Another economy is possible!

Visions related to building the solidarity economy and related alternatives in North America

Paper submitted to

Alliance for a Responsible, Plural and Solidarity-based Economy (ALOE)

and

RIPESS North America

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In collaboration with

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Executive summary

From the time of the first giant corporations in the 19th century, there has been popular resistance to corporate power: by workers through labor unions, by small producers through campaigns against monopoly power, and by citizens who banded together to form economic alternatives and cooperatives. Many organisations that exist today, such as coops, have struggled and survived over all this period.

Present day initiatives to build economic alternatives have been gaining ground since the 60’s and 70’s, all over North America. Some started from very idealistic roots (like the return to nature movement) while others were more ideologically driven (anti-capitalist programs). Others grew out of sheer necessity and survival needs such as small alternative farms, non-profit day care facilities or community based economic development.

Since the early 90’s, more and more of these alternatives have coalesced together, in many different ways. National organisations such as the Community Economic Development Network in Canada or the Chantier de l’économie sociale in Québec have become quite strong proponents of alternative economic approaches. In the U.S. the local economy and some strands of the community economic development movements have brought together various economic alternative elements. The use of the Social and Solidarity Economy as a framework to unify the wide array of people-centered concepts and practices started being used in Québec in 1995, in other parts of Canada since about the year 2000 and in the US since 2006-2007.

There is still a large uphill struggle to build a movement that encompasses all sectors which are committed to building a social and solidarity approach as an alternative to the present day neoliberal driven economy.

The organisations involved in this effort recognise that they absolutely need to do this in partnership and in collaboration with others, all over the world, who have a similar agenda.
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Preface

This paper has two distinct purposes, which I think are complementary.

I was asked to produce a paper for the Vision workgroup or the Workgroup on Solidarity Socio-Economy (WSSE) of the Alliance for Responsible, Plural and United World (Alliance 21). Within the context of transforming WSSE to an organisation called Alliance for a Responsible, Plural and Solidarity-based Economy (ALOE), has decided to produce continental studies on Visions of a Responsible, Plural and Solidarity-based Economy. I agreed to this proposal made by Marcos Arruda during the Asian Solidarity Economy meeting in Manila in October 2007.

I am also producing this paper for the members of RIPRESS North America, previously named the North American Network for the Solidarity Economy (NANSE). Solidarity Economy and Social Economy are related concepts which are used more and more in North America. The networks are starting to look at North America as a region since the economies have become increasingly integrated, especially since the passage of NAFTA (North American Free Trade Agreement.)

However, for the purpose of this paper, North America will be limited to only Canada and to the US, even if Mexico is geographically in North America and part of NAFTA. There are two reasons for this. My knowledge about Mexico is too limited to include it in this paper and culturally Mexico would be more part of the Latin American solidarity economy sphere.

This study will be produced mostly with acquired knowledge as an activist in this sector for over 15 years, within Québec organizations, Canadian organizations and in recent years with United States organizations.

Lastly, I must specifically mention that this is not an academic paper. For example, no review of literature was done for this paper. Most of the knowledge comes from involvement in social movements and organizations.

My thanks are for all those who I have worked and exchanged with over the years. And, I specifically want to thank Michael Lewis from the Center for Community Enterprise (CCE) who has inspired me much with his writings and comments. I also thank Emily Kawano from the Center for Popular Economics (CPE) for the valuable input concerning the U.S. and for future perspectives for SSE in North America.

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1 Representatives of the U.S. Solidarity Economy Network (SEN), the Canadian Community Economic Development Network (CCEDNET) and the Groupe d’économie solidaire du Québec (GESQ) decided this name change in a meeting in New York March 15th 2008.

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Introduction

To understand where we are today and where the opportunities and challenges lie, we must look at the history of past struggles and innovations in building alternatives all over North America.

Part 1 Historic background: 19th Century to 1960

Early resistance and alternatives

During the 19th Century, the capitalist driven economy became the dominant force in the United States and in Canada. This type of capitalism had few checks and balances. Thus, while it was very dynamic in terms of growth, it was also tremendously destructive and exploitative. The abuse of communities and workers was limited only by popular resistance and the organizational and political power of workers and citizens. This was a period in which labor became a commodity (for sale) in the market as self employment declined and wage labor became the norm.

As in other parts of the capitalist world, mainly in Europe at that time, resistance and alternatives popped up all over in the second half of the nineteenth century. Unions in particular became the driving force in the resistance to exploitation. Despite a strong anti-union environment, unions spread and grew. Many of them had a radical vision and explicitly espoused socialist ideas. National strikes for an eight hour work day and the Haymarket riot in Chicago in 1885 led to the establishment of International Workers Day on May 1st in commemoration of the anarchist Haymarket martyrs. International Women’s Day also has socialist roots from that era. Even in those days, internationalism was present. American and European Socialist movements established links and shared visions. Many other organizations worked to end exploitation. For example, in Canada, child labor (like in coal mines) was abolished after pressure from progressive movements, including churches, forced the Canadian government to act. Similar campaigns in the U.S. led to restrictions on child labor. By the late 1800s, states and territories in the U.S. had passed over 1,600 laws regulating work conditions and limiting or forbidding child labor, although it wasn’t until 1938 that child labor became nationally regulated.

