

## Sociology 929. The Social Economy

### Reading Interrogations, Session 3, 9/15/2010

#### ALTERNATIVE PERSPECTIVES ON THE SOCIAL ECONOMY

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**I have written comments on all of the interrogations.**

**If you are interested in social enterprises, I followed up on some of the references in the Pearce chapter. The link to the report on social audits can be found at:**

[http://www.rise-](http://www.rise-sw.co.uk/modules.php?op=modload&name=Downloads&file=index&req=viewdownload&details&lid=141)

[sw.co.uk/modules.php?op=modload&name=Downloads&file=index&req=viewdownload&details&lid=141](http://www.rise-sw.co.uk/modules.php?op=modload&name=Downloads&file=index&req=viewdownload&details&lid=141)

**The British magazine *Social Enterprise* has a website that might be useful:**

**<http://www.socialenterpriselive.com/>. This certainly reinforces the idea that “social enterprise” (in Britain anyway) is not at all anticapitalist!**

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#### 1. Matthew Kearney

John Pearce wants social economy organizations to "talk with one voice when needed" (25), and Marguerite Mendell claims that the Quebec social economy has "the capacity to speak with one voice" (203). This would require some sort of formalized or semi-formalized association, as in Quebec. Pearce even suggests a Social Economy Party that would presumably field a slate of candidates for public office. Whatever form it takes, and using whatever definition of 'social economy' you prefer, is the core notion of distilling the social economy's huge variety into one voice a good idea, or a terrible idea?

From one perspective this seems like a terrible idea. Why should we think that any sizable number of deeply community-based groups from a wide variety of local circumstances and backgrounds would have the same set of specific policy interests, the same approach to government? Is there a high degree of cultural homogeneity in Quebec, enabling this to work? Investigations into participatory democracy elsewhere have shown that policy priorities vary widely from neighborhood to neighborhood, let alone throughout an entire country or across international borders. Can we take democracy seriously and still expect to arrive at one voice? Could policy and other macro-social conditions build social power by mechanisms other than a unified voice? If so, what are those mechanisms?

**EOW Comment: I am not so sure what Pearce really has in mind, but for Mendell the issue is have a set of institutional mechanisms in place through which real dialogic processes are created through which priorities are generated, problems discovered, deliberation towards consensus takes place. It is precisely because of heterogeneity that this is important, but the assumption is that the heterogeneity does not generate inherent antagonisms of the sort that would make coherence impossible. Of course, this doesn't show that having a unified voice really matters. We should discuss why is this might be a good thing.**

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## 2. João Alexandre Peschanski

*The international perspective.* When I read the book's subtitle -- "International Perspectives on Economic Solidarity" --, I expected discussions on how the social economy coped with challenges brought up with current international trends, such as transnational economy and politics. Yet, as Amin's piece lays out, the focus of the book is on "situated practices," the regional or national context in which the social economy develops. I would like us to discuss the relation between the social economy and current international trends, even though such discussion might go away from the topic of the reading. **To what extent has globalization stimulated or/and undermined the social economy?** Specifically, I would like to emphasize two aspects relating to that broad question. (1) How do social-economy organizations respond to globalization comparing to private companies and states? **EOW comment: It seems to me that the main connection of SEOs to globalization is that the economic disruptions generated by globalization are one of the conditions that lead people to try new adaptive strategies, including SEOs. SEOs are nearly all engaged in locally-rooted activities rather than global economic transactions (although there are exceptions), and mostly the funds for SEOs do not come from globally mobile sources (again, some exceptions).** (2) What is the impact of global connections among social-economy organizations? I believe the World Social Forum is not just a place where organizations meet and compare what they are doing, but a place where ties are created. What are those ties good for in the sense of developing the social economy in an international perspective? **EOW comment: I think there are mainly two kinds of international ties in play: (1) ties involving NGOs, many of which are global NGOs, that provide a range of services to the social economy; (2) ties directly among social economy organizations. The latter are pretty underdeveloped in general, but have played some role in diffusion of ideas and best practices. The former are often quite important, but sometimes have ambiguous effects, since NGOs can be unreliable and opportunistic partners.**

