even ecological, but come from initiatives of all players. New economic movements should ally to ecological and social movements as well as involve civil society and public authorities to elaborate and propose global plans of actions to face those challenges. These will gain their true meaning within a new system of global governance.

#### *Rules for a new system of global governance*

While facing emergencies, it is urgent to build up a new balanced and sustainable system of global governance, based on new rules and institutions. These rules will reflect the values of cooperation, solidarity and sustainability, rather than competition, greed and scarcity as today. They will be based on legitimacy and society’s participation, and will ensure the common good and the satisfaction of basic human needs.

The new architecture will establish an efficient system of multiple checks and balances between institutions specialized in different but complementary areas. Current institutions will be either recycled (i.e. profoundly reformed) and their relationships in the global systems redefined, or dissolved. New institutions would be created, as necessary. The principles proposed for those new sets of rules have been presented above as the general principles for legitimate and efficient governance. The Alliance for a Responsible, Plural and United World suggests the following principals: a land-based approach, active subsidiarity, organising the co-operation and synergy between actors, defining the rules for the economy, participation, transparency and accountability.

The following areas, among others, should receive particular attention, in order to have more specific principles and strategies formulated for them: relationships between States and global governance, conditions for partnership between public and private actors, management of common public goods, management of intellectual property and knowledge, sustainability, integration of social and environmental costs.

### *Specific issues regarding current multilateral institutions*

International finance, debt, and trade regulations are areas that deserve specific mentions for their dysfunction within the current system, and for which strategies have been proposed by the WSSE, which should be refined in 2007-2008:

- ❖ Finance is tending to dominate the whole economic system. It is necessary to stress out that it is not an autonomous domain, but that it reflects the values and mentalities of society. Financial actors and practices must become accountable and follow the principal of subsidiarity.<sup>xiv</sup>
- ❖ The establishment of a **Currency Transaction Tax** is under discussion in several countries and could go to a development fund.
- ❖ The illegitimacy of a major part of the international debt of developing countries has been shown by multiple studies. **An International Board of Arbitration for Sovereign Debt** would help establish the genuine responsibilities, and ensure a fair settlement of the debt issues.<sup>xiv</sup>
- ❖ The media coverage of the financial debt is also a way to draw a veil on the **ecological and social debt** of industrialised countries towards developing countries. An **International Tribunal of Ecological Debt, Environmental Justice and Human Rights** is to be held in Dec. 2006 in Brussels, supported by a large movement of civil society organisations.<sup>xvi</sup>
- ❖ Farmers' movements and international NGOs agree to advocate that national States shouldn't be forced to abdicate their sovereignty within trade negotiations, but should be able to develop their economy in a sustainable way. The WTO should respect non-economic regulations and institutions, such as food sovereignty, human rights, and a specific management for common goods, among others.

### *Regional integration*

An important line of action for shifting to a new legitimate system of global governance is to build regional communities based on the principals mentioned above, as intermediary bodies between the national and the global levels. Solidarity and complementarities between nations express themselves worldwide, but perhaps at its best regionally. Nations that are close to each others usually share issues, cultures and sometimes conflicts. So it seems urgent that democratic and participative regional communities be established worldwide.

Current regional spaces (European Union, etc.) should be reformed to be democratic, open to the participation of civil society, cooperative and follow the rules of legitimate governance. Information and communication technologies already allow the existence of permanent public spaces for exchange and debate, beyond language and cultural barriers. Those tools should be used at national, regional and global levels to promote citizen participation and contribution to a legitimate global governance. Specific strategies should be elaborated for and by different regions of the world, depending on their level of development, geographical situation, current issues and agreements.

## Conclusion

As we are reaching the temporary end of this version of an ongoing work, it might be useful to present a short reminder of the areas that have been covered and those that still lack coverage after a year and a half of reading and systematizing proposals of the WSSE and the Alliance, as well as debating within the specific focus group for this work.