At the same time, economic alternatives were also being built to serve the needs of communities that were ignored by mainstream capitalist businesses and banks. For example, in Québec province, the vast majority of French Canadians had no access to bank accounts. This led the visionary Alphonse Desjardins to create the first savings and loans credit union in 1897. Nowadays, credit unions cover all the province and they have close to 5 million members, or over 80% of the adult population. The Desjardins Credit Union is the largest financial institution in Québec.
In the U.S. there is a long history of economic alternatives. There were many utopian communities that were established in the mid-1800s including Robert Owen’s socialist experiment at New Harmony, Indiana, that set up the first kindergarten, trade school, free library, and community-supported public school in the US. The credit union movement was introduced in the in the early 1900s and grew rapidly. There are presently over 10,000 credit unions in the U.S. serving over 78 million members.

In the late 1800s, some labor unions such as the Knights of Labor advocated for worker cooperatives as a solution to class exploitation. They also encouraged social initiatives in the community such as mutual aid societies and access to education.

*Shifts in economic thinking*

The Great Depression of the 1930s marked a turning point in economic thinking. As the Depression dragged on and on, it shook classical economic assumptions of “self-equilibrating markets” – the notion that the economy would always right itself if the government didn’t interfere. The Great Depression convinced policy makers that intervention was needed to “jumpstart” the economy and thus Keynesian policies were ushered into respectability.

Unions flourished in this period, including the new Congress of Industrial Organizations (CIO) often led by progressive, socialist inspired leaders, in the US and in Canada. The Depression triggered another great wave of coop organizing including worker and consumer cooperatives, "self-help" cooperatives to provide mutual health and life insurance, and agricultural coops that enabled farmers to pool their resources for marketing, purchasing and services provision. Franklin Roosevelt's New Deal supported urban co-ops with technical assistance and established protections and loan funds for agricultural coops.

Keynesian prescriptions worked. Government spending on public works and employment schemes, and ultimately WWII, eventually lifted the economy out of the Depression. Over the next four decades Keynesian policy ruled. Government intervention in the economy, regulation of industry and finance, and social programs were seen as absolutely legitimate and necessary. Monetary and fiscal policies were used with relative success to tame business cycles, generally trading off inflation and unemployment.

After the end of WW II, the U.S. emerged as the dominant military and economic power and as the British before them, took on the mantle of empire. During the McCarthy era, Using the pretext of the Cold War and the Red Scare, radical forces in unions and social movements were crushed during the McCarthy period. Even during this period of rapid capitalist expansion and growth, economic alternatives continued to survive and sometimes flourish.2 In Canada and the U.S., for example, agricultural and fishing coops spread in the 1945 to 1960 period.

2 For background about the history of Canadian coops, see: Yvon Poirier – 565 rue du Parvis, App. 401 Québec (Québec) G1K 9G5 Canada Email: ypoirier@videotron.ca
Part 2: From 1960 to 1990: important changes in society

The 1960s were a period of tremendous social upheaval and mobilization. John F. Kennedy inspired hope for a better world for the “ordinary citizens” not only in the U.S. but in French and English speaking Canada as well. Martin Luther King and the civil rights movement galvanized a tremendous force of resistance and many other struggles of liberation were inspired by its example, both in the U.S. and abroad. The riots in inner city Afro-American communities (in particular Los Angeles and Detroit) had a deep impact and were an impetus to anti-poverty and community development programs that continue to exist today, formed the basis of modern day community and community economic development in distressed urban areas. In Canada, universal health care became a reality in the early sixties and Canada developed a welfare state resembling that of many of the European states. Quebec province took it even farther emulating the more generous and comprehensive welfare policies of the Scandinavian model.

Economic, social and cultural alternatives such as organic or bio farming, communes, coop housing, and non-profit, cooperative pre-schools sprang up all over North America, There was another wave of consumer co-ops in the 1960s and 70s, though many foundered on the perennial problems that plague cooperatives - insufficient capital, inadequate membership support, and inability to improve operations, a lack of business skills, and resistance to consolidation.

The women’s movement challenged patriarchal relations and demanded equal rights. Students formed the basis of the “new left” which took a pro-civil rights, anti-establishment and anti-war stance. It provided and drew inspiration and energy from the student uprisings throughout the world, particularly those of May ’68 in Paris. The Vietnam War mobilized hundreds of thousands of people against U.S. imperialism. When the U.S. lost the war, its aura of global dominance was dimmed. U.S. and other colonial powers were challenged by independence movements throughout the global South. The Allende election in Chile (1970) brought great hope and inspired many activists, especially in Quebec, not only because of the politics involved, but also because of the effort to build another economy, under the control of the Chilean people and not foreign multinational corporations. Many study tours were organized and the Popular Front became a sort of model for many. The CIA led coup d’état on September 11, 1973 brought about great anger towards U.S. policies.

OPEC (Organization of the Petroleum Exporting Countries) also challenged the dominance of the U.S. and western countries and when they flexed their muscle the result was the oil crises of 1973 and 1979 with far reaching consequences.

- The social economy: Diverse approaches and practices in Europe and in Canada. Margie Mendell, Benoît Lévesque and Jean-Louis Laville
- CED & Social Economy in Canada, a people’s history, Mark Cabaj, Making Waves, Volume 5, Number 1, 2004)
By the 70s the economic dominance of the U.S. was challenged by other industrialized countries and a long period of plant closings hollowed out the manufacturing sector. The 1st oil shock of 1973 saw oil prices quadruple. The skyrocketing cost of production caused prices to rise (inflation) and also forced businesses to lay off workers (rising unemployment). Put the two together and you have stagflation – inflation and unemployment rising together. This flew in the face of the economic wisdom, according to which, inflation and unemployment move in opposite directions. Keynesian macropolicies, which traded off inflation and unemployment to smooth out business cycles, were increasingly discredited. This coincided, for a number of reasons, with a political shift towards conservatism.