*Emergence and expansion.* Some case studies outline different theories to explain the emergence and levels of expansion of the social economy. Is it possible to come up with a general theory? In the Italian case (chapter 4), emergence is related to economic crisis and ideological polarization; the expansion, to some extent, depended on the success of the initiatives, measured by people's satisfaction and economic results. In Argentina (chapter 7), the motivation of workers to take part of cooperatives was, at first, a mix of grievances and needs in a context of economic crisis; the expansion was strongly related to the building of community feelings, or the rise of moral economy. In Brazil (chapter 8), state initiatives and social incubators -- that is, exogenous organizations -- shaped the emergence and expansion of social-economy organizations. In Poland (chapter 10), the social economy was contradictorily stimulated and blocked by the government, leading to a quasi-social economy; the expansion of the social economy is limited by people's lack of trustworthiness. **Can we distill from the experiences presented in the book general theories of emergence and expansion of the social economy?** **EOW Comment: It is hard to know if this is just because of the selections in the book, but in the book most of the initiatives grew out of some disruption/crisis**

**context. Part of this seems to be because this creates a motivation/incentive/necessity to innovate, but it may also create opportunities – as in the recovered factories examples. In the US social economy initiatives seem less a response to crisis and more simply to the failures of the mature market economy and the massive gaps in the crummy welfare state. As for explanations of expansion and reproduction, there is clearly no single condition-of-persistence, but rather a variety of distinct configurations. Mapping out the variability in such configurations would be a good thing to do.**

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### 3. Taylan Acar

Reading over the different national perspectives, I think the issue of mixed models or ‘hybrids’ deserves attention regarding the institutionalization of social economy organizations. This is important with respect to making critical decisions while maintaining collective and ethical operation of the organization and democratic participation; as well as the sustainability question. Hence the relations of the social economy to state and market actors could be clearly defined. On this the social movement character of Quebecois experience provides an important lesson with respect to ability to create resources, at the sometime preserving the social character and collective governance. The ‘network of networks’ organization structure and social movement character provides insights about both sustaining and preserving the social aspect of the enterprises.

**How are the alternative ways to establish supportive partnerships, which do not undermine the autonomy possible? EOW comment: This question can be posed both with respect to the state and with respect to private capitalist firms and other organizations – including NGOs. Many of the pieces discussed partnerships as if these were generally benign, but I suspect the more common situation is that partnership are intensely contradictory.**

Another issue I would like to call attention is the employment in social economy enterprises. Borzaga and Dependri (ch. 4) forcefully show that working in social economy organizations is more complex and decisions of the workers depend not exclusively nor principally on wage levels, but they are pluri-motivated. This is a very important point showing that the social economy enterprises do not operate according to the principles of classical economy, even in the case for non-volunteer stuff. However, I think this should not lead to condemn the social economy workers to work for lower wages and without benefits forever. At least some sort of fairness, or promise towards fairness should be provided in order to not to exploit the workers themselves. Two examples can be give: a) care workers; b) vocational or integration trainings. **Comment: Do you think that it is legitimate for social economy organizations to pay somewhat less than capitalist firms so long as they pay a living wage with core benefits? I certainly agree that SEO employees should not be paid badly, but it might still be legitimate for them to be paid less than in a comparable private sector or public sector firm given that the working conditions seem so much better. Putting it**

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**another way: Should workers in authoritarian, repressive, miserable jobs be paid more than people in autonomous, self-directed, meaningful jobs?**

The literature regarding care work (Folbre and Nelson, 2000; England, 2005) shows although the workers in this sector provide their emotional labor in addition, this is not compensated by their wages. On the contrary, the exploitation of emotional labor makes the situation of these workers more precarious by blurring the boundaries between a care work as a waged labor activity and qualities of the –mostly- women workers’ motherhood, affection etc (in that sense the childcare service from Quebec with its complex structure provides good insights). With regards to skill-development and vocational trainings of the social economy organizations, the recipients of this service might become actual workers during these activities with below minimum wages, or not even paid at all and without social security (we can add being natural strike breakers and first-to-be laid-off). Eva’s Phoenix example from last weeks’ readings is a good example, which was employing youth without paying them, but providing transit passes and honoraria. **EOW comment: two small points here. First, the Folbre and England points are about careworkers in general, whether or not they are employed in private sector, state sector or the social economy. Second, the Quebec childcare workers earn pretty good incomes – about twice the level in the US for comparable work. This is partially because they are heavily unionized and partially because it is a principle of the Quebec SE that SE workers earn a living wage.**

Another question in mind: How does social economy, which provides alternatives in the times of crisis; during the times of market failures and state incapacities, response to the crises of the capitalist economy?

