Alexander D'Aloia[1]

Furnishing the Social Solidarity Economy[2]

Introduction

The basics of classical economics are known by many: individuals are rational, profit maximisers, and the best way to ensure their wellbeing is continuous economic growth. Much of the human experience is lost in this account, however. Many actions take place in the economy that cannot be rationalised as being for individual benefit. In response, scholars and policy makers have been working with ideas that highlight these actions and ensure that the economy serves social ends. One of these conceptions is the Social Solidarity Economy (SSE). Although it is a concept with long historical roots, in its current iteration the SSE is a relatively modern theoretical framework that is situated as, in part, a response to neoliberalism. In particular, by making visible and emphasising that within the economy that prioritises solidarity and mutual benefit, it aims to situate the economy within society, rather than subsume society to the economy (Pastore 2006).

In contrast with some other theoretical frameworks, the SSE is not intended to simply be a tool for analysis; instead, its proponents want it to be a framework to help direct and coordinate socially meaningful interventions in the economy. Consequently, it

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[1] Alexander D'Aloia is a PhD Candidate at the Australian National University, College of the Arts and Social Sciences.

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is important not just to theorise about the SSE, but to study it in the field, where it is being implemented by government officials, members of workers associations and cooperatives, and even individuals. To respond to this lack, this article studies the case of Ecuador where the government is explicitly using the concept of the SSE in their policy making. Furthermore, with its own government institute of the SSE—*Instituto Nacional de Economía Popular y Solidaria* (IEPS)[3]—which develops policy surrounding the SSE to be enacted by other ministries, Ecuador is possibly one of the nations that has gone the furthest in putting the SSE into practice.

This article, after briefly outlining what exactly the SSE *is*, focuses on the program *Mobiliario Escolar*.[4] The research is drawn from fieldwork I conducted as part of a minor thesis for a Master of Development Studies. During this time, I conducted a series of semi-structured interviews with both staff from the IEPS and participants in the program. *Mobiliario Escolar* is organised by the IEPS, in coordination with the Ministry of Education. In it, furniture for public primary schools is procured from the SSE. Rather than drawing up a single contract, a multitude of tenders are drawn up, with individual actors, workers associations or cooperatives receiving the contracts. Consequently, in theory, the millions of dollars spent ($21 million in 2014) are distributed to those who would otherwise be excluded from this economic activity. As will be discussed, the SSE is not a precise term. Nevertheless, this ambiguity is what allows for its potential to be a policy narrative, in the sense used by Tate (2015)—a framework to guide policy and action, and help coordinate disparate actors. When suitable bureaucratic restraints are set around the use of the concept, it appears the SSE is a potentially useful concept to help guide the economy in support of society.

[3] The astute reader may note that the terminology from Ecuador is more along the lines of the "Popular Solidarity Economy". Although the term has a slightly different origin to the "Social Solidarity Economy", in Ecuador the two terms are used interchangeably. For this reason I have used "Social Solidarity Economy" throughout.

[4] *Mobiliario Escolar* literally translates as "School Furniture".

The Theory of the Social Solidarity Economy

One of the few things that are agreed upon about the SSE is the lack of consensus around its precise definition. This has come about for a variety of reasons, language differences through to the history of the term. Even so, much of the lack of consensus simply derives from different personal interpretations. Nevertheless, there is sufficient agreement around the SSE for us to be able to trace an outline of what it concerns, and what it can potentially offer for policy formation.

While the origins of the term likely lie with the concept of the "social economy", from the French literature during the Industrial Revolution (Bastidas-Delgado and Richer 2001), the bulk of the work currently being done on the SSE is coming out of Latin America, and South America in particular. There, the concept of the SSE has moved beyond its conception as an oppositional term to neoliberalism, and has become a theoretical framework in its own right. In particular, it has borrowed from Polanyi the idea that it is not that the economy *should* not be self-regulating, but that it *cannot* be self-regulating (Polanyi 2001). Following from this, most theorists have used the ideas of Laville to arrive at an expanded definition of the "economic" whereby it signifies not just the narrow idea of rational decision making in a situation of presumed scarcity, but a much broader conception of "relations between human beings and the natural environment from which they derive their sustenance" (Laville 2010, p. 77).