Among the assets of the WSSE work up to 2005, we shall mention: the valorisation and analysis of changes in socio-economic practices towards more responsibility and solidarity, and the formulating of the values and representations that underpin those changes, and will allow them to extend more widely; the thorough and non obliging examination of the limitations and challenges encountered by solidarity economy practices, and the elaboration of theoretical and practical proposals to face them; the affirmation of the necessity to build economics differently, and uniting theoretical items drawing some features of this new economy; the valorisation of practical tools allowing to make this new thought operational, such as social performance indicators for solidarity economy practices; a beginning of reflection on the concept of development, which it is essential to reformulate in order to give a new direction to human activity; the current integration of the notion of legitimate and democratic governance and of its principles, which should give it operational rules in the economical and political sphere; strong ideas contributing to proposals for a reform of global governance.

Several cross-cutting reflections have been launched by the WSSE during 2005, and will develop in 2006-2007, particularly: the issue of articulation of exchange scales, the notion of social responsibility of economic actors, the definition of indicators for another economy, the issue of international regulations. It seems necessary to arrive to concrete conclusions and proposals at the end of this period. The results of those reflections will be integrated in the new versions of this document.

Some areas haven't been covered enough by the WSSE works or by other workshops of the Alliance. A collective reflection appears specifically necessary on the issues of the role of the States and of regional integration processes, within the perspective of a responsible, sustainable and united economy. We can feel, in these areas, differences in perception and culture between contributors of the WSSE or of the Alliance, which it would be interesting to have expressed in the perspective of a constructive dialogue.

Finally, a deep reflection on some cross-cutting issues would probably give a broader theoretical basis to the reflection on a responsible, sustainable and united economy. Those issues are, for instance: the relationship between the economy and the living, between human activities and those of the planet. The complex issue of the articulation of exchange scales could also be built on the basis of a new systemic conception of economics.

## **Main acronyms**

PPCD: People and Planet Centred Development. An expression proposed by the author of this paper.

SL: Strategic Line. Pedagogical and conceptual division of the socio-economic agenda for the 21<sup>st</sup> century.

SSE: Solidarity Socio-Economy, a movement expressed in socio-economic practices that put into practices a set of values, such as: cooperation and solidarity.

WSSE: The Workgroup on a Solidarity Socio-Economy, a specific network for exchange of experiences and elaboration of proposals, which emerged from the Alliance for a Responsible, Plural and United World. For more information see [www.socioeco.org](http://www.socioeco.org)

## **References in note**

All documents mentioned as “proposal notebooks” or “notebooks” are produced by workgroups of the Alliance for a Responsible, Plural and United World, in 2001 or 2002. They are all edited or under edition by the Charles Léopold Mayer Editors, and available on the site [www.alliance21.org](http://www.alliance21.org) (in the “proposals” section).