Folbre, Nancy, and Julie A. Nelson. 2000. “For love or money – or both?” *Journal of Economic Perspectives* 14 (4): 123-140

England, Paula. 2005. “Emerging Theories of Care Work.” *Annual Review of Sociology* 31:381-399.

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#### **4. Emanuel Ubert**

The majority of case studies in “The Social Economy” seem to highlight the material involvement of the state as either a constraining or nurturing factor in the emergence and evolution of the SE. On the one hand, cases like Argentina's bankrupt company takeovers or the ADP and NR in Massachusetts seem to suggest that the local emergence of SE organizations is possible (but not necessary) at the very least without active government opposition. The case of Quebec, on the other hand, strongly suggests that the SE's growth beyond local contexts into a more institutionalized, “co-constructionist” and “co-regulationist” force on the state level is necessarily dependent on active government support. As outlined by Mendell, Quebec's SE expansion beyond its heterogenous local contexts crucially depended on the inclusion of community organizations in the 1996 Summit on the Economic and Social Future of Quebec, and on the state's subsequent acceptance and fostering of a more prominent role of the SE.

Do we therefore agree that state support is a necessary condition for the SE (i) to grow into a collective transformative power, and (ii) to be able to socially reproduce through time and in the face of capitalist opposition?

If this is the case, is it realistic to regard the expansion of the SE as constituting a (evolutionary) transformative strategy that is capable of changing the overall logic of a given capitalist system to one of greater social empowerment?

In other words, is the ability of the SE to grow in power and relevance beyond its original local context merely the result of temporary limits, gaps and contradiction in the social reproduction of the dominant capitalist system, and therefore not a viable transformative strategy in its own right (because once those gaps close, the state's support will weaken and with it the scope and power of the SE)?

**EOW comment: This is a nicely posed problem. I am not sure that certain critical forms of support by the state mean that the SE cannot be a transformative force “in its own right”. This depends on whether the social economy is a tool of the state that helps the state solve its problems, or the state becomes something like a tool of the social economy to secure its conditions of existence. I think any longterm project of transformation will involve the state in changing the rules of the game, opening up spaces, perhaps providing income transfers, but this does not necessarily – I would argue – mean that the dynamics for the transformation aren’t coming from below.**

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## 5. Nina Baron

During our discussions last week and as a result of the reading for this week, there is a question there keep coming up. That is the distinction between those companies we see as being a part of the social economy because of the way they are organised, and those we see as a part of the social economy because of what they produce.

All kind of co-operatives is in nearly all the reading for this course, seen as being a part of the social economy. The reason is that they are organised in a way we see as solidaristic. An example from the reading for this week is the companies in Argentina there have been taking over by workers. The other type of social economy enterprises is those there are working for satisfying human needs trough what they produce. The Flying Eagle Facilitators in Australia is an example of this type of social economy enterprises. There goal is to deliver a product that the society needs. They decided to close down when they experienced that there products was not needed in the same way anymore. In comparison with this, the Argentina co-operatives had as its main goal just to make the company survive. The new way of organising the company, was a way to reach that goal. Both types of enterprises can be seen as working for meeting human needs. But the first example trough the way they produce, the next trough what they produce.

When we in class are discussing the social economy, I think it is sometimes making the discussion more difficult and unfocused that we try to discuss both types of companies as being in the same category.

I therefore would like to discuss:

Do you also see those two examples as belonging in different groups?

Would it make our discussions more focused if they were separated in to two different groups?

Is it at all possibly to make this distinction I here suggest? Is it only an analytic distinction or is also something we can see in the real cases?

