

Social economy and collective work: theories and realities*

A economia solidária e o trabalho associativo: teorias e realidades

L'économie solidaire et le travail associatif: théories et réalités

Marcia de Paula Leite

ABSTRACTS

This text is a balance of current studies on Social Economy, with three goals in mind: firstly, it seeks to set out a profile of theoretical discussions, examining those authors who consider Social Economy a process of social transformation or those who emphasize the ephemeral character of economic units inside this sector; secondly, it analyzes the Argentinean experience, one of the most important social phenomenon in the first years of the current decade; finally, based on some balances on the national level, it looks at the Brazilian experience. The closing remarks underline the complexity of the Social Economy phenomenon, criticizing dualistic analyses, which emphasize either its potentialities or its limits.

Keywords: Social Economy; Income and employment generation; Cooperatives; Self-management; Labor market.

RESUMO

Este texto consiste em um balanço sobre estudos relacionados com a economia solidária a partir de três objetivos. Em primeiro lugar, busca delimitar a discussão teórica sobre o tema, abarcando tanto os que a entendem como o prenúncio de um processo de transformação social, como aqueles que têm uma visão mais crítica do fenômeno, enfatizando seu caráter efêmero. Em segundo lugar, a autora debruça-se sobre o exemplo argentino, uma das experiências mais interessantes de difusão do cooperativismo como fenômeno social expressivo nos primeiros anos da presente década. Por fim, propõe-se uma análise da experiência brasileira com base em alguns balanços nacionais. As considerações finais sublinham a complexidade do fenômeno e a impropriedade de se pensar em termos dualistas, seja no sentido de suas potencialidades, seja no de seus limites.

Palavras-chave: Economia solidária; Geração de emprego e renda; Cooperativas; Autogestão; Mercado de trabalho.

RESUMÉ

Ce texte est un bilan des études liées à l'économie solidaire. Il a été conçu à partir de trois objectifs. Le premier consiste à délimiter la discussion théorique sur le thème, en y incluant aussi bien ceux qui la comprennent comme l'annonce d'un processus de transformation sociale, ainsi que ceux qui ont une approche plus critique du phénomène, en mettant l'accent sur son caractère éphémère. L'auteur se penche ensuite sur l'exemple argentin, une des expériences les plus intéressantes de diffusion du coopératisme en tant que phénomène social expressif des premières années de la décennie actuelle. Finalement, une analyse de l'expérience brésilienne est proposée, sur la base de quelques bilans nationaux. Les considérations finales mettent l'accent sur la complexité du phénomène et l'impropriété de penser en termes dualistes, soit dans le sens de ses potentialités, soit de ses limites.

Mots-clés: Économie solidaire; Génération d'emploi et de rente; Coopératives; Autogestion; Marché de travail.

Introduction

This text is a review of studies on social economy, a phenomenon that has been spreading rapidly in the context of profound changes that the labor world has been experiencing. On the one hand, it discusses the theoretical framework that the studies on the subject have been shaping, both at the international and at the national levels, and, on the other, the importance that such phenomenon has been gaining in both cases.

For this purpose, the text is articulated on three main objectives. First, it seeks to delimit the theoretical discussion on the subject, covering not only those who see it as the harbinger of a process of social transformation, but also those who have a more critical view of the phenomenon, emphasizing its ephemeral and not so encouraging nature as an alternative source of employment and income. Second, it focuses on the example of Argentina, one of the most interesting experiences of the diffusion of the cooperativism as a significant social phenomenon in the early years of this decade. Finally, the paper presents an analysis of the Brazilian experience. The closing remarks draw some conclusions about the studies reviewed, noting the complexity of the issue and the impropriety of thinking in dualistic terms, either in the sense of its strengths and virtues, or in terms of its limits and vulnerabilities.

Social economy and cooperativism

We cannot think about the dissemination of the experiences of social economy without the care of inserting them within the set of transformations that are reshaping the social sphere. In fact, it is under the current picture of the wage labor crisis¹ that scholars began to detect since the 1980s, but especially as of the next decade, a set of movements wielded by workers who had lost their jobs and were unable to reenter the labor market or, yet, by those who had always lived in the informal sector. Focusing especially on the formation of labor and production cooperatives and associations of workers, aiming for self-management, such experiments have been recognized under the name of Social Economy². We will address this discussion based on a reflection centered on four themes: (i) a general theoretical discussion, seeking to circumscribe the main thematic lines and the issues they bring to the current studies; (ii) an examination of theories who interpret social economy as a form of social transformation; (iii) a summary of the critical views of social economy; and, finally, (iv) a reflection on the limits and possibilities of social economy.

Theoretical discussion

First of all, it is important to emphasize the inexistence of any sort of unanimity with regards to the concept of Social Economy. For some, it refers to the British experience of the early nineteenth century, inspired by Richard Owen, which stresses the idea of social transformation of the capitalist relations of production and their replacement by the socialist principles of equality and solidarity, based on the idea of self-management and workers' control over production (Singer, 2000b).

For others (Laville, 2006, França Filho, 2006) it is about a new phenomenon that has to do with the crisis of wage relations that opened in the last quarter of the 20th century, and which, although continuing experiences of the nineteenth century such as cooperatives and self-managed enterprises, acquires new meanings in today's economic and social context.

Along with Chaniel, Laville contextualizes social economy in the broad economic and cultural crisis that marked the end of the 1960s, which includes the requirement for a higher "quality" of life, the demand for a qualitative growth and a policy of the standard of living, "taking into account the dimensions of participation in the different spheres of social life, preserving the environment, changing the relations between the sexes and ages" (Chaniel and Laville, 2006, p. 50). It is in this scenario that the next decade will be marked by a renewal of the associative activities that testify not only an alternative to the employment crisis, but also the desire to "work differently" (*Idem*, p. 51).

Others see such experiments as ephemeral and fleeting, tending to multiply in a crisis of capitalism only to disappear immediately after, due to the difficulties they face to survive in a capitalist context, such as low capitalization, lack of technical qualification of workers to manage the business, lack of commitment of the whole group of workers with the cooperative ideals, to mention only the most quoted arguments. Accordingly, such experiences would be devoid of social significance.

This discussion, which is now a classic one, especially among scholars of the left, placed on opposite sides renowned researchers such as Rosa Luxemburgo (1986), Webb and Webb (1914), Bernstein (1961) and Marx himself (1979),³ resurfaces at present, in view of the vast amount of experiences that have spread worldwide, due to the changes that have been occurring in the labor market.

Furthermore, this diffusion of experiences creates a set of movements of social economy at the national and international levels, presenting the scholars with new problems that had not previously been thought about.

In this context, the discussion about the limits and latent powers of the cooperativism enliven, and new theories emerge to account for the phenomenon. To what extent these new experiences could be taken in the new context, in view of the dimension that the phenomenon has been taking, as having a capacity for social transformation?

This hypothesis cannot fail to consider, however, that the studies of the phenomenon are still few; that it needs more reliable evaluations on the global, regional or national levels, and that the more optimistic interpretations fail to take into account a number of "false cooperatives" those that, instead of being experiences of social labor, function as a form of flexibilization of work, at the service of capital, in which the principles of self-management, equality and solidarity are not present.

On the other hand, it is worth to think that many experiences, although localized and fraught with difficulties, which could hardly point to a project of a more radical transformation of society, emerge as new forms of sociability, in which the most vulnerable sectors of society are finding opportunities of social integration that have allowed them to regain dignity and self-esteem. These experiments could be pointing not to a radical transformation of society as a whole, but to a kind of coexistence with the capitalist production (Gaiger, 2000, p. 189).

It is to this debate that this section of the paper is dedicated to, seeking a dialogue with the international literature. Perhaps one of the first issues to be highlighted is to remember that, as the context of expansion of the associative experiences is one of general crisis (environmental crisis, of a mode of accumulation, of wage labor, of a form of being in the world), such experiences carry within them the disjunctives of both risk and possibility, of the old and the new, emerging as having at the same time, a set of capabilities and limits.

On what concerns to the past, it is worth remembering that these experiences rescue the principles established by the Rochdale cooperative, formed in Manchester in 1844, such as: open and voluntary relationship; democratic control by their members (based on the motto "one member, one vote"); economic participation of the members (based mainly on the right to participate in decisions about the distribution of income); autonomy and independence from the State and other organizations; commitment to the education of its members; cooperation among cooperatives by means of local, national and global organizations; and contribution to the development of the society in which it is located. In this sense, they go beyond the mere goal of alternative to unemployment, gaining a clear emancipatory potential.

These principles resurface, however, reset within the current context, giving rise to different theories that seek to explain the recent phenomenon of expansion of cooperativism. The next items will be focusing on them.

