

Solidarity Economics

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IFiL, Curitiba, 03/2007

A daring hypothesis: there is a global revolution underway. It is not led by any political party or vanguard. It has no military bases and its strategy is anti-belligerent. It mobilises millions of people all over the world. We know little about it. What we do know is that at the grassroots level of its mobilisations, organisation and popular education, there are thousands of movements and millions of people who have begun weaving collaborative networks of economic solidarity, creating channels and connections with the potential to bring together and strengthen local and global struggles. They are working collectively, from the bottom up, and democratically, building consensus while respecting reasoned dissent. We see these movements and their achievements everywhere, yet we know little about the power of this phenomenon, for at first they seem insufficient in number and size to change the world. And yet, I maintain: there is a global revolution underway.

The great political discovery of the 1990s was the idea of weaving collaborative networks among groups, movements and organisations through which to coordinate and share, not only our solutions and victories, but also our problems and challenges, our strategies and everyday practices. We were creating axes of struggle capable of bringing together the local and the global, the long and short term, as well as diversity and unity. However, while these collaborative networks were crucial, we had not understood their full potential.

Take the example of the World Social Forums; the WSF process is the tip of a giant iceberg hiding myriad collaborative networks and processes. The limit of the WSF

process is that it has not gone nearly far enough in developing world social networks. The forums are important moments connecting thousands of actors, opening up a significant flow of communication of the diversities that are inherent to these networks. Afterwards, even if participants are somehow informed by the new, collectively acquired experience, the flows of communication and actions essentially return to the previously existing plateaus.

While clearly important, processes and spaces such as social forums are not enough. Taking the global construction of collaborative solidarity networks as our strategic horizon means finding ways of promoting, reinforcing and expanding on such moments in more spheres of life and struggle. More than simply spreading information about proposals, and thus acting on the level of ideological debate, it is necessary to operate on political and economic planes, putting some of the proposals into practice. In other words, our daily economic practices must be part of the work of transforming global economic structures.

Beyond social forums and summit mobilisations, the defence of sovereign economies must happen in the choice of products we consume, and the ethical decision to employ our income to strengthen certain economic sectors rather than others. The same applies to our defence of ecosystems, and the choice to reduce the environmental impact of our consumption. The ‘good fight’ must be fought on the economic plane (not just in culture or politics). There is a revolution underway, but ‘to be winning’ means expanding and strengthening the collaborative processes that may form the base from which a possible post-capitalist society can emerge.

Solidarity Economy as the Material Base of Post-Capitalist Societies

Millions of people across the world practise solidarity economy. They work and consume in order to produce for

their own and other people's welfare, rather than for profit. In solidarity economy what matters is creating satisfactory economic conditions for all people. This means assuring individual and collective freedoms, generating work and income, abolishing all forms of exploitation, domination and exclusion, and protecting ecosystems as well as promoting sustainable development.

This network initially came out of successful practices of work and income generation, fair trade, ethical consumption, solidarity finance, and the diffusion of sustainable productive technologies. These efforts were, however, isolated. It was necessary for them to develop into collaborative networks that integrated these diverse actions with strategies that increased the potential of economic flows and the interconnections between them. This meant that solidarity finance could enable the emergence and maintenance of worker-managed productive enterprises that employed low-impact technologies and promoted the highest social benefit. The products of these enterprises started being commercialised in circuits of solidarity trade through shops, fairs, international fair trade systems and even internet sales. This in turn enabled consumers to replace the products and services they bought from capitalist enterprises with products and services produced within the solidarity economy, feeding back into a system of promotion of welfare for workers and consumers, environmental protection and sustainable development. Technologies such as free software and organic agriculture began being employed, developed and shared across these networks. Excess wealth produced in the circuit was reinvested, part of it in the form of solidarity microfinance.

However fast solidarity economy is developing, millions of people who fight for 'another world' do not practise or participate in it. First, because they are unaware of it; second, because of the relatively difficult access to the products and services produced within this other economy. Both difficulties can be quickly surmounted. The main obstacle is

cultural: to overcome a consumerist culture that prizes quantity, excess, possession and waste over the welfare of people and communities, we need to replace unsustainable forms of production, consumption and ways-of-life with the affirmation of new ways of producing, consuming and living in solidarity.

As they progress in the economic and cultural terrains of this revolution, solidarity networks will also advance in the political sphere – transforming the State, creating and reinforcing mechanisms of popular participation. There is no linearity in this revolution; each reality changes in its own way. But by virtue of their being-in-network, collaborative processes can communicate and learn from each historical experience, successful or not. The information technologies that facilitate their interconnection tend to become increasingly central to the State and the public sphere. This opens up the possibility of new processes and mechanisms of governance and shared management that can result from the combined effects of democratic revolutions in the cultural sphere with collaborative solidarity economic processes as its material base.

Challenges and Horizons

Of course, all is not that simple, and huge challenges and questions, both practical and theoretical, remain. For starters some key questions that are often posed:

– In what way do solidarity economy networks relate to their outside, the capitalist economy? Are these external relations based on competition? If that is the case, how can solidarity economy ‘win’?

– How can we make sure that the expansion of solidarity economy networks would not mean a loss of its initial principles? In general, in what ways can the networks themselves enforce their principles? And is the creation of jobs and incomes not more important than these ‘principles’?

— What distinguishes the defence of solidarity economy from a defence of localist forms of capitalism? Does it amount to more than a mere commitment to local welfare, and to what extent is that commitment not compatible with a local, ‘small-scale’ capitalism?

— How does solidarity economy move in the horizon of contemporary Latin American politics?