**EOW comment: you are absolutely correct that there are these two dimensions in terms of which the SE gets defined in the readings, but I am not so sure that we need to pick one or the other as our definition. Maybe the way to go is to see the SE as a multidimensional concept and then see different specific instances as involving different dimensions to a greater or lesser extent. This is more or less the way Gibson-Graham approaches these issues.**

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## 6. Trevor Young-Hyman

*Why does an “integrated systemic approach to the social economy” (181) emerge in some places and not others, and are stocks of social capital or political culture sufficient to explain it?*

Several of the chapters in the Amin reader emphasize the importance of networks of social economy organizations, in diverse sectors and industries, as determinants of an effective social economy. These networks serve to link diverse organizations so that “goals can be shared, questioned and reformulated” (174), thereby disseminating norms of sustainability (both among producers and consumers), enabling convergence around and leveraging pressure on common policy agendas, and building a ‘movement’. One precondition for such a network is that actors exist to populate the network. Hauser suggests that weak associational stocks and trust levels in post-Communist Poland explain the under-developed social economy. Similarly, Mendell writes, “concertation... is embedded in the political culture of Quebec.” (183) **EOW comment: a distinctive political culture may not be the only way to get a stable and elaborated network of support. It may be that certain kinds of cultural elements, like the pervasive distrust in Poland, may undermine the prospects for networks, but I am not sure one needs a political culture as oriented towards concertation is in Quebec.**

This argument is lacking, however. For one, at what level of analysis should we examine political culture? On pages 210 and 211, the maps provided by Hauser seem to suggest that the Polish social economy is stronger in the West than in the East, yet his measures of associational life and trust are national in scope. Hauser relies on the European Social Survey as a data source, which does offer measures of trust aggregated at the sub-national level. It would be more convincing if he could show that sub-national variations in trust correlate with the strength of the social economy.

Second, political culture does not explain the emergence of radical democratic governance. The other essential component of “integrated systemic approach” is the governance infrastructure. In the Quebec case, it’s the Chantier. [note: Also, I was struck by how much the Quebec social economy is supported by and integrated into the

provincial government of Quebec. According to footnote 12 on page 204, the government of Quebec covers the operating costs of the Chantier and has increased its allocations over time. Also, the Chantier has a formal and high-level linkage to the government through an office in a cabinet-level ministry. Less significantly, maybe, the narrative of the social economy in Quebec originates with a meeting that was convened by the Quebec premier.] In the Brazilian case, it seems to be the Secretariat of the Solidarity Economy. Laville discusses the role of the EU. On the flip side, the authors discuss subsidiarity and the establishment of “flexible modes of governance” (185). If implemented according to the model, these are modes of governance which undermine established power hierarchies through a combination of decentralization and participation. Why do political and economic elites in Quebec and Brazil agree to implement political reforms that undermine their authority? But why do these institutions emerge in some places and not others? **EOW comment: It isn't so obvious that the elites see these reforms as undermining their authority. Perhaps they see them as being effective solutions to a pressing set of problems which they cannot otherwise solve, and the solutions relieve them of some burdens which then increase their effective authority overall.**

*What is the analytical value of Gibson-Graham's definition of social economy organizations according to “formative practice”*

Instead of defining domains of economic activity by the dominant form of economic organization, Gibson-Graham propose to define activities based on ‘formative practice’, the benefit of which is that it “invites a finer-grained reading of the social economy, able to recognize diverse practices that connect with markets and states in varying ways and to different degrees.” (10) While this approach may emphasize the mixed character of many economic activities, what is its conceptual or analytical value? Where do these practices come from? Why do actors engage in them? **Comment: We are going to read their book where they lay out and defend these metatheoretical positions more thoroughly. That would be a good time to raise this.]**

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## 7. Lindsey Twin

The Social Economy explores international case studies of how social economy organizations (SEOs) address a structural dearth of formal jobs and an expanding pool of permanent unemployment through either providing jobs or services to meet needs. The organization of the surplus population is, in part, an outcome of class struggle [Przeworski, A. 1985. *Capitalism and Social Democracy*]. Surplus labor can be unaddressed, absorbed through state programs, distributed over a person's life span via state programs or union contracts, or absorbed through social economy initiatives. Within social economy initiatives, there is an imperfect correspondence between the class of participants and the resources that they access for production due to the availability of inputs from associations based on non-class identities in civil society and from state intervention.