It is into this history that South American academics have injected their own ideas around the purposes of the SSE, even if these ideas are quite diverse (Chavez 1997). To a large extent, this diversity in ideas and conceptions stems from the fact that in South America the SSE is seen as a concept still developing in both theory and practice (Abramovich and Vázquez 2007). Consequently, the range of potential actors and actions one could consider a part of the SSE is potentially limitless. Proponents of the SSE, however, avoid this difficulty by not treating it as a "really existing" economy (Chavez 1997). Instead, in South America, the SSE is largely treated as an approach to, or a lens for viewing how the economy is much more than simply the market. One of the leading theorists of the SSE describes it as "an

intellectual process guided by explicit and socially relevant values... not merely explicative and predictive" (Chavez 1999, p. 126).

Consequently, the SSE is largely a focus on actions, rather than actors. This is where the "solidarity" part of the Social Solidarity Economy becomes important. The basis of the SSE is to focus on those economic actions that represent not simply profit motive, but a desire to cooperate and work in ways that benefit those around us. It must be acknowledged, however, that the line between private and public gain is not always clear; therefore, there may never be a perfect delineation between what is and is not a part of the SSE. This does not actually present a problem for the SSE, however. As previously stated, its primary purpose is not to describe a "really existing economy", but to draw our attention to certain aspects of the economy and "make visible" actions that previously went unobserved or under-appreciated.

Nevertheless, as previously mentioned, the SSE is intended not just to be a lens for analysis, but also a tool to direct action—a "policy narrative" in the sense used by Tate. That is, a tool to "marshal the fullest range of institutional allies and to create coherence amongst disparate programs" (2015, p. 5). In this way, it is essential to not just study the SSE from a theoretical perspective, but to see how it operates in the field. While my research reveals good potential for the use of the SSE, more than anything, it highlights the need for further research into the effects of reorienting the discursive framework of government, and whether this has the potential to dislodge "the market" from primacy of place in conceptions of development.

The Social Solidarity Economy in Practice

As previously mentioned, Ecuador is one of the nations that has gone furthest with implementing the SSE. In 2011, the government passed the *Ley Orgánica de Economía Popular y Solidaria*, a law that established the official limits the SSE, and actions that the government was going to take regarding it. While the exact rules around membership to the SSE are complex, in short, workers associations, cooperatives, and small businesses and sole traders earning below a certain threshold are legally considered a part of the SSE. Similarly, while there is a range of activities

the government is obligated to take, there is one key part of the law, which is relevant to this article—namely, that the government has to procure goods and services from the SSE wherever possible.

Mobiliario Escolar is part of a wider network of tenders that aim to fulfil this legal requirement, called *Ferias Inclusivas*.[5] *Mobiliario Escolar* is an excellent example of the process of conducting a *feria*, and will be used as an example. In this program, when the government needs to procure furniture for primary schools, rather than going out to tender for one single, large contract, the government advertises their intention to buy school furniture. Those who are part of the SSE can apply. At the same time, the IEPS also negotiates fixed pricing with suppliers of raw materials. Once applications have been received, the IEPS breaks up the work between the applicants, ensuring everyone who is eligible receives some work. Cooperatives and workers associations are given proportionately more work to encourage individuals to form groups. The workers then go about making the furniture. Through this whole process, the IEPS monitors the production and offers help and training where necessary. Finally, the desks and tables are delivered to the relevant schools, the most local wherever possible.

The extent to which the theory met practice in Ecuador was surprising. To begin with, the definition of the SSE was quite consistent across all groups. As expected, the staff at the IEPS had the clearest understanding of both the definition of the SSE, and who was considered to be a part of it. In nearly all instances they focused on the law, using its definitions to work out who was a part of the SSE. Interestingly, although this helped tame the theoretically limitless number of participants in the SSE, it had the effect of shifting focus away from actions, as is often looked at in theories, and turned it to subjects. Nevertheless, the somewhat ambiguous nature around who is a part of the SSE was still evident. Matching Nelms' observations, "officials' delimitations were not permanent, but provisional" (Nelms 2015, p. 119). While I was there, the IEPS was just in the middle of a change in policy direction. Whereas up till then there had been a strong emphasis on small and family run business, the IEPS was placing more emphasis on workers associations and

[5] This translates as "Inclusive Fairs", with "fair" in the sense of "school fair".

cooperatives. This was for a variety of reasons, both practical and ideological, but it showed that the slightly ambiguous nature of the SSE allowed for suitable flexibility for the IEPS, while the law ensured definitions did not become unwieldy.