In the U.S., the Federal Reserve tightened the money supply thereby causing interest rates to rise sharply. Other Central Banks followed suit and this precipitated the ‘81-83 worldwide recession during which unemployment rose to levels not seen since the Great Depression. Inflation was finally tamed due to the severity of the global recession.

A new ideology had overthrown Keynesian interventionist, social welfare oriented policies. Call it Reaganomics, Thatcherism, supply side, or neoliberalism, its hallmarks were: worship at the shrine of free markets and free trade, minimalist government (cuts in social welfare programs, privatization), de-regulation, tight monetary policy, and union-busting. This is the dominant ideology in the global economy today and commonly referred to as neoliberalism.

As plant closures and downsizing became more and more common in the late ‘70s and ‘80s, workers in some places responded by trying to buy out factories and to run them democratically. Rank-and-file movements arose throughout the organized Labor Movement challenging the accommodations accepted by many union leaders with corporate power. Movements like Teamsters for a Democratic Union, Miners for Democracy, and openly revolutionary groups in the United Auto Workers struggled to put radical change back on Labor’s agenda.

For the most part, however, the struggle to build new and stronger economic and social initiatives retrenched and focused on resistance to save what had been gained. In Canada, the Mulroney Conservative government tried to get rid of parts of the universal social programs. Resistance and social mobilization was so strong that Mulroney backed down. However, the Mulroney government changed tactics and joined the Reagan administration in negotiating a first Free Trade Agreement (US and Canada) in 1988 and then the North American Free Trade Agreement (NAFTA) with the inclusion of Mexico in 1994. These free trade accords and those that have been adopted since by the World Trade Organization (WTO) seek to “liberate” transnational corporations (TNCs) from labor, environmental, and investment regulations and provide greater access to markets and investment opportunities for mega-corporations.

However, even as the neoliberal juggernaut continued to trample its way across the globe, it sowed the seeds of resistance. NAFTA provided a tremendous boost to social
movements opposed to corporate-led ‘free’ trade. Increasingly the international institutions – the WTO, World Bank and the International Monetary Fund (IMF) - that had become major promoters of the neoliberal agenda, were dogged by massive protests whenever they met. The 1999 Battle in Seattle in which tens of thousands of demonstrators converged to protest World Trade Organization (WTO) negotiations, rocked the world and was a watershed moment in the blossoming of the ‘alter-globalization’ movement.

At the same time, communities throughout N. America felt the squeeze of neoliberal policies at home that favored the rich and powerful, gutted social, environmental and financial regulations, cut social welfare programs, pushed for privatization and undermined unions. Many formerly prosperous areas bled jobs as manufacturers moved or outsourced abroad. Hard hit communities worked to offset the devastation through various local economic development strategies.

The end of the conservative Mulroney government in 1992 brought in policies that were more open to local initiatives, including non-profit or cooperative business initiatives. Community economic development (CED) corporations became important actors in large cities such as Montreal. Community futures corporations were set up in rural regions all over Canada. These organizations were not only working on economic alternatives, but in many places social movements such as unions got involved. The growth of the non-profit day care centers in Québec province were strongly supported by the women’s movements and by the unions.

In the U.S., community economic development has grown steadily from its roots in the civil rights struggles, from around 30 community development corporations (CDCs) in the early 1970s to 4,600 in 2005, working to create affordable housing, commercial industrial space and jobs.

In summary, this 30 year period saw the ascendance of a particularly brutal and cut-throat model of capitalism. At the same time, many of today’s alternative economic and social initiatives have their origins in that period.

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Part 3: From 1990 to today: building the alternatives

When Social economy and solidarity economy concepts and practitioners meet

Until 1990-1995, practitioners in North America did not have an over-arching framework that could bring together alternative practices that found a place under rubric such as cooperative, non-profit organizations (NPOs), community economic development, local development, etc.

Expressions like social economy or solidarity economy were not used by anybody, except by some academics who used the latter term. The expression comes from economy textbooks in France. At least in Québec; it was also used in French speaking universities. Social and solidarity economy practices have been around for a long time, some have roots in the dawn of human civilization, but the expressions are recent.

These expressions gained acceptance and use among practitioners in Québec from 1993 onwards, in other parts of Canada around 2002-2003 and in the United States in 2005-2007. A historical overview of the spread of these frameworks will lay the groundwork for promoting their use.

In Québec, the expression solidarity economy started spreading though different channels by academics and practitioners. Community economic development practices in Quebec: from social experimentation to the emergence of a solidarity economy the first paper that talks about the concept was published in November 1993. The authors examine how this new concept, as defined by Jean-Louis Laville in 1993 in Cohésion sociale et emploi: l’économie solidaire en perspective, can strengthen the community economic development approach.