SEOs face distinct and interacting means for acquiring and employing resources under state and private control. A non-SEO example: Unions shape distribution through negotiating collective bargaining agreements within the market and pushing policies and candidates within the state. I am having a difficult time using the case studies to conceptualize these channels for SEOs in a clear-cut way.

Does it matter whether surplus populations are “has been” with respect to the international working class (in the Global North) or “never was” (in the Global South)? Relations between the working class and the unemployed are going to be different in these contexts. Mendell highlights how the involvement of the labor movement in the creation social economy initiatives in Quebec shaped the character of those programs. Lechat argues that SEOs in Brazil create a common identity amongst otherwise disconnected people on the margins of the labor market. How do SEOs organize surplus populations into class formations in these different contexts?

The CEC and Gibson, Graham and Cornwell, and Lechat explore the ways that community enterprises can act as vehicles for development. Lechat finds that in Brazil, most SEOs are rural. Rural SEOs face different constraints than urban ones because people in rural areas have access to other means of subsistence. SEOs differ on whether they produce for exchange or local consumption. Do SEOs that subsist on the margins change the nature of if/how people will be incorporated into capitalism in the future? Do SEOs which find new ways of accumulating change the character of how people sort into a patterns of relating to the means of production (classes) and commodity specialization (international division of labor) through market exchange? **Comment: You have identified a really slippery issue here – the relationship of SEOs to the class structure. There is both the issue of how the SEO constitutes a mechanism for reorganizing the “surplus population” into the class structure, and the question of how we should think, in class terms, of people who earn their livelihood within the SE. In a way this is similar to the problem of how we treat state employees in class terms, since they are not employed by capitalists.**

Amin argues that state and SEO service provision differ in that SEOs provide service in non-bureaucratic and non-standardized ways which account for individual and community needs. In both cases, access to services is universal. However, the authors emphasize that, in contrast with the state, SEOs have channels for democratic input and they develop the leadership and capabilities of people who are associated with them. Cameron argues that there is a tension amongst SEOs between merely delivering government services and delivering voice of people to government, which requires constant vigilance. The professionalization of civil society tends to diminish the mobilizational feature of voluntary association, while establishing a new form of clientelism. How do we conceptualize the parameters governing the relationship between access to services and the breadth and depth of association? **Comment: You have identified a serious tension in a lot of the readings which the readings mostly side step: the tension between the mobilizing role of SEOs and the effective service delivery role. Sometimes these work in harmony, but often they do not. There is sometimes a bit of a romantic idea that real professional competence is not all that important in the delivery of services to meet human needs, so all that is needed is good faith mobilization. That might work for some services but not all.**

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## 8. Nate Ela

It struck me that in the readings for this week there was a recurring back-and-forth between what Pearce calls “the language of the business school” and the “language of activism and political engagement.” (30) Pearce claims that the former has “usurped” the latter, and that “there has been a shift from the idea of community enterprise as an entity for community action to an emphasis on social enterprise as a business model.” (30) I’m not so sure about that — both seemed very much alive in the readings.

Graham and Cornwell seemed to write most squarely in the language of activism and political engagement in their chapter on organizations in Massachusetts. They described the work of ADP and NR as a process of institutional and economic experimentation that builds a sense of “we” through ethical decision-making and joint participation. (48) They conclude that such experimentation yields an endless list of beneficial initiatives that scholar-activists can help transmit “through a global infrastructure of educational institutions.” (64)

Hausner’s chapter on Poland might exemplify Pearce’s “language of the business school.” Hausner sees the role of the social economy as effectively and indirectly contributing to “a more efficient state and economy” (228); though he mentions that the establishment of a social movement that can act as an engine of the social economy is “of key importance” (228), you don’t get the sense that his heart is in it. Instead, he rattles off bullet points about how what is needed is an “optimal legal environment,” “action blueprints,” “criteria and indicators for assessing the performance of social economy organizations,” etc. (222-23) Getting incentives right and reducing transaction costs are the sorts of things that really get a sector moving, not activism.