The theorists and advocates of social economy

Laville and the principle of reciprocity

Under the auspices of CRIDA (*Centre de Recherche et d'Information sur la Démocratie et l'Autonomie* – Center of Research and Information on Democracy and Autonomy), Jean Louis Laville has been one of the leading theorists of social economy. It is worth noting, first, that his analysis is not restricted to cooperatives, but to the set of "practices that contribute to rearticulate the economic factor to the other spheres of society, from the perspective of a more democratic and egalitarian society" (Guérin, 2005, p. 79). Such practices include the creation or maintenance of jobs; collective production and commercialization; collective housing; solidary savings and credit accounts; non-monetary exchanges; collective health services; collective protection of the environment; food safety; support to the creation of individual or collective activities; creation of new services. Although the cooperatives (of consumption, labor, production and credit) constitute one of the important ways by means of which these social practices develop, they are not the only ones; in fact, there are several other important ways such as the exchange clubs, the self-construction, the microcredit or solidary credit, the community gardens, the collective kitchens, the services of everyday life (such as caring for children or the elderly) (*Idem, ibidem*).

Social economy could be emerging as a result of both the crisis of wage society and the process of outsourcing of the economy. Given the social exclusion caused by these phenomena, or the so-called new social question, "the phenomenon of social economy presents itself [...] in a perspective of seeking new forms of regulation of society, in the form of social self-organization around actions that are, at the same time, economic and political." (*Idem.*, p. 111)

Criticizing the reductionism that explains the economic action only by material and individual interests, Laville retrieves Polanyi's concept (2000) that the economy is plural, consisting of a variety of forms of production, among which we would find those based on reciprocity.⁴

The forms of production based on reciprocity would emerge, as forms of resistance to the market, resulting from collective actions that, unlike the charities, would be able to promote democratic solidarity, the democratization of the economy. Such power to democratize the economy, in its turn, would be based, according to the author, on two characteristics of social economy, whatever the particular form that it presents.

The first one is the importance of the practice of reciprocity understood not as a result of tradition or a female virtue, but as a full way of acting economically. Social economy has the specificity to combine the dynamics of private initiatives focused not on profit, but on the collective interest. The economic rationale is accompanied by a social purpose that is to produce social and solidary bonds, based on a solidarity of proximity; mutual aid and reciprocity would be, thus, at the heart of the economic action (*Idem*, p. 80).

Reciprocity is used to deal collectively with the everyday problems in the public sphere, rather than each person trying to solve them individually in the private sphere. But as França Filho and Laville warned,

[...] this enrollment in the public sphere differentiates radically social economy from the domestic economy. It is not about, therefore, encouraging, by means of social economy, a return to family, which is the environment of the natural solidarity. The movements of rural exodus or the professionalization of women revealed that leaving the domestic economy is a release from a condition which nobody even thinks to return (2004, pp. 104-105).

The proximity services are based, thus, on the daily practices of populations, on the relationships and symbolic exchanges that weave the everyday fabric of the local life, on the aspirations, values and desires of people who are the users (*Idem*, p. 105). But while relying on family resources, they are not intended to ratify subordinated relationships within the family. Instead, they bring together people concerned with "structuring the creation of employment and the strengthening of the social cohesion, or the generation of economic activities for purposes of producing the so-called social bond" (*Idem.*, p. 112).

The second feature of social economy is the development of forms of coordination and resource allocation alternative to competition or to the administrative regulation represented by the state coordination, by means of "public spaces of proximity" that lead to a co-construction of supply and demand (Guérin, 2005, p. 80).

Laville understands that, in face of the crisis of wage society, the employment crisis can not be tackled in isolation, but must be considered in conjunction with the crisis of socialization, which makes him, along with França Filho, to have three priority concerns: (i) to ensure the search for a less unequal distribution of employment than that provided at the expense of certain social groups such as women, youngsters, the elderly, in order to contribute to the strengthening of social bonds; (ii) to explore all opportunities for job creation, under the condition that they occur in socially acceptable conditions, (iii) to encourage other forms of work beyond wage employment, contributing to the socialization and social recognition (França Filho and Laville, 2004, p. 88). These guidelines should be taken in their complementarity and, among the several objectives that could bring coherence to its articulation, the authors note:

[...] the relativization within the economic sphere of the place taken by the monetary economy [that] implies a revaluation of various forms of non-monetary economy, which are not restricted to dependent forms represented by the underground economy and the work in the black market (*Idem*, p. 90).

It is precisely in the pursuit of this objective that social economy could, according to the authors, find its place.

For Laville, social economy would have a hybrid nature, in that it does not act solely under the principle of reciprocity; according to him, it also uses financial resources. In this sense, it would be responsible for reconnecting the economic to the social factor, combining reciprocity to the redistributive and bargaining logics, aiming to strengthen the self-organization of civil society.

For the author, the democracy of the economy is, therefore, the emergence of a new regulation that takes into account the possible complementarity between the redistributive and reciprocity aspects, promoting a strengthening of the civil society, which does not mean, however, a replacement of the State by civil society. Before, it would be a return of the State based on a change of interaction between State and society (*Idem*, p. 86).

Like Polanyi, Laville believes in the importance of practice to enhance the existence and to analyze the prospects for conciliation between equality and freedom. Both should be recognized and analyzed in the real economic movement and not from a project of social reform built upon theory *a priori* of its historic emergence.

According to the author, it is not about choosing between civil society and State, but to "face a mutual democratization of civil society and government" (Laville, 2006, p. 37), where "the pluralization of democracy and economy comes into resonance. The reciprocal democratization of the civil society and public action is consistent with an economy based on the plurality of economic principles and forms of property" (*Idem, ibidem*).

The question that arises for Laville is, thus, to know which institutions would be able to provide today the pluralization of the economy to insert it into a democratic framework. Or, as he expresses together with Chaniel, "which are the public regulations likely to favor a model of sustainable development, both in the social and in the environmental sphere, and to coordinate with the public engagement in the economy" (Chaniel and Laville, 2006, p. 53).

For the authors, this means the need for an institutional world that redesigns the contours of the public action on what concerns to the economy, which probably occurs in the case both of Brazil and of France with the creation, respectively, of the network of public managers and the network of public territories for social economy, both created in 2002. This, considering that the social changes do not imply, absolutely, revolutionary and radical alternative choices between two contradictory types of society, but occur by means of procedures for construction of groups and new institutions side by side with, and on top of, old ones.

Furthermore, it should be remembered that, in his more recent studies, Laville has been giving a great emphasis to the relationship that the experiences of social economy are creating within local economic development, which would be giving them a significant public and political dimension. As he says in a paper published with Frana Filho:

In any case, the cooperative forms of production, in the case of social economy, have a growing concern with the issue of local development. Therefore, in addition to its action in the market, whose social benefit would be restricted only to the group of the internal

members of the cooperative [...], the tendency of the movement is that of an appreciation of a public dimension of their action by means of the emphasis on the impacts of organization upon local life. It is precisely this public dimension of the action, that is, of acting in a public space, that grants social economy a key political dimension (França Filho and Laville, 2004, pp. 18 and 19).

In this sense, the future of social economy depends on the evolution of the forms of public regulation (Laville, 2006, p. 39).

Coraggio and labor economy

Unlike Laville, the theoretical reflection of Coraggio is not developed around the concept of social economy, but from what he calls labor economy. This is understood by the author as a social economy that goes beyond individual interests and seeks, primarily, the creation of collective goods.

This type of economy, based on the domestic units, would include a set of activities, among them cooperatives and other forms of economic actions, included by Laville in social economy, which would appear together with the self-employment and activities of production of goods and services that are consumed by those households without going through the market. Such activities include the work of cleaning, cooking, taking care of children, in house gardens, repairing and making clothes, building furniture, building the house itself, etc. (Coraggio, 2000, p. 98).

For him, the inability of capitalism to insert the current set of working people in its endeavors, as well as the limitation of compensatory public policies in face of the social disaster of unemployment and precarious employment, were leading the excluded population to seek ways of subsistence in the household, whose logic is not the reproduction of capital, but the expanded reproduction of life.

Returning to the concept of social enterprise used by De Leonardis, Mauri and Rotelli, Coraggio believes that it is from the labor economy, from the domestic economy, that the social enterprise could be supported: "the enterprises that not only produce goods, but that 'produce society' or the social (social forms, institutions, behaviors) [...]. This type of undertaking 'invests in one sole capital' that has 'the people' and this starts to give credit to them, contradictory to the categorization of "helpless", given to them by compensatory programs (*Idem.*, p. 102). The expanded reproduction of life means, to the author, the improvement of the quality of life based on the development of the capacities and social opportunities of the people.

Coraggio admits the possibility of the development of competitive relations or even exploitation within that economy, rather than relations of solidarity. At the same time, however, the author believes in the possibility of an alternative economy

[...] that would develop from the economy of the popular sectors, strengthening its links and capabilities, leveraging its resources, its productivity, its quality, taking on new tasks, incorporating and self managing the resources of social policies, in order to strengthen the social ties between its members, its segments, its micro-regions; an economy that structurally distributes more evenly, that overcomes these tendencies to exploitation or violence, that is a more harmonious sector of society and integrated with other values of solidarity, with higher resources devoted to cooperation (*Idem.*, p. 116).

