

ARGENTINA: Building a Solidarity Economy

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BUENOS AIRES, Feb 8 (IPS) - A solidarity economy is being built by thousands of workers in Argentina, in rural cooperatives, worker-run factories and small businesses linked by networks.

Now trade unions, universities and social, political and student organisations are calling on the various initiatives in the solidarity or social economy to come together to debate projects that would build on past experiences, as an alternative to the prevailing economic model that they say marginalises large sectors of the population.

In Argentina, there are many examples of organisations involved in economic activities whose chief aim is not maximising profits, and which have horizontal structures and are run in a democratic, participatory manner.

In fact, such examples "have existed in the country for over 100 years," states a report by the Central de Trabajadores Argentinos (CTA) central trade union.

Added to the "traditional cooperatives, mutual societies and other forms of association are microenterprises that operate on the basis of solidarity, joint purchases and many other alternatives that form part of the popular economy," the report adds.

After Argentina's late 2001 financial, economic and political collapse that triggered the worst depression in Argentine history, poverty and unemployment soared and solidarity economy initiatives mushroomed.

These have included regional cooperatives of small farmers, bankrupt factories that were abandoned or closed by their owners and reopened by their employees, self-managed companies, communities that have come together to find solutions to meet basic needs like health care, housing or food, and barter networks whose members trade goods and services.

"The social economy changes the rules of the game, which only seek to maximise the benefits for a few based on the accumulation of capital, while it attempts to improve the living conditions of workers and their families based on getting needs met through cooperation, solidarity and self-management," said Soraya Giraldez with the CTA's Studies and Training Institute (IEF).

"These experiences mark the possibility of advancing towards new forms of distribution of wealth," she told IPS.

Social economy initiatives find innovative ways of meeting people's needs, give participants experience in organising, and in some cases question key aspects of the current economic model, by putting the means of production in the hands of workers, for example.

The CTA and other institutions are attempting to create mechanisms and tools for providing technical assistance, training and support for solidarity economy projects, while providing

advice for setting up trade and cooperative networks.

Working alongside the CTA in this effort are the universities of Buenos Aires, La Plata and General Sarmiento, the Instituto Movilizador de Fondos Cooperativos, the Federación Agraria Argentina, the Centro Nueva Tierra, the local committee of the World Social Forum and a large number of non-governmental organisations (NGOs).

These organisations are also helping the left-leaning government of Néstor Kirchner to draw up work-fare schemes for the unemployed.

In addition, they are backing workers in recuperated factories in their struggle to obtain support from the public and private sectors.

But the overall aim of these organisations is to create links between the myriad initiatives, to help them avoid isolation and to bring them together in a unified political and social project.

So far, more than 20 productive and service endeavours in Greater Buenos Aires have provided information on their experiences, in order to set up a databank to create links and facilitate communication.

For the CTA, it is essential to forge a space in the IEF for offering training and technical advice to the various projects, and to help facilitate networking and exchange among themselves.

One key challenge is to identify obstacles to the social economy, which usually involve legal aspects or vacuums, since these projects create new forms of association. Other problems arise from tax and credit issues.

Matters on which the CTA and other organisations want to focus their efforts are access to soft credit, the recovery of companies that have gone under and public spaces that have fallen into disuse, and the creation of sales networks without middlemen.

The CTA also believes the state's commitment must go beyond welfare, and should be based on spending aimed at bolstering certain industries and reactivating regional economies.

"The social economy is not an economy of poverty," but an initiative that requires participation by the state, "which must adopt measures that tend to reduce the accumulation of capital in the dominant sectors of society," argued Giraldez.

She pointed out that "until José Martínez de Hoz arrived in the Economy Ministry (with the 1976 coup d'etat that ushered in seven years of military dictatorship), there were more than 200 solidarity banks in Argentina, and there are practically none left today."

According to the CTA, "the effects of the model of exclusion" that has been applied in Argentina are not only reflected in appalling socioeconomic indicators, but there has also been a disturbing disintegration of the social fabric.

Sixty percent of wage-earners cannot afford the minimum basket of goods and services for a family of four, and 250,000 have fallen into extreme poverty, which means they cannot even meet their families' food needs.

According to the National Institute of Statistics and Census, 44 percent of Argentina's 37 million people are poor, while 17 percent live in extreme poverty.

The richest 20 percent of the population receives 53.1 percent of all income, the middle 40 percent takes 34.7 percent, while the remaining 40 percent only takes in 12.2 percent.

According to Giraldez, "a political actor must emerge that is capable of generating proposals and has the power to press for and achieve its objectives. In other words, a collective that can bring about transformations."

Social economy projects are emerging in many countries of Latin America, especially Venezuela and Brazil -- both of which are governed by leftist administrations -- and Argentina should create links with these initiatives, she added.

With respect to access to small loans from abroad, Giraldez said that "if funds arrive, they will be useful to the extent that the conditions are created for the projects to become self-sustaining."

She also pointed out that not all social economy initiatives can cater to foreign markets, due to the difficulty of competing with large companies.

For that reason, said Giraldez, one of the keys to success is strengthening the domestic market, still depressed by high under- and unemployment, which affect 5.5 million people, or nearly one-third of the economically active population of 16.8 million. (END/2005)

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