



Constructing a Sustainable Future: Exploring the Strategic Relevance of Social and Solidarity Economy Frameworks

by Mike Lewis
Centre for Community Enterprise
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For further information, contact the Centre for Community Enterprise, PO Box 1161, Port Alberni, BC V9Y 7M1 (tel) 250-723-1139 (fax) 250-723-3730.

Website: www.cedworks.com

email: ccelewis@island.net

Author Information

Mike Lewis is the Director and Lead Investigator for the B.C.-Alberta Social Economy Research Alliance. Mike has a long history in community economic development and social economy practice, policy development and research, both in Canada and internationally. He is the Executive Director of the B.C., Canada-based Centre for Community Enterprise and Managing Director of the Canadian Centre for Community Renewal. Mike also serves as editor of ***Making Waves***, a quarterly magazine on community economic development.

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Notions of Economy in the Context of Emerging Global Challenges

Late in 2006, I met with Tony Clarke to probe his views of the key trends he felt we had to take into account if our work was to be relevant in the decades ahead. Tony is a well-known Canadian leader in the International Forum on Globalization and long-time movement organizer and researcher/writer on Canadian and global issues. Having worked closely together in the 1970s and early 1980s in a variety of faith-based social justice coalitions, our paths diverged 20 years ago. He continued his national and international coalition-building around issues such as free trade, the multi-lateral agreement on investment, corporate concentration, water, etc. I turned my attention to a more local and regional focus, trying to help figure out what “on-the-ground” economic alternatives might look like.

It is useful to recall the economic and political discourse in North America (and parts of Europe) during this period. The focus was devastatingly simple: it consisted of linking freedom of the individual with the trinity of free markets, free trade, and free movement of capital. In the 1980s, these “freedom” themes found champions in the cross-Atlantic trio of Reagan, Thatcher, and Mulroney. Slashing government services, cutting taxes, peeling away strands of the social safety net, and privatizing public services became commonplace. In North America, negotiating the Canada-US Free Trade Agreement was a victory for these forces.

The extension of such thinking stretched beyond the boundaries of economics. Indeed, the role of community and society in human affairs was trashed in favour of a kind of hyper-individualism,¹ starkly depicted by Britain’s Prime Minister Margaret Thatcher, with her 1987 pronouncement: “There is no such thing as society. There are just individuals and their families.”² Little wonder that social justice and environmental protection goals were relegated to the margins; they were irritating distractions from the “real work” of freeing the marketplace so it could perform its magic.

Thirty years later, the implications of this “free” market are beginning to explode into public consciousness. Masses of people feel threatened by an uncertain future. The changing tone of economic and political discourse across the globe is palpable.

Perhaps not surprisingly, Tony and I had little debate on what today’s key concerns are: climate change, peak oil, the accessibility and quality of both food and water, and the deepening chasm of wealth and income both within societies and between the static populations of the “rich” north and the burgeoning and very young populations of the “poor” south.³

The evidence of these concerns is well represented elsewhere⁴. Discussions of their implications abound. Human society, from the individual and local to the multinational and global, is facing unprecedented challenges to transform behaviours, practices, and systems that are profoundly out of sync with planetary trends that threaten countless species, including ours. The discomfort of this realization is one of the two major motivations underlying this paper.

Social Economy? Solidarity Economy? Rubbing Against North America’s Cultural Grain?

The second motivation flows from the tremendous body of practice and talent associated with a range of movements captured by such phrases as community economic development, economic democracy, social economy, worker ownership, co-operative economy, fair trade, and sustainable community development. Reinserting social goals into the heart of our economic life—an agenda contrary to the economic model of the last four decades⁵—is the central theme that connects them. While many have

roots in the 19th century struggles of people relegated to the margins by the industrial revolution, others have grown out of the modern “margins,” where failures of free market orthodoxy have created spaces where people had few options other than trying to invent economic alternatives.

The concepts of the social economy and, more recently, the solidarity economy, are being proffered as frameworks for advancing the “on-the-ground” construction of economic alternatives springing up across the globe. However, outside of Quebec, neither the solidarity economy nor the social economy are in the common vocabulary.⁶ Even among practitioners and activists in the various movements cited earlier, one seldom hears either the social or the solidarity economy invoked. In contrast, in parts of western Europe and Latin America, and to a somewhat lesser extent in parts of Africa, both terms are actively applied to a range of socio-economic-cultural development strategies, activities, and structures ranging from the very small and local to the very large and global.⁷

Given that linking social and solidarity language to economics is certain to rub against the cultural grain in North America, it is legitimate to ask why one should bother at all. Why not just choose language that carries little or no risk of alienating possible allies? Why not use, for example, cooperating, or collaborating for community betterment, or community-building? After all, the huge challenges involved in improving the common round of daily life require strong alliances across sectors and constituencies. Why not just concentrate on doing the work and let the academy worry about its conceptual foundations? Even within the small practitioner and research community conversant with the discussion, some express worry that such discussion can be a divisive distraction that draws energy from the work. Others think the discussion is overdue, that embracing the opportunity to explore the conceptual boundaries of our work helps us clarify our assumptions and ultimately improves our practice and our policy formulations.