It is from these considerations that Coraggio believes it is possible to conceive a strategy of developing an economy centered on work, an "other economy" that, not immediately intended to

replace the economy centered on the capital, is able, however, to dispute with it (Coraggio, 2003, p. 13).

Although the author does not consider that this alternative is inexorable, he sees it as possible, to the extent that this other economy can directly meet a portion of the needs of the local majorities and compete successfully in the national or global market, "generating mercantile occupations and the monetary inputs needed to sustain and expand it on its own bases of interdependence" (*Idem.*, p. 166).

However, such organicity will not, of course, happen naturally, but "requires the investment of significant energies in the development, consolidation and feeding of networks that coordinate, communicate and streamline the multitude of projects and popular micro-nets" (*Idem, ibidem*).

Despite the very optimism of Laville regarding the possibility of a profound social transformation, from a different economy, it would be necessary to consider an important difference in interpretation between the two authors with regard to the idea of the historical future. While, for Laville, the social transformation appears almost as a natural consequence of the development of the cooperative experiments, for Coraggio it appears as a possibility that should not necessarily occur. For him, the possibility that it will materialize is placed on the socio-political action, based on a program that proposes "boldly, but responsibly, all that can be done to transform the economy of the popular sectors in a system of labor economy" (Coraggio, 2000, p. 116).

Singer: social economy and socialism

One of the most optimistic visions of social economy is that of Singer, who considers the cooperative principles as non-capitalist. Unlike Coraggio and Laville, Singer sees a continuum between the first workers' experiences of formation of cooperatives and the current ones, and it is in this sense that he perceives them – as a project towards socialism. According to his words:

Social economy is the project that, in many countries two centuries ago, workers have been rehearsing in practice and socialist thinkers have been studying, systematizing and spreading. The historic results of this project under construction can be systematized as follows: 1) men and women victimized by capital organize as associate producers in order to not only make a living, but also to rejoin the division of labor being able to compete with the capitalist companies; 2) small commodity producers, both rural and urban, associate in order to buy and sell together, seeking economies of scale, and eventually start to create socialized production companies, of their property; 3) wage-earners associate to purchase together consumer goods and services, seeking gains of scale and improved quality of life, 4) small producers and wage-earners come together to pool their savings in revolving funds that allow them to obtain low-interest loans and eventually finance supportive projects;⁵) they also create mutual insurance associations, housing cooperatives and so on. (Singer, 2000b, p. 14).

For him, the issue of self-management is definitive in the characterization of these undertakings as experiments that are based on equality and democracy. In this sense, the cooperativism is a specific mode of production, and the self-managed enterprises are "tests of socialist companies" (Singer, 2000a, p. 159). Returning to the socialist principles of cooperatives in the mid-nineteenth century, Singer interprets the resurgence of cooperatives as a result of the crisis of wage labor, of the real existing socialism and of social democracy; all this would have resulted, according to the author, in a shift of focus of the emancipatory movements of the seizure of the State power in order to strengthen the civil society (Pinto, 2006, p. 42).

This reasoning allows the author to keep his optimism and hope on what concerns to the cooperativism, both in regard to international experience and as regards the Brazilian experience:

It is possible to regard the organization of the solidary enterprises as the start of local revolutions, which change the relationship between the members of cooperatives and between those with their families, neighbors, public officials, religious and intellectual authorities, etc.. These are revolutions at both the individual and social levels. The cooperative is now a model of egalitarian and democratic organization that contrasts with hierarchical models (Singer, 2000b, p. 28).

According to him, the cooperatives that have been formed by universities, unions and Municipal Departments of Labor, among other initiatives, should form a vast social economy in Brazil (Singer, 2000a, p. 150). This does not mean, however, that social economy will impose itself over other forms of production. The other way round, as well as Laville and Coraggio, Singer sees a coexistence between different forms of production. The Brazilian economy would be, in this sense, moving towards a mixed economy "with a certain presence of the State, the presence of a strong social or solidary economy, the presence of a simple production of goods and perhaps even a large presence of domestic economy "(*Idem*, p. 165).

Although aware of the danger of the cooperatives becoming a semblance of the capitalist enterprise, with egalitarian norms that are not effectively taken into consideration, Singer believes in the dealienating power that the very self-managed practice provides to its workers, as well as in the power of a critical and dealienating education against the degeneration that can occur due to accommodation (*Idem*, p. 158).

In accordance with the words of the author himself:

Social economy is not a recipe that is applied, is successful and the person may already forget about it and move on. It's an ongoing struggle: I found out that the struggle for democracy and equality will probably always continue [...]. I think democracy has, along with the cooperativism, along with egalitarian forms, a tendency to degeneration; therefore, we must fight against this degeneration, it is necessary to regenerate this democracy, I would say, more or less regularly (*Idem*, p. 149).

It is noteworthy that the Singer's thought is clearly differentiated from those of Laville and Coraggio with regard to the centrality of cooperativism in social economy. In fact, both Laville and Coraggio have a broader view about this concept.

Although they regard the cooperatives as the main form of expression of the experiences of social economy, França Filho and Laville (2006) also include the experiences of fair trade (which aim to establish fairer trade relations between Northern countries and certain producers in the South); of solidary finance (aimed at the provision of credit to people who do not have access to the banking system, such as microcredit, solidary savings, etc.), and alternative forms of exchange, not based on money, such as, for instance, the exchange clubs.

Coraggio (2000), in his turn, in treating the various forms of popular economy, believes that the cooperativism is neither the only nor the most important way to move into another economy.

Social economy from the standpoint of its critics

As might be expected, the critics of social economy have not dedicated to it the same attention of its advocates. The main point that unifies them is disbelieving that the cooperatives can turn out as

important social experiences based on different principles, other than the capitalist ones, as they need to insert themselves into the capitalist market, or by the difficulties they face in terms of technology, of capital, of market, etc..

Castel, for example, criticizing Laville's concept of "proximity services", considers that few accomplishments of this kind are innovative or lead to the future, and that, instead, they are usually barely visible socially, failing to overcome the stage of experimentation (Castel, 1998, pp. 574-575). While acknowledging that the activities included in the so-called "social economy" are in the process of expansion, the author believes that these achievements "have their uses in a catastrophic situation," but can not be thought of as employment policies.

Also Quijano (2002) enlists the difficulties that the experiences of cooperativism face in order to spread. Discussing the issue from a set of case studies put together in the book organized by Souza Santos (2002), the author debates such experiences asking whether they may or may not be considered alternative production systems. While requesting for caution both with regard to the expectations about their anti-capitalist potential, and to the hasty negative conclusions about the same potential, his reflections on the studied cases are disappointing, by pointing out that the enterprises that manage to survive do so by means of networks of trade and financial relations in the business world;⁵ that, in general, the number of employees tends to decrease rather than increase and that, also in general, the internal division of labor is not very different from that of the standard capitalist enterprises (*Idem, ibidem*). According to the author, the organizations of social economy

[...] appear by the initiative or with the support of institutions of assistance to the "poor" [...], subsist and even seem to help in the development of the social conviviality of its members toward an ethic of solidarity. But almost all of them disintegrate as soon as the external financial assistance is discontinued. And the very few that survive become small or medium firms, explicitly or consciously focused on the individual profit and under the control and for the benefit of those who run these organizations (*Idem, p. 496*).

This type of analysis does not prevent him, however, of highlighting important experiences that provide new forms of sociability, such as the Self Employed Women's Association (SEWA), organized by Gandhi in 1918, which now has 250,000 members and promotes the organization of cooperatives in several areas of activity and technical and administrative cooperation (Quijano, 2002, p. 497). Referring to the cooperatives of garbage collectors associated with SEWA, Quijano points out that if we take into account that they do not congregate "only the poor, women and workers [...], but also the untouchables,"⁶ the extraordinary value that the association in a cooperative has for them can be inferred, and, especially, the fact that they are associated with an institution such as SEWA." The author refers here to the improvement of the incomes and working conditions, to the protection against the occupational risks, and to the learning of reading, writing and management. And, above all, to the creation of a sense of individual and social self-esteem of these women, which brings, without any doubt, "a new perspective and meaning to their very existence" (*Idem, p. 498*).

It is noteworthy, however, that while stating that the concern to promote a social economy is respectable, Quijano (*Idem, p. 575*) considers it more as a statement of intent than the affirmation of a policy.