By and large, participants in the program shared similar conceptions of the SSE as the IEPS staff, albeit more general. For them, solidarity was emphasised. In the words of one participant, "The SSE means it's not for me. It's not for you. It's for everybody." She spoke about training up those who wanted to participate in *Mobiliario Escolar*. These were not official training sessions (although she did assist with these), but instead she reported that people often passed by her workshop asking how they could get involved in the program. Her simple response was "I'll hook you up. I'll teach you." Throughout the program were many stories of informal assistance offered between participants, even though there were rarely any material returns.

This reflects the most fundamental aspect of the SSE—that people are not just profit-seeking individuals, but are members of society who, under the right circumstances, will actively seek to cooperate with one another for mutual benefit. This is hardly a revolutionary insight. Instead, what is novel is that the IEPS was well aware of this going on and actively encouraged this cooperation. In fact, in many ways *Mobiliario Escolar* was predicated on it. For example, when one producer came up with a new, more efficient way to bend the wood for the backs of chairs, the IEPS got them to travel to other parts of the country to demonstrate this method, helping other producers match his efficiency. In this way, the operation of the SSE has some similarity to Ostrom's idea of collective action (Ostrom 1990), albeit without any actual common pool resource and a much greater potential role for government.

Nevertheless, for the SSE to have any real potential for policy impact, it must provide real benefits for participants and society as a whole. *Mobiliario Escolar* clearly did the former and, potentially, the latter. These benefits can be roughly divided into the tangible and intangible. Tangible benefits include things, such as greater income and training that have a clear and practical effect on participants. On the other hand, intangible benefits are those, such as greater social cohesion and "democratising" the

economy, that match with the theorised benefits of the SSE, but are more ephemeral and difficult to quantify.

The tangible benefits of *Mobiliario Escolar* were largely what was to be expected—training and extra income. The training offered through the program came in two forms. The first was to do with the processes of procuring and contracting with the Ecuadorian government. This was the form of training most commented on by participants, but was essentially training in how to partake in the program itself. The other key type of training was the more practical skills in furniture production. These were delivered in a combination of formal sessions and informal cooperation between producers. Formal sessions were organised by the IEPS and delivered by the suppliers of primary materials. Particularly appreciated examples included MIG welding and powder-coating—skills that up until recently had been very uncommon in Ecuador.

The extra income was also much commented upon by participants. Notably, and matching with the theories of the SSE, participants rarely referred to this as income. Instead, what they generally referred to was how this extra money allowed participants to improve or increase their production. With the notable exception of one participant, who had inherited a lot of equipment from his father, all participants said the extra income went toward equipment for their workshops. This was particularly relevant, as much of the money from the program was distributed in advance, predicated on the work to be done. In this way, *Mobiliario Escolar* became a major source of credit for these small producers, allowing them to expand and diversify their work.

This segues nicely into the more ideological benefits of the SSE and *Mobiliario Escolar* in particular. Possibly the biggest benefit the SSE aims to provide is ensuring the economy serves society, rather than the other way round. When viewed as a single part of a wider web of projects, *Mobiliario Escolar* is an appropriate, if not uncomplicated, response to this objective.

When explained to me by an official with the IEPS, great emphasis was placed on how *Mobiliario Escolar* redirects resources to people who would otherwise miss out. Participants themselves referred to this as "opportunity". Previously, when the

government had needed goods, they simply made one large contract. The factory tended to be mechanised, consequently generating less employment, and much of the money spent by the government went to a relatively small portion of the population. In contrast, *Mobiliario Escolar* is seen by both staff and participants as allowing a wider population to access this opportunity. It is important to note that participants themselves framed this as access to opportunities rather than income. In fact, one participant was emphatic that "they haven't gifted us [the money]. They've made it so that our efforts generate our money."