- <sup>i</sup> “Solidarity Economy” Proposal Notebook; “International regulations in the context of a Solidarity-Socio Economy”, Marcos Arruda, Tokyo, 2003
- <sup>ii</sup> “Sustainable Finance” Proposal Notebook,  
« Finance et Société: antagonistes ou partenaires? » Paul Dembinsky, nov. 2005.
- <sup>iii</sup> Marcos Arruda, (2003)
- <sup>iv</sup> Solidarity Economy” Proposal Notebook
- <sup>v</sup> “Companies and Responsibility” Proposal Notebook
- <sup>vi</sup> “Social Responsibility of Economic Actors”: Presentation by Vincent Commenne, Porto Alegre, Jan. 2005.
- <sup>vii</sup> “Solidarity Economy”, “Social Money”, and other proposal notebooks of the Alliance for a Responsible, Plural and United World
- <sup>viii</sup> Those documents are available on [www.alliance21.org](http://www.alliance21.org)
- <sup>ix</sup> For instance: social responsibility of economic actors, women and economy, indicators for another economy, vision of an integrated socio-economy, articulation of exchange scales, etc.
- <sup>x</sup> What we have grouped around human dignity is emphasized in the SES proposals notebooks written around 2001, while ecological sustainability is a logical condition, as expressed by numerous sources.
- <sup>xi</sup> Solidarity Economy proposal notebook, Vision of a Solidarity Socio-economy workshop
- <sup>xii</sup> Marcos Arruda, (2003).
- <sup>xiii</sup> Marcos Arruda, (2003).
- <sup>xiv</sup> International Covenant on Economic, Social and Cultural Rights, adopted and opened for signature, ratification and accession by General Assembly through resolution 2200A (XXI) of 16 December 1966, entry into force 3 January 1976.
- <sup>xv</sup> Economy of Solidarity notebook
- <sup>xvi</sup> The WSSE proposal notebooks entitled « Sustainable Development », written in 2001, deals in fact only with international regulations.
- <sup>xvii</sup> Jean-Marie Pelt et Franck Steffan : *La solidarité : Chez les plantes, les animaux, les humains*, Fayard, 2004
- <sup>xviii</sup> Industrial Ecology notebook
- <sup>xix</sup> WSSE notebooks
- <sup>xx</sup> Notebooks : Principles of Governance ; Production, investment and technology ; Sciences
- <sup>xxi</sup> Notebooks : Science, Engineers
- <sup>xxii</sup> See the Web site of the International Cooperative Alliance: <http://www.coop.org/coop/principles.html>
- <sup>xxiii</sup> See Voir <http://alainet.org/docs/6286.html> or [http://vision.socioeco.org/es/documents/pdf/charte\\_rbses.pdf](http://vision.socioeco.org/es/documents/pdf/charte_rbses.pdf)
- <sup>xxiv</sup> Regulations refer at a higher conceptual level to governance, which is viewed in the Alliance for a responsible, plural and united world as “the regulatory system for that complex life form we call human society”, or “the societies’ ability to equip themselves with systems that are capable of managing interdependencies in a peaceful manner.” (Notebook on Principles of Governance). The relationships between SSE and governance are further developed in SL3 to 5, and in the paper for the Vision workshop of WSSE.
- <sup>xxv</sup> Notebook on Solidarity Economy
- <sup>xxvi</sup> The distribution terms of open-source software must comply with the following criteria:
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<sup>xxvii</sup> We can see emerge proposals concerning the relationships between SSE and the conventional sphere around the notion of social performance indicators for instance, but those proposals haven't been up to now further developed by WSSE. We suggest here a primer formulation.

<sup>xxviii</sup> Notebooks on Companies and Solidarity, Business Leaders, Engineers...

<sup>xxix</sup> This presentation is inspired by the second part of the last book by Fritjof Capra "Hidden Connections" (2002), which summarizes the work of numerous researches in this field..

<sup>xxx</sup> Notebook Companies and Solidarity

<sup>xxxi</sup> Notebook Companies and Solidarity

<sup>xxxii</sup> Contribution of the workshop on Social Responsibility of Economic Actors at the 2005 World Social Forum in Porto Alegre (Brazil)

<sup>xxxiii</sup> Notebook and other documents from the Industrial Ecology workshop

<sup>xxxiv</sup> Proposed synthesis for texts of Marcos Arruda (2003), Vision (2004), and Industrial Ecology

<sup>xxxv</sup> Territories notebook

<sup>xxxvi</sup> Territories and Principles of Governance notebooks

<sup>xxxvii</sup> Reflection inspired by the launching of the Indicators workshop

<sup>xxxviii</sup> Principles of governance notebook

<sup>xxxix</sup> Example given by numerous notebooks of the WSSE

<sup>xl</sup> Marcos Arruda (2003)

<sup>xli</sup> *Greening the North: A Post-industrial Blueprint for Ecology and Equity*, Zed Books, 1998.

<sup>xlii</sup> Sustainable Finance notebook

<sup>xliii</sup> International Trade notebook

<sup>xliv</sup> Sustainable Finance notebook

<sup>xlv</sup> Debt notebook, and first results of the new International Regulations workshop of the WSSE

<sup>xlvi</sup> New Environmental Justice, Ecological Debt and Sustainability (JADES) workshop of the WSSE