The author’s response to these anxieties are several. First, the audience for this paper is made up of those already engaged in the work, people who are actively inserting social goals into economic decision-making and production activities. Space to critically reflect on their work facilitates mining this rich resource. Second, whether or not to use the language of social or solidarity economy in various practice settings is a legitimate tactical decision. Alienating people unnecessarily makes no sense. Such debates need not be taken into the public domain in an undisciplined fashion. However, to allow fears to block exploring the potential conceptual richness, inclusivity, and productivity of these formulations is equally unwise. Third, our assumptions are embedded in conceptual frameworks that shape the way we think, the terrain we consider when planning, and therefore our strategies and actions. Fourth, innovation is bred by those with the courage to question assumptions—their own and others’. Those prepared to step outside of their comfort zones, who believe that continuous experimentation and learning is called for in uncertain times, are key to charting fruitful pathways into an uncertain future.⁸

At the end of the day, the thinking, research, and elaboration of the ideas in this paper are animated by one central pre-occupation: the belief that re-embedding social goals into the heart of our economic life is crucial, and that placing both into a proper and durable relationship within the ecological limits of our planet is our most present and urgent meta-priority.

Probing the Contemporary Roots of the Social and Solidarity Economy Discussions

There are many strands of thought, theory, and practice that could be traced as being among the influences prompting people to seriously contemplate the notions of the social and the solidarity economy. For example, one could invoke Kropotkin’s work on self-help and mutual aid, or Polanyi’s meticulous and persuasive analysis of economic history through which he argues for re-embedding the economy in its social context. One could also invoke the long history of the co-operative and labour movements in tempering the excesses of 19th and 20th century industrial capitalism; at least

they achieved partial success in re-inserting people's rights into the economic equation. Marxist analysis is yet another strand that has informed critical thinking about societal dynamics.

However, most people do not act on the basis of a historical or theoretical rationale; rather, their interest arises from their lived experience. It is from concrete and diverse struggles, often expressed through various movements, that it is possible, today, to utter the words *social, solidarity, and economy* in the same breath. There are several threads of activity prompting such discussion.

Resistance to the Impoverishment of Life

Since the late 1960s in North America, there have been thousands of local, regional, and national examples of citizens, communities, and organizations actively resisting the cultural, economic, and political forces that marginalize human, community, and ecological values. Since the mid-1990s, aided by the communications power of the internet, resistance movements of various kinds have been converging into a tapestry of global level action. Examples include successful opposition to the Multilateral Agreement on Investment; the emergence of the World Social Forum as a space for imagining another globalization; resistance to policies promulgated through the World Trade Organization, the World Bank, and the International Monetary Fund; and more recently, the expansion of global networking around climate change and water-related issues beyond the work of environmental and specialized scientific organizations.⁹

Across these movements, one can discern the urgent call for a radical paradigm shift: a global society polarized in wealth, income, and power, and rapidly degrading the ecological resources it depends on is neither sustainable nor acceptable. In this context, solidarity is couched most often in terms of *social and political change* and in *values that invoke human and ecological survival*. Economic discussions, while varied and often very sophisticated, often focus on the negative impacts of macro-economic policy; for example, the destructive structural adjustment policies of the IMF on indebted nations, or the favouring of multinational corporate interests in WTO trade rules, to name two. Alternatives put forward concentrate on macro-policy change involving governments and international institutions, for example debt relief for developing countries, the "Tobin tax" on speculative currency trading, WTO trade rules reform, etc.

Constructing an Economy where Social Goals and Ecological Values Count

Resistance to unjust systems of power and the posing of alternatives at the macro level are very important. However, equally important is the work of constructing alternatives on the ground. They are two facets of the same struggle: to shape a way of living that is more just and that is sustainable. The energy and stamina to seed a different kind of economy is most often born in settings where livelihood, or community, or the consequences of environmental degradation are felt most acutely. In difficult times, hyper-individualism is a liability. The great variety of experimentation and innovation born of unrest is fed by connection and cooperation. Segments of labour, community, civil society, and business can all be found working hard to forge economic initiatives that intently advance social and ecological sustainability.

Some of the work and learning of the last 40 years is slowly becoming linked as people broaden their alliances to scale-up success where it has occurred, and to understand more clearly what is blocking success where it is obstructed. It is within the confluence of this lived experience that the discussion and debate about constructing a solidarity economy is being initiated in North America. The threads being drawn together in the United States and Canada are briefly explored below.¹⁰

The United States

In the 1960s, the US civil rights movement organized on a mass basis to advance the political rights of African-Americans.¹¹ It achieved much that was important. However, in many economically depressed neighbourhoods across the country, leaders recognized their victories were only partial.

Political rights did not guarantee economic rights. Economic decisions were made elsewhere with little or no reference to local interests or the interests of African-Americans. In the 1970s, the process of de-industrialization began to take hold in major centres, such as Chicago. Out of this context, different strategies emerged to try and increase the economic influence of disadvantaged communities and populations.

One strategy was to organize marginalized segments of a community to fight for economic equality and redistribution. The story of “Operation Fight” in Rochester, New York, was a bold and successful story of the African-American community very publicly taking on the largest corporation in the city, Eastman Kodak, to open up jobs for black people. The method was clear: Define the issue, define the power structure, define the enemy, and then launch a major public campaign to win the issue. While single-issue organizing is still used as a means to mobilize change, the Industrial Areas Foundation, founded by the late Saul Alinsky, the most famous American tactician of this strategy, now dedicates its resources to build mass citizen-based organizations at the local and regional levels that are able to mobilize political pressure on decision-makers to act in the interests of disadvantaged areas and populations.