Social Economy: a hypothesis about its limits and possibilities

In short, what should be retained, especially, from this discussion is the complexity that characterizes it, as well as the contrast between theories and opinions, creating a gray area of contradictions and disagreements, with very few points of consensus. Among them it is noteworthy

for its advocates the idea of plural economy, present in Laville, Coraggio and Singer, which gives room for the emergence of forms of production that can relate to the market and the State from a kind of logic different from that based on the capitalist accumulation: the logic of survival. If the existence of these other forms of economy (the labor economy for Coraggio; the distributive economy for Laville, the socialist economy for Singer) has a transformative potential that could lead to a more substantive social reform is a question that remains open. To date, the actual experience of these projects does not allow us to harbor great hopes, due to the subsumption of many of them in the capitalist economy (as is the case of Mondragón) or to the weakening of the experiences in times of economic rise (as is the example of Argentina), or, yet, to its difficulty to expand in order to effectively change the social regulation as the most optimistic analyses expect, as shown by several international examples, as well as by the Brazilian one.

This does not mean, however, that these experiences are devoid of meaning, especially for the actors involved in them. Instead, our main hypothesis, which we will seek to develop further based on the analysis of concrete events, is to consider that, although unable to promote a more meaningful social change, they are part of our history and have left important marks in our society by promoting solidarity and autonomy. In this sense, these experiences emerge as important forms of resistance to the current reality of the labor market, and acquire an extremely important meaning for the workers who get involved in them, emerging as a central point for the understanding of the new times in the world of work.

Even if they happen to disappear in the future, they constitute a kind of movement that will leave marks and will remain in the history of the working class, not only in the memory of its actors, but of the whole society.

The Argentinean example

I will address in this section the Argentinean experience of recovering broken companies as an example of resistance to the labor crisis, intensely experienced by the country in the first three years of the new millennium, which, although it lost the social importance it enjoyed during that period, certainly left deep marks in that society. It is, therefore, a concrete example of the limits and possibilities of social economy. Although the first recovered companies sprout in the early 1990s, the number of enterprises remains more or less stable until 1999, rising sharply from 2000 on and especially in 2001 and 2002, when nearly 200 recovered companies come into being in the country. This increase corresponds to the deepening of economic difficulties since the early 1990s, when the structural reforms implemented by the Menem government begin to take place: trade liberalization, economic deregulation, privatizations and exchange rate parity with an overvalued weight (Rebón and Saavedra, 2006, p. 14). The intensification of the difficulties led to a recessive process as of 1998 and resulted in a profound crisis in 2001 (when creditors refused to go on lending money to Argentina), which peaked in the first quarter of 2002, when a virtual standstill occurred in the economic activity. From October 1998 to November 2002, the economic activity decreased compared to the same month of the previous year in almost all months (Magnani, 2003, p. 37).

It is within this scenario that many companies that had managed to survive the hardships of the 1990s, went into bankruptcy. At the same time, the labor market was hit by a staggering rise in unemployment, growing from 6% in 1991 to 22% in 2002, and society begins to experience a deep process of impoverishment, encompassing more than half the population, while in 1974 it reached only 5.8% of the population (Rebón and Saavedra, 2006, p. 16).

In this context, the climate of protest takes over the country with a strong spread of street demonstrations, *cacerolazos*, neighborhood assemblies and pickets. The pickets consisted of groups

of *sin nada*s (owners of nothing) that filled the streets demanding work and unemployment benefits, building self-managing enterprises in their neighborhoods (*Idem*, p. 22) and creating a favorable situation for the expansion of business recoveries based on a social sensitivity that legitimized it in the eyes of a good part of society (*Idem, ibidem*). As Magnani explains,

[...] in many of the occupations that ended successfully, the neighborhood associations were important both from a logistical standpoint and from a moral one, since they gave them support to continue the fight against vastly superior forces embodied usually in syndics and judges (Magnani, 2003, p. 39).

In some cases, this relationship with the community occurred in such a strong way that it established a sense of solidarity among the recuperated enterprises and the community by means of practices, by the companies, that ranged from the creation of centers of culture and health to the support of movements of unemployed people⁷ and retirees.

The recovery reaches a variety of industries, although focusing on 2/3 of the companies in the industrial sector and 1/4 of them in the metal industry. On what concerns to size, the most affected companies were the small and medium-sized, which causes the recovered factories not to have a significant impact on the national economy. Its effects on society, accordingly, were due more to their qualitative rather than quantitative traits.

Although most of the recovery processes has been encouraged by some kind of promotion (movements of recovered companies,⁸ government officials, trade unions and political parties), the initial impulse was, in most cases, the fear of being out of work, more than any libertarian or self-managed ideology (Rebón and Saavedra, 2006; Magnani, 2003; Fajn, 2004).

According to an interview with Alejandro Lopez, worker in the Zanon ceramics cooperative, which appeared in March 2002:

Everything we thought is that we had to provide for our families... We went to talk with the government, but they did not give us any answers... We knocked on 20 million doors, and had 20 million of them closed on our faces. The only door that was not closed was the will of the workers when we came to work. That is why we always emphasize that decision; by the way, it was very difficult to decide and it was a matter of necessity. But, more than that, it was not an arbitrary decision on our part, as saying one day: 'Let's break in and start to produce'. No, it happened in a sequence. We knocked on doors, there were no answers, nothing happened... So we took the initiative. We took this initiative which is now being taken by other fellows such as those of the Tigre supermarket, as Bruckman,⁹ as other cooperatives, and we are doing something concrete, we are fighting against unemployment. It is an alternative. It is a real alternative that we workers have to face due to the lack of response from the government and employers (Magnani, 2003, p. 150).

In some cases, however, these self-management ideals were developing in the fight and in contact with supporting organizations that professed them in a more explicit way, such as MNER (*Movimiento Nacional de Empresas Recuperadas* – National Movement of Recovered Companies).

According to Magnani, however, the recuperated factories have always maintained a very big concern with respect to their autonomy, even though the enterprises' relations with MNER and MNFRT (*Movimiento Nacional de Fábricas Recuperadas por los Trabajadores* – National Movement of Factories Recovered by the Workers) have a different nature.¹⁰

As Rebón and Saavedra indicate, as of the first movement the legal issue always emerged from the decision of the workers to take over the factories that were in the process of bankruptcy. The strategies put into practice to enable the formation of cooperatives were, in the beginning, a game of trial and error that, little by little, was characterized as a learning experience within the movement embodied in the following steps: taking over of the company, formation of the cooperative, and negotiation with the owner or a judge seeking the expropriation. The production was restarted as soon as possible. As the authors explain, "in most of the recovery processes, the workers did not question the State, but called for its protection and support" (Rebón and Saavedra, 2006, p. 56).

The relations with different levels of government were, however, very different. At the local level, the city of Buenos Aires was the one that most supported the process, to the extent, in November 1994, of promoting the definitive expropriation of companies that were temporarily in this situation, ensuring the transfer of ownership of the property on favorable credit terms. Favorable situations have also developed in the provinces of Buenos Aires, Rio Negro and Entre Rios, while in those of Rioja, Neuquén and Santa Fé the companies found strong opposition from the provincial government.

Under the federal government, there was a fairly ambiguous position until the Kirchner administration. Since then, the government created the Self-managed Work Program, in the Department of Employment of the Ministry of Labor, which began to promote legal and organizational assistance, in addition to access to loans and technical and economic support for the implementation of projects.

For the movement, however, the federal government's action was very incipient: the requests for a law of definitive expropriation were ignored and, despite some positive gestures, the government never came to think of recovery as a State policy (*Idem*, p. 59).

The undertakings were developed, thus, from their own strengths and in a relationship of opposition, separation or, at best, indifference from businessmen, various levels of government, political parties and trade unionists. The latter failed to develop any line of support to the cooperatives, in general simply choosing to ignore them as if they were something completely alien to their practice.

With regard to the feasibility of the undertakings, however, the studies on the subject show that, once the legal problems were overcome, the companies generally worked well, managing to grow, expand sales, increase the withdrawals of the cooperative members, reach new markets, and innovate technologically. Although having not had much impact on the GDP (because of their size that, in general, was not very large), many of them created new jobs and revitalized neighborhoods and small towns, like the Zanello tractor factory,¹¹ which eventually hired all the mechanics, welders and turners of the village of Las Varillas and reactivated the local trade (Magnani, 2003, p. 117).

Rebón and Saavedra (2006, p. 101), however, draw our attention to the fact that, with the resumption of growth of the country, the movement went into a downturn that announced its end. The authors point to its institutionalization, which occurred simultaneously to a process of decrease in its ability of social mobilization and articulation:

[...] on one hand, some of its promoters, who previously fought in the streets, made of the recovery [of companies] their way of access into the institutional policy. On the other hand, many workers who had already obtained the legal cover of the company – and the company is already functioning relatively well –, did not see a reason to keep fighting for others. In this sense, it can be expected that the movements tend to become small corporations, associations in defense of private interests, acting more as interest groups that funnel

particular demands rather than social movements that articulate with other groups in the struggle for broader goals (*Idem*, p. 102).

This does not mean, however, that the movement has not fulfilled an extremely important role in the history of the Argentinean (and global) resistance of the workers to a deep crisis that threw a very significant percentage of the workers into unemployment and destitution. If the dream of building a new country, present in many experiments (especially those linked to MNER), did not consolidate, the experience was important for having created a significant number of jobs, in which the workers had relevant experiences of participatory and democratic work, which left indelible marks not only in their subjectivity but also in the working class culture as a whole.