Other authors seem to speak in both languages: Corragio and Arroyo describe the takeover of Argentine workplaces as both an activist struggle and a site where workers spontaneously invented, out of necessity, a new business model; Lechat describes a nationwide discussion inspired by Paulo Friere, which came to the stirring conclusions that “specific public policies for the solidarity economy as well as specific juridical regulation” were needed (165).

My questions for discussion: 1) are two languages (or maybe two instincts: one popular, the other technocratic) coexisting in the social economy literature? 2a) If so, are they in tension, or might they be complementary? 2b) Does one or the other seem dominant? 2c) Does one or the other seem better or worse, according to whatever criteria you prefer? **EOW comment: I like the characterization of the two models of the SE – business school vs activist model. Amin implicitly suggests that this contrast may come from the nature of the local context in which social enterprises emerge – whether they are a response to crisis and failures of the system or complements/partners to the dominant institutions. I’m not sure if that is right. I suspect that both models are probably present in most settings, even perhaps within specific SEOs. I certainly felt that both models were present in Quebec when I talked to people there. It would be interesting to see how much on the ground people understand their own practices in these terms.**

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## 9. Ayca Zayim

This week, I would like to discuss 1) the role of economic, cultural and institutional context and 2) that of ideology –by which I mean how individuals interpret and understand the world and themselves- for expanding the social economy and realizing any transformative potential it might have to transcend capitalism.

Firstly, several case studies in “The Social Economy” have underlined the ‘demise of the welfare state’, the ‘crisis’ or the ‘failure of the state’ in the 1980s as setting the stage for the growth of the social economy. According to these arguments, the social economy was mainly a ‘response’ to the economic crisis of the 1980s and the inability of the state to address the problems of unemployment and other unmet needs of its constituency. In fact, this led some scholars to argue that the social economy (or the ‘third sector’) did mainly replace the welfare provision previously undertaken by the state; it was just one facet of neoliberalism. In Britain and Denmark, according to Amin, where “the liberalization of the state” has been more pronounced, the social economy “cannot be separated from the aim to roll back state provision” (p.15). I am curious to what extent, if any, this process should really be understood simply as a reflection of the commodification of these services and neoliberalism? Do social economy organizations in similar contexts simply become an extension of the state, diverging from their ethical commitments? In contrast to the social economy in these countries, on the other hand, the Quebec social economy, as part of a transformative social movement, is posited by Mendell not to be a substitute for public provision (p.179). This is so even though it gets continuous support from the state. Yet, what would explain this ‘divergence’? Should we understand the legitimacy and the strong position of the Quebec social economy or its ‘success’ in pursuing its ‘ethical commitments’ due to a unified ‘social economy movement’, the preceding labor movement, ‘leadership’ or ‘favorable’ political context? Can communities with an anti-capitalist ‘ideology’ who treat the social economy as a pathway beyond capitalism play a significant role? Can these communities prevent the social economy organizations from diverging from their ‘ethical commitments’ in search of funding from the state and becoming its extension? **EOW comment: It could be that that the growth of the SE reflects the neoliberal process through which the state withdraws from universalistic welfare commitments and still SEO are not an “extension” of the state. The community-based initiatives that respond to the abdication of state responsibility by providing the services could still end up contradicting the logic of both capitalism and the state. They might still be tolerated by the state (and capital) because they solve certain pressing problems without thereby becoming functionalized by capital and the state. This might depend upon things like the coherence of social movements and the creation of network infrastructure, such as in Quebec.**

Secondly, after reading all these different case studies, it seems to be that ‘ideology’ seems to play a significant role in expanding the social economy and constituting it as an alternative to capitalism. This is not only related to the point above. Additionally, ‘ideology’ seems influential for the survival of social economy enterprises in the capitalist market. For example, one can argue that social economy enterprises constantly face pressures of the capitalist market due to their low ‘efficiency’ and high costs of producing goods and services. Yet, does this have to be the case? Is it possible for

members and volunteers –along with consumers or users of services- with strong ‘ideological commitments’ save social economy enterprises from these pressures and ensure their sustainability over time? For example, the case study of social enterprises in Italy has shown that many of the employees accept lower wages because of increased participation in decision making, motivations originating from the feeling of togetherness or ‘fighting for a cause’. Can it be argued that employees who have strong ideological commitments to the social economy and who work for lower wages without a decline in their productivity can contribute to alleviate these pressures? **EOW comment: I am sure that ideological commitments matter a lot in many instances. This is, in part, what Amin means when he talks about the specific characteristics of a given enterprise explaining how it functions rather than attributing everything to the context. Still, I wonder how much of the variation across countries really has to do with Ideology in the strong sense – general worldviews and beliefs – as opposed to material constraints and organizational supports. I suppose this is an endless and unresolvable issue.**