Another key strategy that emerged in the 1960s was the building of democratic community-based organizations to advance social goals using economic means as well as social action. They became known as “community development corporations” and are seen to be agents of community economic development. They focused on building a collective vision, establishing community priorities, formulating strategies to address them, and then mobilizing to secure the resources needed to revitalize and renew the neighbourhood or region they operated in. Typical priorities included affordable housing, training people, building businesses in depleted neighbourhoods, making the streets safer, providing needed services like day care or elder care, improving access to credit, etc. The race riots of the late 1960s accelerated political interest in this approach. Bobby Kennedy played a key role in launching federal legislation and funding to help scale-up the model. Today, there are about 4500 CDCs across the US.¹² However, their role as agents for economic empowerment is questioned by some. Reductions in federal funding led many in the 1980s to become housing developers just to survive. They acquired great skills to acquire, rehabilitate, and build new houses, a worthy contribution, to be sure. The critique is that they lost their edge in terms of their original role as social change agents¹³, although there are some notable exceptions.¹⁴

Related to this agenda of community empowerment and control are several other networks that represent activists and practitioners engaging or specializing in particular sectors or employing specific tools. A few examples serve to illustrate the range.

The Community Land Trust (CLT) is a form of legal title designed to permanently preserve the use of land for specific purposes. Affordable housing activists in the US started to use CLTs as a tool to effectively remove land from the market, thus separating the ownership of the “God-given” land and the “human-made” building, and ensuring long term affordability by side-stepping speculative, unearned income based on accelerating land values. The Institute for Community Economics (ICE) was formed in the 1960s to provide technical assistance to community land trust projects and organizations across the US.

This movement spawned another. Given that land in a CLT cannot be sold (only the housing on it), it was very difficult to get financing from conventional sources. ICE bootstrapped a revolving loan fund with capital donated or lent to it by socially conscious investors. From this small beginning, what became known as community revolving loan funds were started in communities across the country. ICE headed up an effort that gave birth to the National Association of Community Development Loan Funds that, over time, was built on by successor associations¹⁵ that have leveraged several billion dollars for low-income citizens and communities.

In Chicago, people living in poor neighbourhoods could not get consumer loans or housing mortgages. Activists undertook research that clearly showed that poor people had savings, in fact, several tens of millions in savings in the neighbourhoods studied. However, they could not get loans from the banks they deposited with and their capital was channelled into better-off areas with *less risk*. Once unmasked, the resulting political lobby led to Congress enacting the Community Reinvestment Act. It required banks to demonstrate significant reinvestment in the communities their deposits came from. Failure to do so has real consequences. As a result, hundreds of billions in credit has been redirected over the years to affordable housing, minority enterprise development, and neighbourhood revitalization.

One can cite many other examples. The emergence of a new generation of worker co-ops recently (2004) led to the formation of the National Federation of Community Development Credit Unions. These are rooted in the poorest communities in the US. There are 225 local credit unions that together have a modest but nevertheless impressive \$4 billion plus in assets.

Starting in the 1970s and accelerating in the recession of the early 1980s, industrial plant closings across the heartland of America led unions to forge new approaches to protecting jobs. Becoming owners emerged as a serious option. Labour, often working in alliance with other sectors of the communities they lived and worked in, successfully provoked and guided many factory takeovers by workers, so much so that the body of expertise accumulated and the industrial firms now owned by workers became nationally networked into the Federation for Industrial Retention and Renewal.

The experience of the last 25 years in building labour-community coalitions to stem the decline of American manufacturing has been the central priority of the Chicago-based Centre for Labour and Community Research (CLCR). Grounded in the philosophy of economic democracy, a riveting commitment to research informing action and critical analysis of both failures and successes, CLCR is becoming a central contender advancing what may well be the next generation of thinking and action. There is little doubt that their vision and practice are important influences in the discussion of the solidarity economy introduced in this paper.

CLCR has no hesitation calling for resistance to the short term, life-damaging, growth-addicted features embedded in what they call *low road* capitalism. The significant part of the business community that has turned to speculative, short term investment only tangentially related, if at all, to productive activity is a key feature of the *low road*. Yet CLCR will not abide an opposition-only stance. Like the social economy activists in Quebec, they are prepared for opposition when necessary, but prefer proposition as a long-term strategy. They favour what they call a *high road* strategy where labour and community contend in the marketplace as owners and activists intent on constructing business, labour, and community partnerships driven by the values of justice, inclusion, balance, ecological sustainability, and financial viability.

Canada

The co-operative movement has deep roots in Canada. In the first half of the 20th century, the concentration of economic power in the hands of wealthy, self-interested elites, led people to fight back. Fair prices for workers and producers led fishermen and farmers to organize co-operatives capable of achieving better prices and greater stability. Having access to fairly priced food and fuel was the motivation for the organization of consumer co-ops. Banks that denied thousands credit to buy a house, run a business, or buy basic consumer goods led people to organize credit unions where member savings could be pooled and where the decision makers were democratically elected. Millions of Canadians are members of co-ops today.

Despite this success, many critics of the credit union and co-operative movement would say that they have lost touch with their roots as agents for positive social change, that they have become indistinguishable from the private sector. However, this is changing. In many parts of the country,

new entrants into the co-op movement are organizing around a more activist vision that is mobilizing capital and capacity to seed a new generation of co-op development. Although by no means yet pervasive, such shifts are evident in the work of the Canadian Co-operative Association, some of its provincial affiliates, the Worker Co-op Federation of Canada, and several activist credit unions. This includes some of the largest, such as VanCity Savings, which has over \$10 billion in assets, as well as smaller credit unions, such as the members of Alliance des Caisse Populaires d'Atlantique in the eastern provinces.