Social economy in Brazil

The experiences of cooperativism in Brazil focused, until the 1980s, on the rural environment.¹² In the cities, its appearance was due to a dual process. On the one hand, the economic crisis that occurs at the beginning of the decade, with its strong impact on unemployment, was followed by a process of restructuring of production and economy that, especially from the 1990s on, had strong repercussions on the labor market with a significant process of disruption of such market, as evidenced in all its indicators: decline of industrial labor, increase in the unemployment and the time that workers spend to find other ways to get into the labor market, increased informality, a fall of real wages, and so on. Such disruption is not only a direct consequence of the low rates (if not decline) of economic growth but also of the processes that come with the corporate restructuring, such as the corporate downsizing and the resulting outsourcing and deterioration of the labor conditions and relations.

It is in this context that measures aimed at generating employment and income were strengthened, among which the social economy is emerging as an important alternative. It is also worth to remember that, similarly to what occurred in Argentina, the crisis occasioned workers to recover companies that got into a bankruptcy process, as a way of guaranteeing their jobs.

On the other hand, the democratization of the country along the 1980s, in the Brazilian social movement, strengthened a process of discussion addressed to the issue of democratization in the labor world, from which "workers in various fields of activities initiate the formation of cooperatives, social movements start to promote practices of self-management, universities and other entities begin to support the creation of solidary enterprises" (Pereira, 2007, p. 18).

The organization of this movement was based on four major initiatives, which can be considered as its fundamental pillars.

The first one, *Cáritas Brasileira*, an organization linked to the National Conference of Bishops of Brazil (CNBB – *Conferência Nacional dos Bispos do Brasil*), has since the early 1990's a number of incubators of cooperatives spread across the country, although there is a blatant concentration of the entity's activities in the South, especially in the State of Rio Grande do Sul.

ANTEAG (*Associação Nacional de Trabalhadores em Empresas de Autogestão e Cogestão* – National Association of Workers in Companies of Self-Management and Co-management) was born in 1994, on the initiative of a particular industry union, in order to support existing experiences, especially in terms of technical advice.

University Incubators are also noteworthy in this context. The first University Incubator first emerged in 1998 as an initiative of the Center for Graduate Studies in Engineering (Cope – *Centro*

de Pós-Graduação em Engenharia), of UFRJ (*Universidade Federal do Rio de Janeiro – Federal University of the State of Rio de Janeiro*). Also in 1998, the University Network of Technological Incubators of Popular Cooperatives (ITCP – *Incubadoras Tecnológicas de Cooperativas Populares*) was founded for the purpose of disseminating the Cope's experience across the universities in the country and to link the incubators in an interactive and dynamic fashion, encouraging the transfer of technology and knowledge. The network quickly favored the expansion of the Incubators across the Brazilian public universities, bringing together, today, 37 university incubators.

Finally, the Workers' Single Central (CUT – *Central Única dos Trabalhadores*) has three entities that, jointly, promote the social economy: the Solidary Development Agency (ADS – *Agência de Desenvolvimento Solidário*), the Center of Cooperatives and Solidary Enterprises (Unisol – *Central de Cooperativas e Empreendimentos Solidários*) and the Central Cooperative of Credit and Solidary Economy (Ecosol – *Cooperativa Central de Crédito e Economia Solidária*).

ADS was established in December 1999 "from an intense debate within the CUT-style unionism about the new settings of the labor market and the restructuring of production in Brazil, and the need to establish new standards for the generation of employment and income and alternatives of development, of which the fundamental principles would be the Social Economy and sustainable local development" (ADS, 2004, p. 9). Its action is centered in the planning and articulation of the solidary enterprises, with the basic strategy of the formation of cooperative complexes by linking the various actors and economic organizations of the territories around common objectives and goals (ADS, 2005, p. 14).

ADS understands that the formation of networks of cooperation based on the consolidation of partnerships between businesses, financial institutions and other organizations facilitates the flow of information: "the cooperative complexes allow greater proximity between enterprises that, in their turn, contribute to enlarge the productivity and innovation capacity" (*Idem, ibidem*).

According to this Agency, the greatest difficulties that the experiences of social economy face, are related to the conditions of access to the market. In this sense, issues concerning the trade also acquire centrality in the cooperative complexes. The marketing policies are implemented by means of the articulation of actors for the creation of local systems of marketing, seeking ways to reduce the asymmetries in the market and the transaction costs. From these practices - creating new institutions, adopting policies of marketing and promoting the organization of public and cooperative spaces for the marketing of products and services of the social economy - ADS tries to expand the access of the solidary enterprises to the market (ADS, 2002, p. 42). The Agency has partnered with several ministries of the Federal Government, national and international agencies: Ministry of Agrarian Development (MDA – *Ministério do Desenvolvimento Agrário*), Ministry of Education (MEC – *Ministério da Educação*), Ministry of Labor and Employment (MTE – *Ministério do Trabalho e Emprego*), Brazilian Service to Support Micro and Small Enterprises (Sebrae – *Serviço Brasileiro de Apoio às Micro e Pequenas Empresas*), German Trade Union Confederation (DGB – *Deutscher Gewerkschaftsbund*), Interchurch Organisation for Development Cooperation (ICCO), and Rosa Luxemburgo Stiftung Foundation (RLS – *Fundação Rosa Luxemburgo Stiftung*).

ADS has been working in the formation of several cooperative complexes. Currently, there are 27, with 13 in agriculture (bringing together 20 cooperatives and 8,124 employees) and 14 distributed among the areas of industry, services, fishing, recycling, trade and crafts (gathering 177 enterprises and 8,115 workers).¹³ Some of these complexes include projects in several states, for example, the *Complexo Cooperativo Têxtil* (Textile Cooperative Complex), which combines partners from different sections of the production chain, aiming at the production of organic cotton textiles and respecting the principles of the solidary trade. The chain consists of many segments: inputs for

agriculture, farming, cotton processing, spinning, weaving, finishing (dyeing and printing), manufacturing, and distribution. Beginning in the state of Ceará (city of Tauá), where the cotton is planted, it goes through Fortaleza, where it is processed, goes to the cities of Nova Odessa e Santo André in the State of São Paulo, where the spinning and weaving are made, and ends in the States of Santa Catarina and Rio Grande do Sul, where the manufacture and finish are executed (ADS, 2002, pp. 43-66).

ADS also considers as one of its objectives the implementation of a policy of union organization, linked to the social economy, having CUT as conductor of the process. This policy, developed by means of the workers' union of the self-managing enterprises, is focused on the joint fight against unemployment and for the labor, social and welfare rights of all workers.

Unisol was founded in 2000 with the purpose of acting in pursuit of the socioeconomic improvement of collective entities and companies and to ensure the generation of employment and income with dignity. The organization first appeared as Unisol-SP, bringing together twelve solidary undertakings of the state of São Paulo. In 2004 it already had more than seventy projects; in addition, the existence of several cooperatives in other states that were served by the entity made it turn into a national complex: Unisol-Brazil. Today, according to its director, it has 230 affiliated companies, including cooperatives (65%) and associations (35%).¹⁴

The affiliates pay a monthly fee to this organization and, in return, receive technical assistance, training, advice in marketing and trade, and, above all, a political representation. Unisol also provides services of funding to the affiliated enterprises.

The main project of the organization today – Program of Inclusion and Productive Organization of Entrepreneurs Members of Cooperatives - is being developed with Sebrae in conjunction with 99 projects. The program's objective is to strengthen the enterprises, linking them together by economic activity; it is directed to some specific sectors such as building, beekeeping, clothing and textiles, metallurgy, crafts and recycling.¹⁵ The program requires the hiring of a technician to accompany each project.¹⁶

Unisol already has a training center and is developing a partnership with Mondragón and cooperatives in Quebec to build a Technology Center.

Finally, Ecosol, established in 2004 in partnership with Sebrae, brings together a group of credit cooperatives operating under the principles of the social economy. Its goal is to promote financial solidarity between members, using resources saved by the cooperative members that result in the generation of income for loans to other members. Ecosol proposes to facilitate the inclusion of low-income people in the financial system by means of these resources in order to foster the development of the regions where it operates.

With the Lula government, the social economy gains the statute of federal public policy, joining the Ministry of Labor and Employment as the National Bureau of Social Economy (Senaes – *Secretaria Nacional de Economia Solidária*), created by law in May 2003. At the same time, the Brazilian Social Economy Forum (FBES – *Fórum Brasileiro de Economia Solidária*) is created, in order to articulate the experiences of the social economy in the country and represent them with the international governments and forums¹⁷ (Barbosa, 2007). The FBES works directly with Senaes and unfolds in state forums, seeking to provide capillarity to the organized movement of social economy. Municipal and micro-regional forums have also been created in several States, bringing together a group of municipalities (Singer, 2006, p. 202).