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## 10. Michael Billeaux

Main points:

- -Experimental character of social economic enterprises
- -Unpaid/unwaged work
- -Ideological effects of social economy, “new subjectivity” of labor

In the Cameron chapter, social economic enterprises are described as having a “learning-by-doing,” “experimental” character. But also, on the other hand, “forward planning.” The argument seems to be that this somehow distinguishes a social economic firm from any other economic firm. What is the content of the experiments? Learning what by doing what? The claim is made that SGS “constitutes a community economy,” although it’s unclear whether or not the disadvantaged persons employed actually have any sort of control over the direction of the enterprise. This doesn’t seem to be emphasized in the chapter. To what extent is it different from a very socially-conscious capitalist firm? Is this difference important in terms of the definition of social economy? We know from the economic sociology literature that more traditionally capitalist firms are also “embedded” within non-economic types of networks, such as families, personal relationships, and/or government. This is also not a distinctive feature of social economic enterprises. The phrase “unpaid but purposeful” is also problematic. Unpaid labor is certainly not specific to the social economy, but can be found in (and, arguably of course, is the basis of) traditional, profit-driven capitalist firms. And it is not certain what is meant by “purposeful.” **EOW comment: I think by “unpaid labor” Cameron means volunteer labor that is not hired for a wage – unwaged labor – rather than unpaid labor time in the Marxian sense of exploitation of surplus value. When someone works for pay in a social economy organization a given number of hours and then volunteers for extra hours without pay, that is also not really the same as unpaid labor in capitalism.**

The Graham/Cornwell chapter on *Nuestras Raíces* and Alliance to Develop Power did provide much more promising examples of social economic activities; particularly ADP. It also situates the discussion of social economy within a broader strategy of social change. It seemed as though it was fully a movement organization involved in immigrants' rights, just housing, workers' defense, and so on. Their definition of social economy as a site of experimentation seems on the one hand like a dodge from a precise definition, but on the other hand does emphasize the creative and fundamentally pluralistic character of non-capitalist economic activities (McNally, for example, emphasizes that socialist economy won't be directed by one or another sole principle, but a multitude of principles). There is, however, a total lack of critique in this chapter, which becomes most apparent where they mention (like the Cameron chapter) that “unpaid labor is key to every activity,” later using the more agreeable term “unwaged.” The point is not to dismiss these projects; only to suggest that it is important to examine if there are certain processes therein that are reproductive of capitalism, and to determine whether or not the activity can be changed such that it is more thoroughly corrosive while at the same time maintaining the integrity of the organization. Admittedly, it remains to be debated just what constitutes “corrosive” activity versus “reproductive” activity.

The same problems come up in the Gibson/Cummmunity Economies Collective chapter; essentially uncritical treatment of the subject without an eye towards the broader picture of capital/labor relations and how they are effected by the operation of the firms under discussion. The above issues—lack of clarity concerning the governance structures of the institutions, description of firms which fails to decisively differentiate them from traditional small capitalist firms, and somewhat casual mention of unpaid labor—are present here.

On the Coraggio/Arroyo chapter and the new subjectivity of labor. If we are going to discuss alternative economic institutions as motors of social change, this might be one of the most important aspects to emphasize in a capitalist context. It is clear that the cooperativized firms do not “break out” of capitalism, even ideologically; the authors make the point that workers are by and large not motivated by an ideology of self-management, or opposition to wage-labor and market relations. Still, they have an important educative affect, wherein workers learn how to take part in the democratic organization of production, and learn that the traditional firm hierarchy is not necessarily the only or the best way to organize production. The implementation of task-rotation is another positive aspect. I found the discussions of changing subjectivity around the time-space dimension to be confusing; it sounded as if, in some sense, home life was being subsumed under factory life, which seems antithetical to the social economy.