In the last 30 years, community economic development has emerged as a distinct field. In 1975, in a depleted industrial town on the island of Cape Breton in Nova Scotia, a group of citizens led by a Catholic priest started New Dawn Enterprises, Canada's first community development corporation. Inspired by the US experience, these people started by collectively putting their personal assets at risk to finance the acquisition of a commercial building they then converted into affordable housing and a space equipped as a dentist office, of which they had none on the island. They went on to build one enterprise after another, driven by a mission to transform marginalization and dependence into pride and self-reliance. Today, New Dawn Enterprises is self-sufficient, has approximately 200 employees in its various enterprises, and has founded many other organizations, including loan funds and training institutes, that have become vital actors in the challenging job of revitalizing a depleted economy.

In Quebec, the US experience also inspired the evolution of community economic development corporations (CEDC) in eight neighbourhoods of Montreal, as well as in four other major urban centres in Quebec. The first of these started in Montreal in 1984 in the most impoverished neighbourhood of the city. Community organizations and citizens organized against real estate developers and the city's mayor, who wanted to solve the area's problems by building up-scale housing for the well off. After a lengthy battle, they won and then started to organize an alternative. Over several years they expanded their reach to five neighbourhoods and built a multi-stakeholder community economic development corporation called RÉSO. They built new sources of credit. They helped hundreds of businesses survive. They trained thousands of people for specific skills needed in the local labour market. They fought to ensure that the priorities of RÉSO's 300 organizational and 1500 individual members were clearly and powerfully brought to light in every decision-making table relevant to neighbourhood interests. More recently, between 1997 and 2003, RÉSO helped start 41 social enterprises, collectively owned firms dedicated to using business means to meet social goals. Five hundred jobs were created. Today, they are no longer fighting to stop the decline of the neighbourhoods; they are mobilizing to manage growth to ensure that the social and ecological health of the community is enhanced.

These kinds of initiatives inspired many others, including the Centre for Community Enterprise (CCE). In 1990, CCE with partners in Quebec, began to research what was working in urban areas and to contemplate how success might be scaled up. One thing was clear: a national network was required to create the focus and political base to advance the scaling up of innovations having durable impacts in disadvantaged communities. In the years that followed, CCE and like-minded colleagues took every opportunity to speak, train, write, and actively help build new organizations based on what was being learned. By 1997, 16 leaders of key organizations and individuals decided to form the Canadian Community Economic and Development Network. In 1999, it was incorporated. Eight years later, there are over 700 members representing about 7000 organizations, including several key organizations such as the Canadian Co-operative Association and the Canadian Worker Co-op Federation, as well as several provincial CED Networks.

In Quebec, which now has CED organizations across the province, the movement took an important turn in 1996. With a financial crisis brewing in the provincial government, and social movements on the streets demanding action to reduce poverty, then-Premier Lucien Bouchard called an economic summit. Traditionally, business, government, labour, the large co-op sector¹⁶ were well represented.

More recently, limited participation was invited from certain social movements. However, at the 1996 summit, the social movements, the CED and new generation of cooperatives were at the table. It is out of this incredibly creative convergence that a term little-known outside of a few academics in Quebec and Canada was launched as a possible way of moving forward: the “Social Economy.” A task force was set up and within one year the Chantier l’économie sociale was born.¹⁷ This network of networks gathered around a single table CED, co-operative, labour, social movements, finance organizations and, more recently, emerging social economy enterprise sectors such as recycling, day care, health, forestry, community radio, and cultural social enterprises. “Chantier” in French means “construction site” and that is exactly what it became, a construction site for expanding the social economy in Quebec. Promoting and creating the environment for the growth of social economy enterprises is the Chantier’s central priority. They assert five key principles.¹⁸

- The objective of the social economy enterprise is to serve its members or the community, instead of simply striving for financial profit.
- The social economy enterprise is autonomous of the State.
- In its statute and code of conduct, it establishes a democratic decision-making process that implies the necessary participation of users and workers.
- It gives priority to people and work over capital in the distribution of revenue and surplus.
- Its activities are based on principles of participation, empowerment, and individual and collective responsibility.

Based on these principles, one can see that the social economy is not a new concept, neither in Quebec, in Canada, nor in the rest of the world. In fact, as noted earlier, it is clear that the social economy has been part of the Canadian landscape for over a century. Nevertheless, recent results are impressive in a province with only 7 million people:

1. In the last 10 years, 20,000 new jobs have been created.
2. Between 1998 and 2004, the local development centres located in small regions across the province have helped launch 3765 collective enterprises.
3. Several specific sectors of the social economy have grown significantly:
 - a. Today, there are 170,000 daycare spaces employing 40,000 workers.
 - b. Social enterprises in the domestic aide field now have 8000 workers across the province.
 - c. Some 50 recycling enterprises employ 1000 workers
 - d. 10,000 new co-operative and non-profit housing units have been built.
 - e. There are 1125 new jobs for people with disabilities, and the list goes on.
4. At least \$755 million is invested in social enterprises, growing from \$28 million in 1996 to \$114 million in 2005.

Today, there exist more than 7300 collective enterprises, excluding the agricultural and financial co-operatives, that represent 4% of the GDP and have annual revenues of \$4.3 billion.

Perhaps even more profound is the cultural change taking place. There is nothing simple about mobilising and facilitating social actors to work closely together—unions, community groups, women’s groups, environmental militants, fair trade activists, international development agencies and some private sector actors—in a movement for a more democratic, pluralistic, and inclusive economy. They have been able to do it in part because they have built their movement with a capacity to both resist and build. In 2004, with a new Liberal government in the province that wanted to throw out the previous government’s \$5-per-day public daycare policy, the daycare sector with the Chantier spearheaded organizing 25,000 people to be on the street within one week of the Premier announcing

his intent. They won. However, as Nancy Neamtan, the President of the Chantier has said in many speeches, “we are working even harder on figuring out what is right and trying to do it.”