In the case of Brazil, this set of organizations points to a broader and more diverse scenario of experiences of self-management if compared to Argentina, where the incubated companies perform an important role. On the other hand, it represents, in part, the different views that exist in the country on the social economy. Visions, however, which involve a much more extensive spectrum, as well as including theoretical concepts critical to the self-management experiences, as it occurs in the international discussion.

The different views about social economy in Brazil

There is already a fairly extensive research on the solidary enterprises in Brazil. For the most part these are case studies that have presented valuable data for theoretical reflection. Given, however, the difficulty of working with a very diverse set of cases, I will be focusing the discussion around some texts that make more general statements of research results, such as those of Gaiger (2000, 2004); Pinto (2006), Lima (2002, 2007); Vieitez and Dal Ri (2001), Singer (2000a, 2000b, 2006). Some other studies will also be referred to in the analysis of specific points.

A first aspect to note is the diversity of the universe of cooperatives in the country, ranging from the "false" cooperatives, formed by the companies themselves as a way of lowering costs, to the truly self-managed enterprises, formed by the workers themselves or, more commonly, under the initiative of some promoting entity, which seeks to stick with cooperative principles. Several authors call attention to the fact that the picture is quite complex and that the opposition between true and false cooperatives does not express reality (Lima, 2007; Pinto, 2006), considering that many of them are born with the ideal of self-management but gradually lose their independence as they begin to join corporate networks in order to survive, opening a wide range of different levels of dependence.

To complexify the issue a little further, it is worth recalling the findings of Guimarães *et al.* (2006, p. 318), which consider the possibility of an evolution of the experiences in the reverse direction, that is, of the development of the projects that would progress towards the achievement of self-management over time. This survey (conducted with 25 cooperatives in the State of Santa Catarina) shows that self-management should be analyzed as a dynamic category, "in a *crescendo* or *continuum*, from embryonic forms, until reaching concrete experiences of self-management in the organizational context, where not only the means of production and the stock control of the company are transferred to the workers, but also the control of management, including the control over the work process" (*Idem, ibidem*).

Secondly, there is some unanimity in the studies to highlight the difficulties that businesses face. This view pervades the whole literature, ranging from the most skeptical to the most enthusiastic about the potential of cooperativism. The outdated technology, the lack of resources, the low educational level of the members, the use of intensive workmanship, the fragmentation of work, the long work hours that exhaust the workers, the differences in the distribution of withdrawals, the low commitment of workers with the ideal of self-management are some of the points raised (cf. Vieitez and Dal Ri, 2001; Lima, 2007; Singer, 2000a; Guimarães *et al.*, 2006; and Pinto, 2006).

Deepening the discussion, Guimarães *et al.* point, in the research cited, important differences between cooperatives originating from the bankruptcy of companies, those formed by fostering programs of NGOs or government agencies and initiatives arising from the social movement. According to the authors, the difficulties of the first are quite obvious, given the culture shock that the workers live with the sudden transformation of the labor relations:

Accustomed to a rigid and authoritarian structure, the transition to a self-managed administration in the same work environment entails many difficulties to the full participation in the decision-making, autonomy and control of the work process (Guimarães *et al.*, 2006, pp. 308 - 309).

In organizations formed by NGOs and government agencies, Guimarães *et al.* highlight the relationships of dependency of the enterprises with the fostering agencies, especially with regard to management, interfering, sometimes, even in the processes of decision-making in a democratic manner (*Idem, ibidem*).

In their turn, the projects originated from initiatives of social movements would have been the ones that revealed the most salient features of self-management, "with the effective participation of workers in all levels of decision-making [...] and in which there is an evident change in the labor relations" (*Idem, ibidem*). In accordance with the authors, the fact that they had originated in a collective effort around a common cause, with a transformative and emancipatory content, reverts them with an ideological characteristic that was not found in other experiments.

In this context, other studies also highlight some positive aspects of the experiences of social economy, in order to facilitate their development. In addition to the ones already mentioned by Guimarães *et al.*, it is noteworthy the highlight that Gaiger made of this issue, by accentuating the ease of knowledge transfer, lower turnover, greater stability, greater communication among workers, greater easiness to identify problems in the work process, greater involvement in the quest for solutions, among other aspects (Gaiger, 2000, p. 184). This set of positive elements could, in certain circumstances, establish what the author calls a virtuous circle of cooperative work, in which "there is a material stimulus, which results in a series of positive attitudes that eventually produce a decrease in labor disputes, which, in its turn, strengthens the workers morally" (*Idem*, p. 185).

Another issue much discussed in the literature regards the role of the public policies, increasingly understood as a central element to the good performance of the enterprises.

França Filho (2006) presents a very structured reflection on the theme, which emphasizes the recent character of the policies. In fact, the author considers that the current Brazilian public policy of social economy is in a process of construction, whose methodologies are still being tested (*Idem*, p. 260), with a significant heterogeneity. This expresses, for the author, the different levels of organization of the very movement of social economy in the various local and regional contexts. In spite of this heterogeneity, França Filho underlines an important shift in the strategic vision of the public policy, when replacing the concern for the mere reproduction of the conditions of life by "a possibility of expanded reproduction of the way of life, which allows effective institutional changes in the most general conditions of existence of people in a territory" (*Idem*, p. 266). According to him,

[...] This is also the strategic vision of the transition from a state of subsistence of the undertaking initiatives into a state of sustainability, reflecting the strategic leap necessary to induce such policies from a condition of mere popular economy to a condition of popular and solidary economy (*Idem, ibidem*).

With this strategic leap, the public policy would shift its emphasis of the notions of service and compensation to the notion of emancipation, becoming a policy of "organization of society", whose results point to the medium and long term.

Gaiger also highlights the change of focus of the public policies in recent years, shifting from the promotion of projects with a palliative or emergency character, in order to provide minimum

conditions of survival, to the construction of long lasting and generalizable alternatives, focused on the quest for new formats of generation and appropriation of technologies aimed at self-sustaining enterprises (Gaiger, 2000, pp. 176-177). In this sense, the public policies play a very important role in enabling the solidary experiences.

Another major study about public policies for social economy is the one conducted by Alves (2006), focused on the cities of Santo André, Diadema and São Bernardo in the ABC region of São Paulo, and the city of São Carlos. The author highlights the policy of Santo André, which proposes a new way of operation of the municipal government by considering that the municipality must play a

[...] role of stimulator of projects and activities designed and conceived by the social subjects; to do so, it must cease to be the author and executor of projects and actions. For this, there needs to be a greater involvement of the social actors, objects of the actions in the conception of the policy, no longer objects of actions to become social subjects (*Idem*, p. 275).

For Alves, this change in orientation of the public policy is exemplary and should serve as a model for other municipalities in that

[...] only when the policy design is performed by the subjects themselves, the policy of the social economy exercised by the government becomes a subject of social policy and thus the problem of discontinuity disappears, due to the change in the public orientation of the municipal managers, triggered by the elections (*Idem, ibidem*).

It is possible to see, therefore, that not only the discussion about the public policies, but also the very policy proposals aimed at the social economy have progressed significantly in the country, concerned about its continuity, about the strengthening of the social fabric of the organized civil society, understood as a support for the political actions (Girard, 2006, p. 287), and about the ways of monitoring these actions as they start to address the qualitative advances, such as the one of the political organization, social relations, individual attitudes, etc. (França Filho, 2006, p. 266).

These advances in the public policy were formalized in the Cycle of Debates on Sustainable Economic Development and Social Economy, held by the Network of Managers during the year 2004, aiming to contribute to "the development of a public policy of social economy that is federally structured and able to act effectively in tackling the structural causes of poverty and promote the social inclusion and social development "(Schwengber, 2006, p. 293). One of the important advances of the Cycle of Debates' contribution is to understand the promotion of social economy as a development policy, which should not be relegated to the policies of cutting welfare; another contribution that deserves mention is that, as a development policy, aimed at an audience traditionally socially excluded, it demands transversal actions that articulate instruments from various areas of government, such as education, health, work, housing, economic development, technology, credit, and financing, among others (*Idem*, p. 294).

In spite of these effective advances, one must not lose sight of França Filho's warning about the fragility of the institutional framework under which the public policies still lie, what makes it "in some cases highly dependent on the characteristics and sensitivity of the public manager responsible for the policy "(França Filho, 2006, p. 267).