Since Laville’s description of the solidarity economy has long characterized the way people understand the concept, it’s worthwhile to reproduce the key elements of his description (my translation):

Solidarity economy is «a whole series of economic activities... that favor a dynamic of social-solidarity ... It’s supported by the mobilization of the actors themselves, and relies on a synergetic combination between the economy and the social,... promotes citizenship through social networks, in concrete economic exchanges, and the opportunity for groups to become more autonomous...It can specifically become concrete... (by) involving the user of the service in the conception and the functioning of the services.... (and) the pooling of different types of resources (market, non-market and non-monetary)... contribution both to social cohesion and job creation... The originality of these solidarity services is based on a sustainable articulation between reciprocity, the market and redistribution that they seek to attain within micro-economic units».


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The key thing to understand is the close links between the economic and social factors. The solidarity economy initiatives exist because of close ties between market activities, volunteer efforts and activist practices (such as fairly similar wages, direct democracy in the organization). Many of these activities were with welfare recipients, programs to train them for work. In other words, there was a very strong objective of working with people living economic and social exclusion.

Practitioners were also influenced by direct contact with their counterparts in France. The expression solidarity economy started being used in France in the late 80’s. In November 1993, within a France-Québec exchange program, I met some of the leaders of REAS (Réseau des l’économie alternative et solidaire) in their Paris headquarters. This association wanted to directly build economic alternatives. When I met them, they were in an old abandoned factory transformed into offices and a restaurant (for training young disadvantaged persons). REAS members included people involved in Green party politics and disillusioned communists or socialists throughout France. REAS had to declare bankruptcy after 7-8 years, but inspired many people, who are still active within the « movement ». The initiative had spinoffs; for example, there is still a REAS in Spain.

Another historic moment in Québec was the women’s Bread and Roses march in June 1995. Women’s associations and allies organized this march to pressure the government on social and economic issues facing women such as poverty and lower income. For example, since more women than men occupy minimum wage jobs a 50% increase in minimum wage was proposed to help women get out of poverty. In the politic platform they handed to the Prime Minister (PM) of the province, another important demand was for funding of what they called social infrastructure. The PM promised his government would commit 25 million dollars for this purpose. When the government announced the program some months after, it announced that the funds would be used to create not-for-profit (NPOs) enterprises, including coop businesses. There was much disillusionment within the feminist movement. They felt their movement had been hijacked since what they really wanted was funds for women’s organizations such as health centers for women, centers for abused women, etc. This was in all the more frustrating because the government did not agree to the other demands such as raising the minimum wage.

As some leaders of the movement have acknowledged later (in private conversations), the request for social infrastructures was not 100% clear, even for them. Recognizing the situation, this “error” or “misunderstanding” was repaired some years later when the government created a new program to fund the organizations prioritized by the women’s movement such as women’s health centres and shelters for abused women.

Also in October 1995, an Appeal for a solidarity economy was published in Le Monde in France. I was then on a second exchange visit in France. I remember quite well that this public Appeal in a large newspaper had an impact in France, and in Québec.

In 1996, events brought the concept of the social economy into the awareness of all the social movements as well as the public. Under pressure from bond rating institutions such
as Moody’s, the provincial government decided to reduce the budget deficit to zero, in a
time of fairly high unemployment. In other words both unemployment and the budget
deficit were quite high. One of the reasons for the deficit was the interest on public debt,
which was higher per capita than in other Canadian provinces. As mentioned previously,
Québec had created a strong welfare state, but this did increase the debt considerably.

In particular, the government asked the public sector unions to renounce the wage
increases in the recently signed contract. The Prime Minister Lucien Bouchard, of the
Parti Québécois (nationalist and social democrat party) called an «Economic and social
summit». For the first time in history, social and community organizations were invited
as full partners alongside the traditional tripartite partnership of government, business and
unions. Different workgroups were set up, including one on the social economy. At the
final meeting in October 1996, all social partners adopted the social economy as a priority
for job creation and for fighting poverty. The unions agreed to renounce to the wage
increases because the government, and the private capitalist sector, agreed that social
economy would be supported by government policies. Some large corporations even
agreed to give a few million dollars for a venture capital fund to support startups in
NPO’s. They thought it was a handout. But today, most of the capital outlay is still there,
and proves that social economy enterprises are quite successful. The only discordant
notes were from some social movements who said this was too reformist and from some
sectors of the union movement who were afraid the government would privatize some
services. These fears were dissipated in good part over the years.

To coordinate implementation of the program, the government supported the creation of
the Chantier de l’économie sociale du Québec. Twelve years later, government programs
supporting social economy still exist.

Since then, the movement in Quebec has been lively, not only in creating social
enterprise business as we will see later, but also in the promotion of this other approach to
the economy:

- There were 40 participants from Québec who attended the first Globalisation of
Solidarity meeting Lima in 1997. This was the largest delegation outside of Peru.
- OECD LEED (Local Employment and Economic Development)Conference in
Montreal (June 1997)
- In May 1998, an «Appeal for a Social and Solidarity Economy» was signed many
academics and practitioners and published in a Le Devoir newspaper (a Montreal
daily).
- ARUC-ES (Alliance Recherche Université Communauté Économie sociale
- The Groupe d’économie solidaire du Québec (GESQ) hosted the second
Globalisation of Solidarity meeting in Québec city in October 2001. GESQ
became a founding member of the International Network for the Promotion of the

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5 The provincial Université du Québec have University Community Research Alliances. The Social
Economy Research Alliance is co-chaired by a researcher (Jean-Marc Fontan) and a practitioner (Nancy
Neamtan of the Chantier)
social solidarity economy (RIPESS) which was formally proclaimed in December 2002 at a meeting in Dakar (Senegal)

- Québec organisations were very active in the World Social Forums in Porto Alegre in Brazil. For example, in collaboration with international organisations such as WSSE and the Brazilian Forum on the Solidarity Economy, the solidarity economy was one of the 11 main themes at the 2005 WSF.