The foregoing illustrates the contemporary roots in Canada and the US of several strands of strategy and action that have the potential to converge into a broader and more deliberate movement to reinsert social and environmental goals into the heart of our economic life. Its expressions are many: community development corporations committed to the revitalization of a particular territory, social enterprise creation, worker take-over of businesses, development finance organizations creating more flexible and accessible financing tools, and, more broadly, coalitions and networks of networks committed to broadening and deepening economic democracy, social economy, and the solidarity economy. It is against this rich backdrop that the dialogue aimed at clarifying the social and solidarity concepts is taking place.

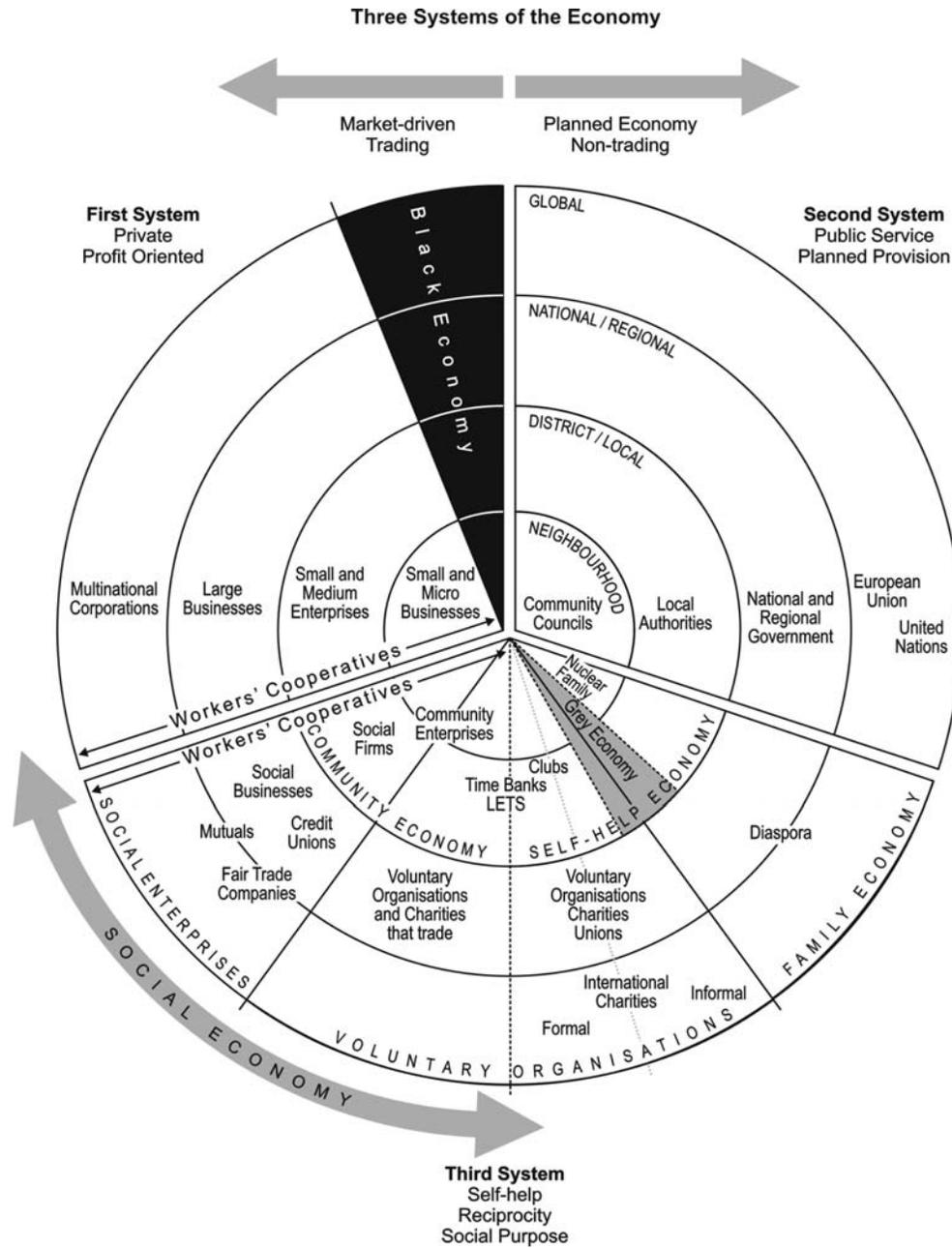
Exploring the Conceptual Terrain

The term “solidarity economy” is finding its first North American expression in a new network that is just emerging: the North American Network for the Solidarity Economy (NANSE). It brings together Canadian and Quebec networks with some regional and national networks in the US. Even though its first 20 members represent several thousands of organizations and individuals, the work of building the network is at a very early stage. Indeed, a full discussion of the solidarity economy has hardly begun; the group involved is small and even in their respective networks the discussion is not yet far advanced. However, the outlines of the dialogue are starting to emerge.