Finally, a core discussion, and that is where we find more disagreement among the studies; it regards to the potential of the cooperatives as an alternative form of organization that points to a possibility of democratic occupational insertion. The differences on this issue are already present in the different ways in which the studies address the reality of the cooperatives. While some

researchers focus mainly on the cooperatives of companies (Lima, 2002, 2007),¹⁸ which in some cases are even induced by the state government itself, as in the case of the State of Ceará, in the industry of footwear and clothing, others turn their eyes to the most successful experiments (Gaiger, 2000, p. 172), based on the understanding that one should not discuss the potential of the phenomenon by analyzing its fraudulent side, or the side that fails. From this perspective, Gaiger argues that the notion of efficacy for the social economy can not be the same used to think the trajectory of a capitalist enterprise, since the goals are different. In this sense, the author resumes the concept of expanded reproduction of life, formulated by Coraggio (2000), to consider the performance of the solidary enterprises. The central question that interests him is how these undertakings provide for the expanded reproduction of life and not just the accumulation of capital (Gaiger, 2000, p. 181).

In a more recent text, based on a survey done in nine states in the country, the author emphasizes that the social economy should be thought of as an experience of emancipation from the dehumanized work, devoid of meaning, with the restitution of the worker to the condition of subject of his / her existence. Gaiger is careful, however, not only to point out that the enterprises are facing difficulties that, many times, make them unfeasible, but also that there are no recipes that can be applied to all experiments, given that all existing projects are varied from the standpoint of its actors, its organizational choices, their reasons for being, their forms of insertion into economy and its possibilities of influencing the environment in which they are located (Gaiger, 2004).

We must also consider that other comprehensive studies, such as the ones by Guimarães *et al.* and by Vieitez and Dal Ri, came to results that were not so good. Although they found a group of companies that have more self-management features (those originating in the social movements, as explained above), Guimarães *et al.* believe that one can not use the term self-managed organizations, but only organizations with self-management features, "given the impossibility of full self-management experiences in the capitalist mode of production" (Guimarães *et al.*, 2006, p. 318).

The findings of Vieitez and Dal Ri point at the same direction, based on a research conducted in nineteen self-managed enterprises, located in various states of the country and linked to ANTEAG. The authors also found, in these companies, contradictions involving both the non-development of the collective management in a full and democratic fashion, and incompatibilities between the democratic and socialist virtualities of the working community and its current character of independent production of goods (Vieitez and Dal Ri, 2001, p. 145). They warn, as well, about the possibility of regressive evolution of the enterprises in order to reconvert themselves to the capitalist statute or maintain a technocrat or conservative staff management (*Idem*, p. 146).

Also João Roberto Pinto, in a survey conducted in thirteen projects accompanied by the ANTEAG office in the state of Rio Grande do Sul (chosen as a representative sample of the 100 undertakings that constitute the universe of enterprises related to the entity in the state), draws attention to the incipient nature of these enterprises, as well as the fact that, by being focused on the recovery or maintenance of their jobs, the workers showed little concern about the exchange of knowledge and experience, or about the establishment of mercantile exchanges (Pinto, 2006, pp. 176-177).

A final question concerns the meaning of the experiences to the very workers involved in them. Studies that relate to the subject point to findings that corroborate our hypothesis that these experiences suggest new forms of sociability for the recovery of the identity and dignity of the workers.

João Roberto, for example, presents findings to that effect explaining that, for 63% of the workers (from a total of 367 covered by the survey), "the personal behavior changed after he / she began working in the associate undertaking. Of these, 19% 'are more relaxed and in good mood', 18%

'became more responsible' and 16% 'became more cooperative and supportive.'" The author emphasizes the value of gains relative to the associative engagement itself, citing the words of one respondent: "because we rescued our dignity" (*Idem*, p. 171).

The research of Pereira (2007), carried out in two cooperatives in the ITCP (*Incubadora Tecnológica de Cooperativas Populares* – Technological Incubator of Popular Cooperatives) of Unicamp (*Universidade de Campinas* – University of Campinas, a city in the state of São Paulo), presents exactly the same conclusions. Although some respondents said they would leave the cooperative if they had the opportunity to take a job in the formal market, a great portion of them highlights their satisfaction with the personal relationships within the enterprise, associated with relationships of family, of aid, cooperation, solidarity, in contrast with earlier experiences in private companies. The author underlines these aspects, emphasizing the perspective of "liberation" experienced by some women in relation to their previous work as housemaids or to their situation of housewives. (Pereira, 2007, p. 85).

Singer also refers to this sentiment by stating that, in his conversations with the workers, they usually say they do not intend to return to the paid work because "they cannot bear working for a boss no longer" (Singer, 2000b, p. 28).

It is important to consider, however, that this fact does not represent a consensus among the researches. In his studies about cooperatives that work as outsourced firms for other companies in the states of Ceará and Rio Grande do Sul, Lima states that, while the cooperative work is valued "for allowing a more relaxed daily work, and, while stable, that is not perceived as precarious" (Lima, 2007, p. 151), the "ideal of wage labor was not overridden by the possible superiority of self-managed work" (*Idem, ibidem*).

Closing Remarks

The bibliographical discussion presented here focused on a number of aspects related to the social economy, dealing both with the theoretical debate about its limits and potentialities, and with the public policies aimed at its promotion, in the Brazilian case. The outcome of this discussion points to a complex and heterogeneous reality, which includes extremely diverse experiences of forms of disguised wage relations and some quite interesting examples of cooperative complexes involving expressive sets of cooperatives and workers and indicating very significant social experiences.

The studies discussed and commented here led to an important research hypothesis: Examine the cooperative enterprises linked to the social economy as alternatives of social inclusion that, although not having the potential for social transformation pointed to by those who consider them as germs of a new society, can become important experiences of resistance to unemployment, pointing to new forms of sociability - open spaces to form a collective identity of workers and to recover their dignity.

Although this type of social integration can not be considered a long-term trend, as witnessed by the Argentinean experience, it can be configured as a reaction of the workers to the unemployment caused by the new reality of the labor market. In this sense, it is about an experience of mobilization and organization of workers that, based on democratic principles, may be able, in some cases, of leaving significant marks not only on the lives of those who experience it specifically, but also on society as a whole.

Notes

- * Text prepared within the project "Labor's crisis and new ways of generating employment and income: the different faces of associated labor, workers and the gender question," funded by FAPESP (thematic project) and CNPq (Edital Universal). I thank Carlos Salas for his careful editing of this text.
- 1 There are several studies on the current crisis of work. As this is not exactly the goal of this text, I refer the reader to some analyses already established on the subject, such as Castel (1998) and Hirata and Preteceille (2002), among others.
- 2 The expression Social Economy was created in France in early 1990, "as a result, mainly, of the research developed in Paris in CRIDA (*Centre de Recherche et d'Information sur la Démocratie et l'Autonomie* – Center of Research and Information on Democracy and Autonomy), under the coordination of Jean Louis Laville, in order to accurately account for the emergence and development of the phenomenon of proliferation of various socio-economic initiatives and practices, the so-called local initiatives in Europe" (França Filho and Laville, 2004, p. 109).
- 3 Rosa Luxemburgo conducted a fierce controversy with Bernstein on the subject. While the latter was an advocate of the cooperative experiences as a path to socialism, the first warned about the double danger they faced: or they became successful and went into the logic of capitalism, or kept their ideals of solidarity and self-management and ended up succumbing to the capitalist competition. The same argument was defended by the Webb couple, giving rise to the theory of degeneration of the cooperatives. Marx, in his turn, had maintained an ambiguous position on the issue, stressing, at the same time, the importance of the cooperatives as a possibility of a new mode of production and the risk of them becoming an instrument of self-exploitation of the workers.
- 4 Polanyi identifies four principles of economic behavior that operate in our societies as factors of organization of production and distribution of wealth: (i) the market principles, which allow the encounter between supply and demand for goods and services in order to exchange by means of pricing; (ii) the principles of redistribution, from which the output is sent to a central authority (the State) which has the responsibility to distribute it; (iii) the principles of reciprocity, which correspond to the relationship established between the groups or people from mutual donations or loans, whose meaning is manifested in the will of expressing a social bond between the parties involved; and (iv) the principles of domesticity, from which people produce for their own use, providing the needs of the group members (Pinto, 2006, p. 46, França Filho and Laville, 2004, pp. 32-33). The activities led by the principles of domesticity and reciprocity would constitute the non-monetary economy, while the market and redistribution activities would be part of the monetary economy (Pinto, 2006, p. 46).
- 5 "Those that can not do it disappear from the scene," says Quijano (2002, p. 493).
- 6 The untouchables are the most oppressed and socially despised class in the Indian society.
- 7 There have been cases, for example, where the support of the unemployed to the recovery of the company involved the insertion of many of them into the company during its consolidation and growth (Magnani, 2003).