The more the solidarity economy expands and diversifies, and its flows and connections improve, the smaller the need to relate to non-solidarity actors. The underlying logic is to progressively reduce relations with non-solidarity providers and distributors, putting in their place relations with solidarity actors who then become integrated with the networks. While relating to non-solidarity actors, solidarity economy initiatives strive to select the socially and ecologically ‘least bad’ providers and distributors.

While some fear that an expansion of collaborative networks and solidarity economy would quickly replicate the competition-based mechanisms of non-solidarity economy, I believe it is the best strategy to ensure the ‘victory’ of solidarity economy initiatives over the rest. For the expansion itself affirms confidence in another economy, based on collaboration and not competition. As such, the focus should not be on developing strategies to push non-solidarity initiatives out of the market, but to multiply the number and diversity of solidarity actors to such an extent that it would enable a reorganisation of productive chains along which an environmentally sustainable and socially just economy could develop.

Thus, solidarity economy should not be confused with the capitalist mode of production. Some people mistake it for ‘local development’; and since capitalism is capable of promoting local development, they imagine solidarity economy can be reduced to that perspective of localism.

Capitalist initiatives of this kind have been successful in some cases, with significant support from State actors; but with time, the logic of concentration of wealth always ends up weakening local economic dynamism.

In turn, even if it is true that solidarity economy promotes territorial development, it cannot be forgotten that the way in which it does so is under the paradigm of wealth distribution rather than capital accumulation. The more wealth is distributed, through the practice of fair prices (in the commercialisation of goods and services as well as the remuneration of self-managed work), the greater the local welfare in general. These fair prices are fixed by the economic actors themselves – enterprises, producers, consumers who relate to each other directly in each transaction – in a way that is coordinated across networks. Solidarity economy is based on a set of values at once ethical and economic, that are materialised in concrete practices such as self-management, democratic decision-making about economic activity and the ecological reorganisation of productive chains. If all the important decisions are made in assemblies, it is highly unlikely that this self-management could result in the negation of the very democracy that founds it.

Among the main risks run by solidarity economy today, two are: the little understanding that progressive social forces have of it; and the incursions capitalistic forces have been making around the notion of solidarity, attaching it to the idea of social responsibility. Many thus conclude that solidarity economy is simply a form of capitalism that takes social responsibility seriously. This prejudice, particularly within the left, along with certain sectors of the right, turns the burden of proof against solidarity economy, forcing it to present justifications regarding its historical possibility rather than drawing the debate to the effectiveness of its present historical reality – one where workers have become owners of self-managed enterprises and decide democratically what to do with them, collaborating with other enterprises in ways that are advantageous to all. On the

other hand, solidarity economy actors looking for funding from public, particularly State bodies, tone down the antagonistic and revolutionary character of this new economy, creating room for ambiguous readings that allow them to be lumped in with social and environmental responsibility talk. Moreover, while the debate rages on about whether the values of solidarity economy will not get lost along the way, large chunks of progressive social sectors still consume non-solidarity products without questioning the effects of their consumption, which feeds back into local and global capitalist circuits.

Nonetheless, in Latin America, solidarity economy is advancing quickly, learning from both its mistakes and achievements. In Argentina, for example, after an initial explosion in the number of barter groups with their own local currencies – which at one point reached over two million participants and some surveys suggest three to five million – these networks quickly declined in size again. The seriousness of the impasse led to the emergence of a new national network of solidarity barter, with improved organisation and methodology. In Brazil the lessons from Argentina and other places led to the creation of community banks that operate through social currencies locally issued and circulated, which are, as opposed to the Argentinian case pre-impasse, guaranteed against reserves with solidarity micro-credit funds. In Venezuela, the Brazilian experience has inspired the ongoing organisation of a network of community banks that issue local currencies. In Mexico, a system of exchange has been developed where social currencies are no longer issued on paper, but registered as electronic credit on smart cards that allow for the transactions to take place through networks of data communication. In Brazil, the electronic system developed enables the realisation of transactions both with non-guaranteed currencies, which circulate only within a group of users-issuers, and guaranteed ones, as a form of payment between any users of the system, without the need for smart cards.

We can thus see that these experiences, both through their successes and their failures, have been a valuable source of knowledge: thanks to the flows of communication among collaborative networks, solidarity economy in Latin America has been capable of growing.

Conclusion

In Brazil 1.2 million workers are, integrally or partially, involved in solidarity economy and 1,250 enterprises have appeared in the last five years. This may not seem much, but this is a phenomenon that has grown over the last decade – reflected in a growing awareness of participants themselves, as shown by the proliferation of solidarity economy forums all over Brazil and the world, and the parallel intensification of transactions within the sector and the advance in its political expression.

If for many it is only a utopia, an ever-receding horizon of hope, for millions of others solidarity economy is a way of working, producing, commercialising, consuming and exchanging values. It is a way of satisfying individual and personal needs in the interest of the welfare of all. It is the material base of the network revolution.

Solidarity economy is the base of a new mode of production that propagates itself through the network revolution. In this sense, ‘we are winning’, because solidarity economy is in expansion, networks proliferate everywhere and their capacity for political action increases – one can see this in the wave of popular governments that have been victorious in elections all over Latin America. But this revolution depends on our ability to keep connecting and expanding into ‘networks of networks’, ‘movements of movements’, bringing local and global together. Our everyday practices must be guided by principles of solidarity, and our choices must be in agreement with the world we want to build. For that, we must strengthen the circuits of solidarity economy.

Translated from Portuguese by Rodrigo Nunes

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