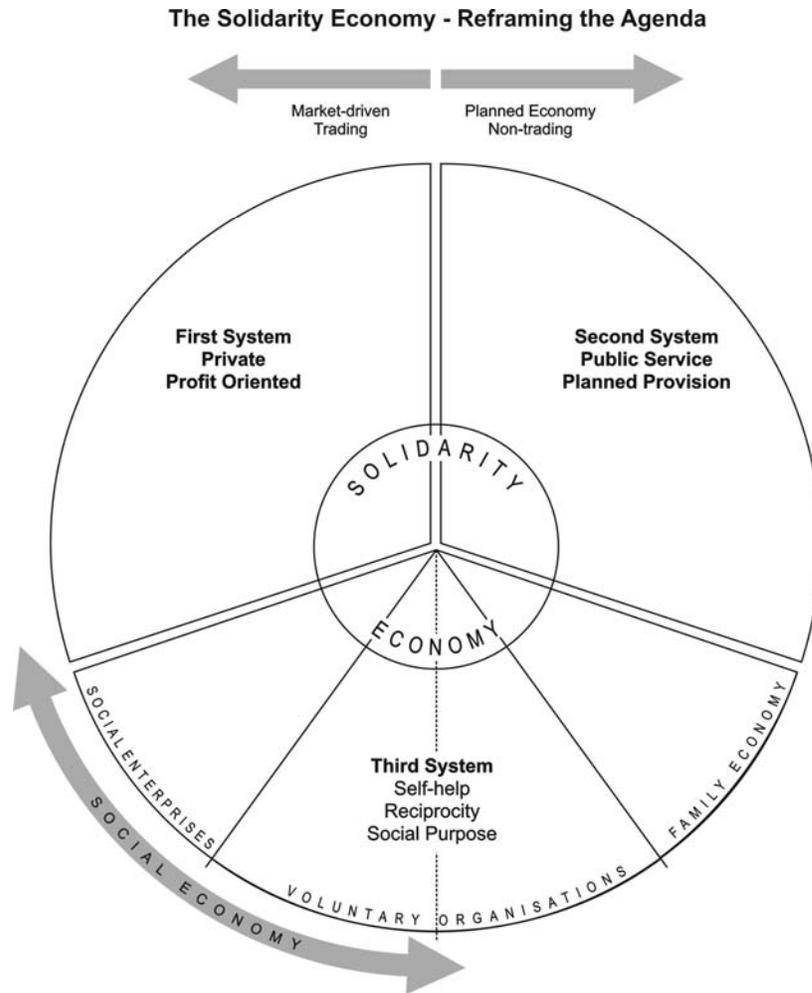
The solidarity economy is conceptually located at the intersection of the private, public, and social economy sectors. Whereas the social economy is often referred to as the third sector, occupying the societal space between the public and private sectors, the solidarity economy is being defined as explicitly involving all three sectors. The difference between the two concepts can be expressed graphically.

Graphic one, (see below) designed by John Pearce,¹⁹ places the social economy within what he calls the “third system.” This is a useful depiction; it includes the voluntary sector, a range of associations including trade unions, and the family economy. In broad terms, they share certain features: an orientation to self-help, reciprocity, and realizing social purpose through various types of organization and association. Within this broad canvass, the social economy is situated as a sub-set of the third system; it features using market-based trading activities to meet social goals. The Quebec definition of social economy enterprise advanced by the Chantier l’économie sociale is conceptually consistent with the Pearce conception. The boundaries between the private (1st system), public (2nd system), and “third system,” while permeable, remain conceptually distinct; their differing interests expressed as private profit, public service/planned provision and self-help, reciprocity,²⁰ and social purpose.

The *Social economy* depicted in Graphic One below represents a broad social consciousness within civil society where the interests of the poor, immigrant, worker, and women’s groups are explicitly recognized and integrated into production settings through various types of social enterprise, including co-ops. Within these boundaries, there are different perspectives of the role of the social economy in social change. The reformists generally focus a lot of attention on seeking greater allocation of resources to better support the marginalized constituencies their work seeks to empower. Part of making this happen leads to a secondary goal; attaining equal standing as the third sector alongside the state and market.²¹ A more radical perspective views the social economy movement as a transformative strategy, a construction site for practical strategies, tools, and institutions capable of challenging neo-liberal hegemony in the market and in the state.



In the diagram below,²³ the solidarity economy is depicted as a small circle cutting across the boundaries of the three systems. However, the aim is large: to compete against the dominant *low road* development paradigm, expanding the reach and scale of *high road* strategies across the entire society. This cutting of the conceptual cloth somewhat differently parallels the transformative view of the social economy.



While inclusive of the three systems of the economy, it advances the idea that the boundaries need to be reconceived, not from the perspective of the three economic systems themselves, but rather from the perspectives of informing strategy and action. From the vantage point of strategy, what becomes important is not so much what part of the three systems one occupies, but whether commitments and actions within any one of the three reflect the “life-damaging, growth-addicted features of *low road* capitalism” or whether they reflect *high road* strategies where “*the values of justice, inclusion, balance, diversity, ecological sustainability, and economic viability*” are actively shaping decisions.

This approach renders the social economy and the solidarity economy as complementary. Both share common values. And, if one views the solidarity economy as an approach that is explicitly seeking to contend for *high road* values and practices in all three “economic systems,” the complementary relationship is accented. Indeed, it has already been argued within early NANSE discussions that the social economy should be seen as the kingpin in forging an economy where solidarity is the central attribute; after all, social economy organizations are the only market-based organizations presently placing social goals at the centre of the development equation.²⁴

As a strategic approach to transformation, the idea of the solidarity economy significantly expands for many in the social economy what is considered to be the legitimate terrain of engagement. The depiction of the social economy as the third sector, or as a part of the “third system,” may be fine with respect to conceptually representing the economy as-is, but it is too conceptually restricted to adequately inform strategy and action, particularly in light of peak oil and climate change, the implications of which cut across all segments of human society.