- 8 In 2001 the MNER (*Movimiento Nacional de Fábricas Recuperadas* – National Movement of Recovered Factories) appears and, in 2003, the MNFRT (*Movimiento Nacional de Fábricas Recuperadas por los Trabajadores* – National Movement of Factories Recovered by Workers) comes as a splitting of MNER. From 2005 on, MNER experiences a serious crisis.
- 9 It is about a recovered clothing factory.
- 10 Magnani's study points to a more concrete relationship of power of the companies recovered with MNFRT than with MNER. Given, however, the less ideological character of the first movement, its interference is exercised more to take on the legal problems of businesses. In any case, it may mean a risk for the enterprises, to the extent that it can take the workers through paths they themselves do not want to follow (Magnani, 2003, p. 56).
- 11 This cooperative had a mixed capital which included, besides its own, private capitals and capitals belonging to the State.
- 12 This does not mean, however, that some significant experience of cooperatives in urban areas has not existed until then. Rizek and Pereira recall, for example, that the city of Osasco itself had its origin linked to a group of anarchist workers who, after being dismissed from the Santa Marina glazing factory due to their participation in a strike, tried to create a company in the region that came to constitute the city of Osasco. The Rochdale neighborhood probably received this name as a legacy of this movement (Rizek, 1988; Pereira, 2007, pp. 17-18).
- 13 Data available at the website <http://www.ads.org.br/downloads.asp>, accessed in 05/20/2008.
- 14 According to an interview with the director of Unisol, associations are groups of workers who are still unable to organize as a cooperative. But, according to the legislation, the association is not focused on commercial or productive purposes like the cooperatives, but to the promotion, education and social assistance. The commercial activity can only be held for the implementation of its corporate objectives. The members can not be paid unless they are involved in activities necessary for the performance of the associative function, in which case they should be hired as employees of the association.
- 15 The recycling industry is the most present sector among the companies affiliated to Unisol.
- 16 Unisol currently counts on twenty technicians hired for project tracking.
- 17 According to the Atlas of social economy executed by Senaes, it comprises a set of nearly 20,000 units in the country, between cooperatives and associations.
- 18 The companies' cooperatives, encouraged by the employers themselves as a way to avoid paying the workers' rights, have spread in an extremely significant fashion across the country, particularly up to 2003. In recent years, due to a more effective inspection by government agencies on this type of practice, their growth slowed, although they still constitute a highly widespread phenomenon. However, since they conform experiments that do not fit within social economy, they will not be discussed here.

BIBLIOGRAPHIC REFERENCES

- AGÊNCIA DE DESENVOLVIMENTO SOLIDÁRIO – ADS. (2002), A comercialização na economia solidária. São Paulo, Sebrae / ADS / Central Única dos Trabalhadores.
- _____. (2004), Planejando empreendimentos solidários. São Paulo, Central Única dos Trabalhadores.
- _____. (2005), Prospecção, diagnóstico e sensibilização de empreendimentos econômicos solidários. São Paulo, Central Única dos Trabalhadores / Ministério do Trabalho e Emprego.
- ALVES, Francisco. (2006), “Políticas de apoio à economia solidária no Brasil”, in França Filho *et al.*, Ação pública e economia solidária: uma perspectiva internacional, Porto Alegre, Editora da UFRGS.
- BARBOSA, Rosângela. (2007), A economia solidária como política pública. São Paulo, Cortez Editora.
- BERNSTEIN, Edward. (1961), Evolutionary socialism: a criticism and an affirmation. New York, Schocken Books.
- CASTEL, Robert. (1998), As metamorfoses da questão Social. Petrópolis / RJ, Vozes.
- CHANIAL, Philippe & LAVILLE, Jean Louis. (2006), “A economia social e solidária na França”, in França Filho *et al.*, Ação pública e economia solidária: uma perspectiva internacional, Porto Alegre, Editora da UFRGS.
- CORAGGIO, José Luís. (2000), “Da economia dos setores populares à economia do trabalho”, in Gabriel Kraychete, Francisco Lara e Beatriz Costa (orgs.), Economia dos setores populares: entre a realidade e a utopia. Petrópolis, RJ, Vozes.
- _____. (2003), Política social y economía del trabajo. Zinacantepec, Estado de México, El Colegio Mexiquense.
- FAJN, Gabriel (coord.). (2004), Protesta social, autogestión y rupturas en la subjetividad. Buenos Aires, Centro Cultural de la Cooperación.
- FRANÇA FILHO, Genauto. (2006), “A economia popular e solidária no Brasil”, in França Filho *et al.*, Ação pública e economia solidária: uma perspectiva internacional, Porto Alegre, Editora da UFRGS.
- FRANÇA FILHO, Genauto & LAVILLE, Jean Louis. (2004), Economia solidária: uma abordagem internacional, Porto Alegre, Editora da UFRGS.
- GAIGER, Luiz Inácio. (2000), “Sentido e possibilidades da economia solidária hoje”, in Gabriel Kraychete, Francisco Lara e Beatriz Costa (orgs.), Economia dos setores populares: entre a realidade e a utopia, Petrópolis, RJ, Vozes.
- _____. (2004), Sentidos e experiências da economia solidária no Brasil. Porto Alegre, Editora da UFRGS.

- GIRARD, Christiane. (2006), “Integração e capital social a partir de uma reflexão sobre políticas de trabalho no campo da economia solidária”, in França Filho *et al.*, Ação pública e economia solidária: uma perspectiva internacional, Porto Alegre, Editora da UFRGS.
- GUÉRIN, Isabelle. (2005), As mulheres e a economia solidária. São Paulo, Edições Loyola.
- GUIMARÃES, Valeska *et al.* (2006), “Empreendimentos autogeridos em Santa Catarina: uma alternativa democrática à produção”, in Valmíria Piccinini *et al.* (orgs.), O mosaico do trabalho na sociedade contemporânea, Porto Alegre, Editora da UFRGS.
- HIRATA, Helena & PRÉTECEILLE, Edmond. (2002), “Trabalho, exclusão e precarização sócio-econômica: o debate das ciências sociais na França”. Caderno CRH, 37: 47-80, jul./dez.
- LAVILLE, Jean Louis. (2006), “Ação pública e economia: um quadro de análise”, in França Filho *et al.*, Ação pública e economia solidária: uma perspectiva internacional, Porto Alegre, Editora da UFRGS.
- LIMA, Jacob Carlos. (2002), As artimanhas da flexibilização: o trabalho terceirizado em cooperativas de produção. São Paulo, Terceira Margem.
- _____. (2007), “Trabalho flexível e autogestão: estudo comparativo entre cooperativas de terceirização industrial”, in Jacob Carlos Lima (org.), Trabalho flexível e trabalho associado, São Paulo, Anablume.
- LUXEMBURGO, Rosa. (1986), Reforma social ou revolução. São Paulo, Global.
- MAGNANI, Esteban. (2003), El cambio silencioso. Buenos Aires, Prometeo.
- MARX, Karl. (1979), Cooperativismo e socialismo. Coimbra, Centelha.
- PEREIRA, Maria Cecília. (2007), Experiências autogestionárias no Brasil e na Argentina. Dissertação de mestrado, Campinas, Faculdade de Educação, Unicamp.
- PINTO, João Roberto. (2006), Economia solidária: de volta à arte da associação. Porto Alegre, Editora da UFRGS.
- POLANYI, Karl. (2000), A grande transformação. Rio de Janeiro, Campus.
- QUIJANO, Aníbal. (2002), “Sistemas alternativos de produção?”, in Souza Santos (org.), Produzir para viver, São Paulo, Civilização Brasileira.
- REBÓN, Julián & SAAVEDRA, Ignacio. (2006), Empresas recuperadas: la autogestión de los trabajadores. Buenos Aires, Capital Intelectual.
- RIZEK, Cibele. (1988), A experiência de um movimento. Dissertação de mestrado, São Paulo, Pontifícia Universidade Católica de São Paulo.
- SCHWENGBER, Ângela. (2006), “Diretrizes para uma política de economia solidária no Brasil”, in França Filho *et al.*, Ação pública e economia solidária: uma perspectiva internacional, Porto Alegre, Editora da UFRGS.

- SINGER, Paul. (2000a), “Economia dos setores populares: propostas e desafios”, in Gabriel Kraychete, Francisco Lara e Beatriz Costa (orgs.), *Economia dos setores populares: entre a realidade e a utopia*, Petrópolis, RJ, Vozes.
- _____. (2000b), “Economia solidária: um modo de produção e distribuição”, in Paul Singer e André Ricardo de Souza (orgs.), *A economia solidária no Brasil*, São Paulo, Contexto.
- _____. (2006), “A experiência brasileira da SENAES”, in França Filho *et al.*, *Ação pública e economia solidária: uma perspectiva internacional*, Porto Alegre, Editora da UFRGS.
- SOUZA SANTOS, Boaventura (org.). (2002), *Produzir para viver*, São Paulo, Civilização Brasileira.
- VIEITEZ, Candido & DAL RI, Neusa. (2001), *Trabalho associado: cooperativas e empresas de autogestão*. Rio de Janeiro, DP&A.
- WEBB, Sidney. & WEBB, Beatrice. (1914), *Cooperative production and profit sharing*. Special Supplement to the *New Statesment*, 2 (45).

Translated by Arlete Dialetachi

Translation from **Rev. bras. Ci. Soc.**, São Paulo, v. 24, n. 69, fev. 2009.