**EOW comment: I interpreted the discussion of workers' subjectivity in the recovered factories a little differently from you. I thought Corragio was saying that initially workers were not motivated by any kind of coherent ideological opposition to capitalism, or even to private property. They were engaged in survival struggles under a notion of the unfairness of not being paid for work they had done and the destructiveness of the dismantling of these factories. But then, under the lived experiences of the process of recovering the factory they did begin to see themselves as creating an alternative and trying to defend an alternative rather than fully reintegrating into capitalism.**

Lechat emphasizes the more politically radical solidarity economy in Brazil; here the social economy more explicitly is part of the discussion of post-capitalist society within the left. I find this, in and of itself, promising. They also use a more highly restrictive conception of the social economy (more exactly, solidarity economy), where only those firms which are genuine examples of democracy, social empowerment, and social service—that is, not simply formally organized along certain or other principles—can be included in the solidarity economy. This way, some firms that are formally defined as co-operatives are not necessarily in the solidarity economy. I think this is more analytically and potentially more politically useful than the broader conceptions. Lechat, like in the Coraggio/Arroyo chapter, points out that the social economy has an extremely positive ideological affect, engendering “common identity among workers.” There is a mention of solidarity economic enterprises being essentially coping mechanisms, meant to deal with un- or underemployment; still, to the extent they serve a radical pedagogical purpose, they have potential greater than their motivation for creation.

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### 11. Eunhee Han

Ash Amin distinguished community enterprises (which consider their activities as a part of community empowerment) from social enterprises (which focus on social service delivery and business model) and pointed out recent shift from community to social enterprises in the UK. This trend is true in the US as well. I wonder if social enterprises have still potential to contribute to social/community empowerment although they don't have the political intention. If there is a social agency which provides literacy programs, community jobs and jobs trainings to low income people (with government money or grants from private foundations); this organization may have impacts on local economy and raise literacy level of disadvantaged people, but does not directly mobilize people nor try to raise political consciousness. Is there any political impact? (This question may be similar to Ayca's question in the last week question) **EOW Comment: I think you are right to be skeptical that a social enterprise that provides good social services but without any activist or mobilizing objectives can really have much of a political impact. Simply alleviating suffering is a good thing, but it doesn't imply a challenge to existing power relations or inequalities and is unlikely to increase the real capacity of people for such challenges – at least no more than, say, the public schools do by educating people in a more general way.**

Social economy organizations should report on what they produced and what they do for public goods. Some of goods cannot be either financialized or quantified. How do/can they indicate to their accountability to broader social needs? **EOW Comment: A number of the pieces referred to “social audits” in one way or another, and it is often pretty unclear to me exactly what this means. Pearce talked about the triple bottom line, but it is pretty vague exactly how this works, precisely because of the difficulty of quantifying social impact. I downloaded the report that he references *Really Telling Accounts* about social audits, but haven't had a chance to read it yet (I will circulate it to everyone). You might check out this link to read more about these issues: <http://www.rise-sw.co.uk/index.php>.**

## 12. Joo-hee Park

When government interest in the social economy is tied to the intention to reduce state welfare provision, what kinds of strategies can social economy activists take?

Ash Amin explains that policy expectations regarding the social economy vary internationally. Especially, in welfare states with privatization pressure such as Britain, government interest in the social economy often comes from the aim to reduce direct welfare provision.

However, he also points out that there is 'qualitative difference' in welfare provision between the social economy and a state. For example, due to some characteristics of social economy organizations such as collective and democratic decision making, some workers and welfare receivers may feel more feeling of power in their lives.

I am curious what kinds of strategies social economy activist can take when government approaches the social economy to reduce direct welfare provision.

**EOW Comment: I think a lot hinges on precisely what is going on when the state "privatizes" welfare. This can open up a space for activism to engage in new projects with new capacities and resources, but not subordinated to the social control of the state. But it can also be very much a case of the state displacing responsibilities onto civil society organizations and then closely controlling them – turning the more into an extension of the state. This depends on the way in which state contracts are organized, the mechanisms of selection of contract recipients, etc. It would be very interesting to compare different kinds of state control relations of this issue.**

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