This re-cutting of the conceptual cloth has potentially profound implications for the scope, targets, and criteria that guide alliance-building. One central implication is that actors within any one of Pearce’s *three systems* can follow either a *high road* or a *low road* strategy. Values, policy, and performance are the distinguishing features. Strategy based on this premise thus promotes solidarity and common action across community, labour, business, government, finance, and educators, directed towards goals rooted in *high road* values.

The conception of the solidarity economy being advanced is also profoundly internationalist.²⁵ It seeks to understand and apply best practices from around the globe and promote development of all communities. While building the capacity of human beings and their communities permeates the approach, attention is not confined to the local; international projects that reflect the *high road* are seen as being important avenues to pursue.

Interestingly, this beginning elaboration of the solidarity economy within North America has its parallels in intense multilingual debates undertaken over several months in 2003 and involving a wide range of activists and researchers. They proposed the following definition for what they call the social solidarity economy:

*They are activities of production, distribution, and consumption that contribute to the democratization of the economy based on the involvement of citizens at a local and global level. It takes form through different modalities on all continents. It encompasses the different forms of organizations that a population adopts to create its proper resources for work or to access quality goods and services; this is accomplished through a dynamic socially responsible reciprocity that articulates individual and collective interests. In this manner, social/solidarity economy is not, per se, a sector of the economy, but rather a global approach encompassing initiatives in most sectors of the economy.*²⁶

In a context where human life and most earth creatures are at risk, the challenge is to mobilize the best of what we can bring to a common table. Governments, consumers, business, and civil society must find ways to concentrate our individual and collective attention on the goals of *radically reducing our use of fossil fuels and consciously adapting to more local, bio-regionally based patterns of living*. No sector or segment of society can do it alone. These two overarching goals, by their very nature, transcend the logic that divides the social economy and civil society from the private and public sectors. Solidarity becomes an economic, social, cultural, and moral resource by which those people, organizations, and institutions in each sector—those with sufficient vision and commitment to act in the interests of the planet and both present and future generations—can bind their investment of time, talent, and resources into building an economy based on reciprocity and intergenerational equity.

Endnotes

¹ Bill McKibben. *Deep Economy: The Wealth of Communities and the Durable Future*, 2007, Henry Holt and Company

² Peter Preston. "There is No Such Thing as Community," *The Guardian* (UK), July 18, 2005

³ Thomas Homer-Dixon. *The Upside of Down: Catastrophe, Creativity and the Renewal of Civilization*, 2006, Alfred A. Knopf, Canada

⁴ A sampling of the titles I have found helpful are *Cannibals with Forks: the triple bottom line of 21st century business*, John Elkington; *The Great Turning: from Empire to Earth Community*, David Korten; *The Weather Makers: How we are changing the climate and what it means for life on earth*, Tim Flannery; *Deep Economy*, Bill McKibben; *Blue Gold: The Battle against Corporate Theft of the World's Water*, Maude Barlow & Tony Clarke; *Heat: How to Stop the Planet from Burning*, George Monbiot; *Collapse: How Societies Choose to Fail or Succeed*, Jared Diamond; *The Upside of Down: catastrophe, Creativity, and the Renewal of Civilization*, Thomas Homer-Dixon; *The Party's Over: Oil, War and the Fate of Industrial Societies*, Richard Heinberg; *Resilience Thinking*

⁵ Confining this condition to just 4 decades is not entirely accurate. Economic historians such as Karl Polanyi suggest that the process of disembodiment of social relations as a key factor in economic life began several hundred years ago, egged on by the adaptation (and distortion) of Adam Smith's thinking, the steam revolution (technological innovation) and the industrial revolution.

⁶ In Quebec, the language has evolved from l'économie sociale to include both social and solidarity in the same phrase as economy: l'économie sociale et solidaire. A recently organized francophone network in Ontario is the first in Canada to restrict itself to the use of the word solidarity: Économie Solidaire d'Ontario. It is interesting to note that the first paper in Canada on the subject of the solidarity economy was written in 1993 by William Ninacs and Louis Favreau, both of whom continue to do extensive research related to the field. Their thinking and work has been heavily influenced by the French writer, Jean Louis Laville.

⁷ It is important to note that there is a much more extensive debate on the terms "social economy" and "solidarity economy" elsewhere. For example, in France, the social economy and the solidarity economy are not used in the same breath. The social economy encompasses the historical legacy of the co-operative, finance, and mutual innovations born in the 19th century and expanded in the 20th. The charge is that over time many of these innovations evolved into inflexible businesses indistinguishable from many others operating under private ownership. Through the 1980s, and especially in the early 1990s, unemployment became extremely high in France. The notion of the solidarity economy evolved in this context. Enterprises committed to working with the poor became a key feature of this approach. Buttressed by people in the Green Party and disgruntled Communists, the experimentation extended from training businesses to a new generation of co-ops and various approaches to democratizing local development. The old co-op movement (social economy) was severely criticized. Similar development evolved in Spain. Across different continents, the cleavages are often less pronounced.

⁸ F. Westley, B. Zimmerman, MQ Patton, *Getting to Maybe* Random House Canada, 2006

⁹ Climate change and water-related issues have been intensely worked on by various environmental and scientific organizations in Canada and many other parts of the world. In part, it is their work over this longer term that has laid the foundation for the colossal increase in awareness, networking, and action that has been emerging much more recently.