- Over 115 people from Québec attended the third Globalisation of Solidarity meeting in Dakar Senegal in 2005. This was 10% of all participants.

Finally, in November 2006, ten years after the 1996 Economic and Social Summit prioritized the social economy a Summit of the Social and Solidarity Economy was held in Montreal. Over 650 participants, including 50 from other countries took stock of the progress made and identified the challenges for the future. The event made the news in all public media and the leading politicians, included the Prime Minister of the province, came to the Summit and promised further support.

In other parts of Canada, the expressions social economy and solidarity economy are becoming more and more widely known. The use of the concepts was in good part inspired by the strong Québec experience, and by increasing participation in international networks using the social solidarity economy framework. For example, the Canadian Community Economic Development Network (CCEDNET) got involved in the Intercontinental Network for the Promotion of the Social Solidarity Economy (RIPESS) in 2002.

Another important moment that boosted public awareness of the social economy was the official support that it received from the Canadian government in 2004. The then Prime Minister Paul Martin included a «Social economy initiative» in the federal budget to fund research and investment (patient capital). After he lost the elections in 2005, the new Conservative government abolished this initiative. Only the research (a five year funding) and the patient fund for Québec province were funded before the government changed. In other regions of Canada, organisations were not able to get together and agree on a common proposal for the use of the funds before the elections.

Nevertheless, this government initiative gave much impetus to the concept of the social economy and in the last two years, «solidarity economy» has also become more widely known. The presence of close to 30 participants from provinces other than Québec in the Dakar 2005 international meeting also helped as has the creation of Économie solidaire Ontario in 2005 in the French speaking minority (almost one million out of ten are French speaking).

In the article Social Economy & Solidarity Economy6 authors Michael Lewis and Dan Swinney, articulate the differences between the two concepts of the social and solidarity economy, and show how Solidarity Economy can be a transformative concept for the economy as a whole. It helps practitioners in social economy, and in related sectors,

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6 Social Economy & Solidarity Economy, Michael Lewis and Dan Swinney. Making Waves (V18:4)
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understand what their role is and/or can be for the transformation from neoliberal
globalisation to an economy centered on humans and their communities.

In the United States, social economy and solidarity economy concepts were not known,
except for a tiny few until recently, although many components existed and some, for
example, community economic development initiatives such as the Dudley Street
Neighborhood Initiative provided a model for grassroots control of local revitalization in
other countries. There were a handful of articles such as Other Economies are possible7
by Ethan Miller which presents the solidarity economy as seen in Latin America.

Dan Swinney from the Center for Labor and Community Research (CLCR) in Chicago
(www.clcr.org) has also played a key role in introducing solidarity economy in some US
circles. He has been involved in the RIPESS intercontinental network since 2002. The 3rd
RIPESS meeting in Dakar in November 2005 was also the occasion for some US
participants to become more familiar with these concepts.

Since 2004, CLCR, CCEDNET and GESQ have worked together to create the North
American Network on the Solidarity Economy (NANSE). This network has not been
very active, however, it has provided the opportunity for exchange and collaboration
within North America.

The Center for Popular Economics (CPE) initiated the organization of a track of 75
social-solidarity economy workshops at the first United States Social Forum (USSF) in
Atlanta in June 2007. CPE and other organizations such as CLCR, the U.S. Federation of
Worker Coops, the Institute for Agriculture and Trade Policy, Grassroots Economic
Organizing, the Democracy Collaborative and Guramylay also organized a series of
meetings at the Social Forum on the solidarity economy.

The workshops were a big success, with hundreds of participants’ altogether. A book,
Solidarity Economy: Building Alternatives for People and Planet has been published that
documents many of the workshops from the track and videos of a number of them are
available at: www.ussen.org

The Solidarity economy meetings, attended by fifty people resulted in a decision to
launch the U.S. Solidarity Economy Network (SEN). In the past year, SEN members
have created a website (www.ussen.org), developed teaching curriculum about the
solidarity economy, facilitated a dozen SE workshops, offered an online SE course,
published a book, received media coverage in the print and radio media, built
organizational and individual membership, created a map of local SE initiatives in W.
Massachusetts, and two or three local affiliates are in the process of formation.8 SEN is
planning its inaugural conference in late 2008 or early 2009. It is also noteworthy to
mention that two influential alternative media/organisations, Yes Magazine and ZNET

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7 Other Economies are Possible, Ethan Miller, Dollar & Sense, July-Aug. 2006. Available at
www.ussen.org
8 For more information, visit the SEN website: http://www.ussen.org

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have published news about the solidarity economy and have raised awareness about these frameworks.

Now that a U.S. network is being built, the three networks – U.S-SEN, CCEDNET and GESQ – decided in March 2008 to change the name of NANSE to RIPESS North America, in order to be more in line with international networking in other continents.

Part 4: Description of the SSE sector in North America: an overview

It is beyond the scope of this paper to delve into a detailed description of all the activities in the sector, in part, because good data does not exist. For example, in Québec province, a lot of work has to be done with government statisticians to estimate the importance of the sector in the GDP, the number of jobs, etc.