Currently, due to the exceptionally high cost of importing machinery into Ecuador, this small-scale production is still competitive relative to large factories. Nevertheless, the staff at the IEPS generally did not see this as hugely significant. One staff member told me that "you can't measure it in monetary terms, because if you save $2 million, that $2 million represents a mountain to those who you would otherwise contract [for the purchase of furniture]." This is the quintessential essence of the SSE—making the economy serve society, rather than the reverse. Officials emphasised that many of those receiving the money were eating more, sending their children to school, and getting sick less. This effect was amplified by the fact that every contractor I spoke to had to employ several people to cope with the workload.

Two cases in particular stood out. These were the largest cooperatives in the program. They were based in San Jose de Chimbo, a region that had been famous for making guns until it was outlawed in 2007. Scores of small tradespeople were rendered unemployed almost overnight. Those from the cooperatives reported much hardship, and even suicides. The government used *Mobiliario Escolar* to redirect funds to the region, taking advantage of an already existing pool of wood- and metal-working knowledge. While the production of furniture has not replaced the arms trade to the same level as previously, the participants in the program were certainly grateful for the opportunity to continue working.

Nevertheless, this apparent "democratisation of the economy", as locals referred to it, was not unproblematic. To begin with, programs like *Mobiliario Escolar* do not represent people "having meaningful control over political and democratic forces"

(Friant and Langmore 2015, p. 65). Participants still entirely relied on the IEPS to negotiate *ferias inclusivas* with other ministries. Although the law specifies that departments must procure through the SSE wherever possible, it is up to said departments to decide if this is feasible. For instance, as I was finishing my fieldwork, the IEPS was beginning negotiations with the Ministry of Education for another round of *Mobiliario Escolar*. However, many within the ministry wanted plastic school furniture, as apparently this is more durable. If this happened, it would largely be the end of the program, as the machinery needed for injection moulded plastics are not feasible for small producers. In this way, rather than society taking primacy of place above the market, it is the government above the market. This is not necessarily a problem, as ideally a government should act in the interest of its people, but it certainly complicates the idea of the SSE.

Similarly, with the recent crash in the oil price, Ecuador has been having budgetary difficulties. As one official explained to me, a school needs to replace books and uniforms constantly, but even old, slightly broken furniture will serve. Consequently, although *Mobiliario Escolar* aims to tame economic forces in people's lives, and direct them with greater equality to those who have missed out, in this modern globalised economy, there appears to be scant refuge to be had from international monetary flows and commodity prices.

Conclusion

Despite decades of critique of neoliberalism as a global economic structure and protests against its consequences, many governments still seem to quest after economic rationalism in the belief that what is best for the market is best for society. Of those critiques, the SSE is just one thread, and its proponents do not proclaim it to be a solitary solution. Instead, it is an ongoing experiment, an attempt to ensure that we do not continue to reify the market, and instead make sure economics serves social needs. For proponents, this means focusing on people's natural inclination to

cooperate and work for mutual benefit. Nevertheless, what marks the SSE as different to other theories is its emphasis on practice and, consequently, experimentation.

By focusing on the actually occurring, and aiming to offer a practical guide to policy makers, the SSE appears to have benefitted participants in a variety of ways. These range from the individual-level incomes that employees of participants garner, through to the group-level benefits of encouraging social cooperation via the formation of cooperatives and workers associations. Furthermore, and perhaps more importantly, when considered as part of a wider system of *ferias inclusivas*, *Mobiliario Escolar* is even aimed at macro-level change. "Solidarity" in this context was not only individuals cooperating, but the whole of Ecuadorian society.

Nevertheless, there is a wider lesson to be drawn from *Mobiliario Escolar* and the SSE more broadly. That is the benefits of practice-focused theory. Rather than taking much of the status quo as given, the SSE starts with the end goal of the economy serving society, rather than the reverse and, through encouraging social support and solidarity, works out how to get there. It is inherently experimental, and can be somewhat disjointed due to the lack of consensus around definitions. Nevertheless, what it does do successfully is create visions of alternate economics, in some ways similar to the ideas of Gibson-Graham (2006), and not just for theorists, but also for policy makers with real capabilities to change systems. In this way, one of the most important aspects of the SSE is not necessarily its specific policy recommendations, but its example as a way of guiding economic policy that is not based on the primacy of the market.

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