¹⁰ The summaries that follow are by no means comprehensive, nor do they represent an adequate delineation of the trends out of which a number of the various initiatives flowed. However, they are indicative and provide a flavour of the context and substance relevant to several streams of action. Thus, given the purpose of this paper, they provide a backdrop from which to understand aspects of the conceptual discussion that follows.

¹¹ Several other aspects of the 1960s are not identified: the federal “War on Poverty,” the black liberation struggle, the riots in campuses across the country, the peace movement fighting the war in Viet Nam, etc. All represented threads that made up the particular vibrancy and engagement of US citizens in a wide variety of social change-oriented initiatives. Much of the leadership that eventually stimulated various aspects of the movements identified in this paper came out of this particular milieu.

¹² Until recently, many of these CDCs were members of the National Congress on Community Economic Development, an organization that played an important role in advancing this approach over the last 35 years. It closed in early 2006. Various aspects of its work are taken up by other national and regional networks. The reasons for the closure of the national congress and the extent to which their work has been taken up has not been determined.

¹³ This critique was well established already in the late 1980s, as evidenced by debates at the annual conference of the National Economic Development and Law Centre in Chicago. Advocates of CED (Community Economic Development) as a social change strategy openly criticized the reference to CED as an industry by some leading figures in the National Congress on Community Economic Development.

¹⁴ Knowledgeable US respondents identified three particularly outstanding CDCs: New Community Corporation in Newark, New Jersey; the Dudley Street Initiative in Boston; and the Coastal Enterprises Inc based in Maine.

¹⁵ The National Association of Community Development Loan funds evolved in the mid 1990s into the National Community Capital Association and two years later re-branded itself as the Opportunities Finance Network. From the modest beginning of the NACDLF, OFN markets itself today as the leading network of private financial intermediaries (mainly non-profit) identifying and investing in opportunities to benefit low-income and low-wealth people in the US. It has originated more than \$11 billion in financing in non-conforming urban, rural, and reservation-based markets through 2005. This has generated or maintained 170,693 jobs; 35,441 businesses; 484,943 housing units; and, 5,153 community facility projects. With cumulative net charge-off rates of less than 1%, it appears they have maintained their ability to lend prudently and productively in unconventional markets often overlooked by conventional financial. This expanded activity appears to be linked to the results of the proposal in the late 1990s put forward by the National Federation of Community Development Credit Unions proposed a Community Development Financial Institutions Fund which eventually brought Federal investment into what have become known as Community Development Finance Institutions. Since its inception, \$820 million has been directly invested in CDFIs. The tax credit component has leveraged \$12.1 billion (see www.cdfifund.gov).

¹⁶ For example, the Desjardins movement (credit unions in Quebec) is the largest financial institution in the province; 80% of the Quebec population are members.

¹⁷ This sequence of events depicts the near term factors that led to the formation of the Chantier. However, it is important to understand that this breakthrough initiative was built upon ground that had been prepared over a longer period of time. The Caisse Économie Solidaire was created in 1971, a credit union incorporated with the theme of solidarity embedded in its name. A strong community movement was building throughout this period, fuelled by an energetic stream of activists, some of whom were strongly motivated by the national project and preparing the ground for the political independence of Quebec. The first non-profit, parent controlled day cares emerged in the early '70s. It was a time of elevated and animated social consciousness. In the early 1980s, in the midst of a recession that was leading to a large number of bankruptcies, the CSN (the public sector trade union federation) established an agency to help do business plans and secure financing for worker takeovers, a unique innovation to say the least. This cross-over between business and labour and the connections between major social movements were forged during this period. It was also in the early 1980s when the first urban community development corporations were established, inspired by the

US experience. Rural community development organizations were also formed during this period became networked throughout the province.

¹⁸ Neamtan, Nancy; Innovation through new practices and new partnerships: the Quebec experience, speech, St Johns Newfoundland, 2003

¹⁹ Pearce, John. 2003. Social Enterprise in Anytown, published by the Calouste Gulbenkian Foundation www.centralbooks.co.uk

²⁰ The term mutual aid was used in the original Pearse graphic. This has been replaced here by reciprocity. It should be noted there are other minor changes in the graphic that were done to contextualize the language a bit more to the North American context.

²¹ Minutes of conference call of the US organizing committee of NANSE

²² This is an adapted graphic from the original presented by John Pears in his book “Social Enterprise in Anytown” (see 23 below). This book elaborates the various components of the graphic to some extent. Reviews of an early draft of this paper noted that there may be confusion about the grey economy. Where the black economy refers to criminal illegal activity, the grey economy refers to the exchange of goods and services between individuals and groups where the value is not declared for tax purposes. This is, strictly speaking, illegal; but it is qualitatively different than criminal activities in the black economy. Indeed, for some people it is a matter of survival.

²³ This graphic is adapted from the Pearce graphic present earlier. The original can be found in “Social Enterprise in Any Town,” by John Pearce, 2003 Calouste Gulbenkian Foundation, United Kingdom

²⁴ Private correspondence with Yvon Poirier, Quebec City. Yvon is a long time worker in CED and the social economy in Quebec, Canada and internationally through the Intercontinental Network on the Social Solidarity Economy

²⁵ For an initial listing of key attributes of the solidarity economy see the NANSE website at <http://www.clcr.org/NANSE>

²⁶ The definition results from the **2001 International Forum of the Alliance for a Responsible, Plural and United World**. The forum spanned over several months, was held in four languages, and looked for common ground and convergence within the diversity of visions, cultures, languages, and geopolitical backgrounds (www.alliance21.org/2003/).