Without going into a detailed description, interesting examples of successful social and solidarity economy activities in Canada and in Québec are noteworthy.

- As mentioned previously, day care centers started spreading in Québec province in the early 70s. After a 30 year building process, Québec has the only universal day care program in North America. Universal means that all parents have access to this service at a reasonable fee of 7$ per child per day. The government subsidizes day care as the full cost amounts to approximately 30$ per day per child Altogether, the government budget for this is over $1 billion per year. About 2/3 of the day care centers are non-profits (a few are coops). The members are largely parents and they elect most members of the Board. The national association of day care centers is proud of the fact that the non-profits receive fewer complaints than the privately run sector day-care centers (who also receive government funding and also charge a maximum of 7$ per day. When the Liberals were elected in 2003, they wanted to get rid of the preferential treatment of the non-profit day care centers, such as only creating new day care through non-profits. Within weeks, the Chantier de l’économie sociale was able to organise a protest march of 25 000 people in Montreal. There was such a strong mobilisation, from most sectors of society that the government backed down.

- Another noteworthy initiative came out of the 1996 Summit. In order to help the growing number of elderly people stay in their homes as long as possible, there was a need for services such as housecleaning, meals preparation, and transportation. For low income people, such services were unaffordable. One of the proposals the Chantier made during the 1996 Summit, was the creation of non-profit businesses to offer this service. Now, with the help of a government program, people can access this service, at a very reasonable rate (a sliding scale depending on income.) Very low income people pay as little as 4$ per hour for the service. The service covers all the province, and more than 6 000 full time jobs have been created, mostly employing people who were previously on
welfare. The wages are still low, but there is now a struggle to improve the working conditions.

• Since large American corporations were buying out funeral services all over the province, the government gave support to the existing funeral coop sector. Over 1/3 of all funerals are now coops.

The coop sector is quite strong all over Canada, and provincial governments provide considerable support. This is even more the case in Québec province where this is important government policy, independently of the political party in power.

One important example:

The Desjardins movement (550 credit unions) is the main banking service in Québec, and in other French speaking parts of Canada (Ontario and New-Brunswick). Totals assets are over 120$ Billion. Vancouver City (Van City) credit union is the largest single credit union with over 10$ Billion in assets.

In Canada, the following statistics give a good insight into the cooperative sector:

The cooperative and non-profit sector in Canada already plays an important role in the economy:

- the co-operative sector in Canada alone has assets of some $250 billion
- 17 million Canadians are members of cooperatives
- 170,000 Canadians work in cooperatives
- In 2001 non-profit sector represented 2.5% of the overall economy (25.4$ in GDP)

Workers funds (pension funds) are a very important feature in Québec province. Two such worker’s funds were created in Québec. They were proposed by the large unions (Québec Federation of Labor and the CSN – an independent union confederation). The provincial and federal governments agreed to give fiscal support to help workers save for retirement (especially in the private sector where there are few pension funds), and because the purpose of the funds are also to save and create jobs. Today, they are the largest venture capital funds in Québec province, and are run by union representatives. The largest fund (started in 1984) now manages a 7.5 $ Billion fund, and the other fund (set up in 1996) manages 850$ M. Only a small part of these funds are directly invested in social economy enterprises, but these funds also empower workers within private companies that the funds invest in. For example, no funds are invested in anti-union businesses.

However, in terms of social and solidarity as the paper depicts, the sector is much wider in all parts of Canada and it is beyond the scope of this paper to provide a full account. In the U.S. data is sketchy, but there is evidence that, despite fact that the term solidarity economy is hardly known, elements of it are substantial in size and scope. These elements vary greatly in their explicit commitment to solidarity economy principles, but
Building the solidarity economy in North America

all of them are potential partners in the project of building an economy centered on people and planet.

Some examples of pieces of the solidarity economy in the U.S. include:

- **Cooperatives** - today, more than 120 million Americans are members of at least one cooperative or credit union. Credit unions alone have assets of over $600 billion.
- **As of 2005 the assets of social enterprises, commercial operations of non-profits, or businesses with a core social aim, have grown to $1.6 billion.**
- **Community land trusts were developed to create and maintain affordable housing, parks, and businesses. They began to take hold in the 1960s and today there are over 200 operating in the U.S.**
- **Community Development Corporations emerged out of the 1960s War on Poverty Program to promote economic development. They have grown from less than 200 in the late 70s to 4,600 today and manage billions of dollars in assets such as housing, real-estate and small business investments.**
- **Community Development Financial Institutions emerged around 25 years ago with a mission of promoting community development in disadvantaged areas. Today, there are 550 CDFIs that manage more than $6.5 billion in assets.**
- **The non-profit sector includes 1.4 million organizations that account for 5.2 percent of the gross domestic product (GDP) and 8.3 percent of wages paid in the U.S.**
- **Fair trade sales in N. America has grown from $125 million in 2001 to a projected $359 million in 2004. Expectations are that the sector will continue to grow rapidly, and expand to include new goods such as jewellery, apparel, and textiles.**
- **Community supported agriculture (CSA) started up in the U.S. around 20 years ago and now number slightly more than 1,000. About 10 percent are operated by non-profits such as food banks.**
- **The commons movement is growing as a way of thinking about and governing resources that communities hold or produce in common. Clean air, water, culture, care work (e.g. child rearing and elder care), and the accumulation of knowledge – these are all part of our common resources. There are attempts by businesses to capture these resources, for example by patenting ‘indigenous’ medicines, or exploit them for free, for example by dumping harmful emissions in the atmosphere. The commons movement seeks to protect the commons against such private exploitation.**
- **Complementary currency systems have been proliferating throughout the world. There are an estimated 1,900 communities throughout the world that issue their own currency, with 100 of them operating in the U.S.**
- **The re-localization movement often includes principles that are consistent with the solidarity economy such as sustainability and local democratization and the movement as a whole is opposed to corporate dominated globalization.**

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These ‘alternatives’ are some of the obvious elements of the solidarity economy, but there are other aspects that are less visible because they are part of the mainstream economy, like the public sector and some government policies, socially responsible investment, and corporate social responsibility. ‘High road’ strategies promote businesses and economic development that are in line with solidarity economy principles of equity, participatory democracy, and social welfare. Social movements such as the environmental, trade justice, anti-racist, immigrant rights, and women’s movements are natural allies insofar as we share an opposition to various forms of inequality, oppression and environmental destruction. Many of them combine opposition with mobilization for economic alternatives.

In summary, there is a vast array of practices and policies upon which to build the solidarity economy. The challenge is to foster self identification and engagement of these elements with the solidarity economy framework. This will require an appeal to principles and practicality.

Part 5: Visions and definitions: a North American perspective

The concept of solidarity economy has evolved since the definition that Laville wrote in 1993 (page 8). In a 2006 paper, The social economy: Diverse approaches and practices in Europe and in Canada. Margie Mendell, Benoît Lévesque and Jean-Louis Laville relate what researchers have observed in the last years:

Researchers in this school define the solidarity economy as 1) a plural economy because of the plurality of principles and resources mobilised (Roustang, Laville, Eme, Mothé and Perret, 1997); 2) a component of a mixed economy of social welfare, meaning that it occupies an intermediate space between private enterprise, the State and the domestic sphere, thus highlighting both its socio-economic and its socio-political dimensions (Evers and Laville, 2004: p. 15); 3) a third sector which, while distinct from the State, private enterprise and the informal domestic economy, nonetheless overlaps with each of them because the boundaries between them are blurred(Pestoff, 1998).

On the socio-economic level, the solidarity economy approach is supported by research showing that the economy cannot be reduced to the market, but that it includes the principles of redistribution and reciprocity. Instead of considering the economy from a formal neo-classical perspective, (rational calculation in situations of scarce resources and unlimited wants), the solidarity economy approach is inspired by Karl Polanyi (1944), and defines the economy from a substantive perspective, that includes the three economic principles of the market, redistribution effected primarily by the State, reciprocity and the gift in which civil society engages voluntarily (Mendell and Salée, 1990).

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

In the last two years, the solidarity economy vision has been refined by two practitioners, Michael Lewis from the Center for Community Enterprise (CCE) and by Dan Swinney from the Centre for Labor and Community Research (CLCR) in Chicago. In the paper SOCIAL ECONOMY? SOLIDARITY ECONOMY? EXPLORING THE IMPLICATIONS OF CONCEPTUAL NUANCE FOR ACTING IN A VOLATILE WORLD, another way of seeing solidarity economy suggest new approaches for a solidarity economy vision that show paths of action that have an intent to change the whole economy.

The following diagram and definition depicts well the vision developed by Lewis and Swinney:
The solidarity economy as a conceptual framework in progress may have significant theoretical and strategic implications for actors in the social economy. The distinct boundaries most social economy actors draw to set themselves apart from the private and public sectors shapes their perception of the terrain upon which action is viewed as either desirable or possible; the "third" sector is the primary locus of strategy and action. In contrast, the solidarity economy thrusts social economy actors into the spaces among and between the three economic sectors and inserts reciprocity as the dominant animating driver, creating a space for expanding solidarity.

At the Social and Solidarity Economy Summit held in Montreal in November 2006, an event celebrating the 10th anniversary of the social economy initiative launched in 1996,
over 600 participants clearly linked the solidarity economy concept to the social economy concept. Two excerpts from the Declaration show well this more global vision.

Collective enterprises are not alone contributing to the democratization of the economy. We are delighted to acknowledge the ever growing strength of responsible investments, union engagement to economic development, public policy in favour of sustainable development, responsible consumption practices and social corporate responsibility. Indeed, social economy takes part within a larger movement whose actions contribute to the construction of alternatives to neo-liberalism, and to the construction of an economy based on solidarity and democracy.

We invite women and men in Quebec to join us and to take part in this social movement that supports solidarity based economy, where there will be a more legitimate balance between the social, the economic and the environmental imperatives. We encourage innovation and the adoption of more responsible consumption practices. We, the actors and partners of the social and solidarity economy, are determined to reinforce the contribution of the social economy to the sustainable development of Quebec, and through our partnerships, to sustainable development in others parts of the world.

The new United States Solidarity Economy Network (SEN), born at the occasion of the U.S. Social Forum in Atlanta (June 2007) uses the following working definition: The solidarity economy is an alternative development framework grounded in practice and the following principles:

- Solidarity and cooperation
- Equity in all dimensions (race, ethnicity, gender, class, etc.)
- Social and economic democracy
- Sustainability
- Pluralism, grassroots-level organizing, diversity
- Puts people and planet first.

However, this evolution in vision brings about a radical change in the way of seeing UPFRONT solidarity. Instead of seeing itself as a sub-sector of social economy, or even of the third sector, this vision sees solidarity economy as an approach that has the potential to change all the economy. Said otherwise, instead of seeing itself as just a sector doing economic activities with values and principles of solidarity which are different, this vision also shows the way for transformation of the economy as a whole. This approach also allows, and even encourages, joining forces with all social movements who want a different economy, driven to satisfy human needs instead of being driven first of all for profits.

Social economy enterprises are clearly at the heart of the solidarity economy (SE) approach, even if some organizations might not yet recognize themselves as within Solidarity economy, in part because we are at a very early stage working with these concepts.
The principles that were adopted in Québec, principles officially recognized by government policies, as proposed by the Chantier de l’économie sociale du Québec in 1996, are very well accepted, and now fairly well known in all spheres of society, and are fairly well known within the international SSE movements.

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

At this point, a critical point has to be clarified. Many practitioners and organizations such as the OECD mistakenly equate the social economy with the third sector – the non-profit voluntary sector. This vision comes from certain institutions, like OECD and different researchers who assimilate social economy to the third sector, or social sector. This other vision more or less presents social economy as economic activities related to charity work, volunteer work, or non-profit activities with the poor, the excluded, etc. Some people feel that this vision implies that these activities are not real economy, which is more the private sector (capitalist). On the other hand, the Chantier or the ICA (Appendix 1) approaches contend that they are part of the real economy, as much as other economic sectors.

Others define social economy strictly on the legal status (non-profit status). They consider that all non-stockholder corporations or associations as social economy. They therefore consider that hospitals, universities, associations such as a chamber of commerce, airports, etc, as social economy. In this sense, even conservative or neoconservative think tanks, would be considered social economy, as long as they have a non-profit status. This way of seeing things completely ignores values and principles. For most practitioners in our field, this is a quite irrelevant way of presenting things. However, when one considers are values and principles, some of these non-profit corporations or associations could be considered social economy. For example, quite a few universities outreach and develop partnerships with community organizations working with citizens and not only with private business. The same could be said for community health services that help poorer neighborhoods get organized.

Others organise around concepts such as non-profit enterprise, non-profit entrepreneurs, social entrepreneurs or enterprising non-profits. These initiatives have gained ground all over North America and in parts of Europe over the last years. They are quite varied in nature. Some adopt economic activities as a way of raising funds for their charity or social purpose. One example of this would be the Salvation Army. On the other hand,
social entrepreneurs are presented as individuals who were innovative in developing an enterprise (an ordinary business), will a social innovative mission. Organised in movements such as Social Enterprise Alliance (mostly US), Enterprising Non-Profit (mostly Canada) or the international association Ashoka, have greatly advanced the idea that non-profits can do business and work for social purposes at the same time. (Appendix 2 presents some of these approaches).

A final note of caution. Legal status is only part of the equation. A cooperative could be very conservative and be very anti-union, and on the other hand, a private stockholder business can be very progressive in approach and open to union, and/or worker participation.

Part 6: Towards the future: Building the vision and the movement

The fundamental question is whether SE economy and related approaches can forge a new vision and approach and built it, from the ground up. Is this just some minor reform and will just tame the worst excesses of neo liberalism globalization; and can it succeed to bring about a peoples centered economy, sustainable and ecologically sound?

Many people are skeptical about the possibility of fundamentally changing present day capitalism. Others prefer a more political approach, ie, taking political power to change the economy. Or some still dream of a revolution to overthrow capitalism and oppression.

The dominant feeling within North America social economy and solidarity economy practitioners is that no real change will come about in the economic system unless economic alternatives are built from the ground up. Building concrete alternatives provide examples that show that there are other economic paths: that worker owned and run enterprises with good working conditions and environmentally sound practices are achievable and viable. No amount of protests or demonstrations, or even elections, will change the “system” by itself. In other words, we must roll up our sleeves and get our hands dirty to show that this other economy is possible.

Indeed, more and more people feel that this is the only way. After all, other changes in economic systems did not come out by sudden upheavals or revolution. Capitalism did not replace feudalism by a sudden revolution. It took something like 3 to 5 centuries for the bourgeoisie to overtake feudalism. It was a long process and they fought hard to take hold of the economy. In other words, they strengthened their class until it got stronger than the old forces. Of course, this way of explaining fundamental changes in society is open to debate. But, certainly this is a possible, or plausible, explanation: we need to have a long term approach. Even if we could all hope for rapid and radical changes, we must recognize that they could take a long period of time.

The society and economy we strive for is a people’s centered economy. By definition, this means that this new economy will be governed to the greatest extent possible through direct participatory democracy at all levels.
For the first time in history, these changes will not be driven by an elite minority, like the monarchy during feudalism or the bourgeoisie for capitalism. One of the main differences today is that there is an unprecedented level of scientific and technological knowledge, global communication, and educational achievement throughout the world. In other words, for the first time in history, scientific knowledge in all fields is advanced enough to tackle most of humanity’s problems. There are solutions for sustainable communities, for solving the global warming problem, for eliminating poverty, for fair trade, etc.

However, the knowledge about how to change the world, of how to organize and mobilize the social forces and the population, are much weaker. There is no blueprint for changing the world.

There cannot be a blueprint, since this will be a fundamental change that can only happen with through the involvement of the population itself.

The struggle will be tough since this also means getting rid of historic trends in humanity such as domination of the rich and powerful, patriarchy led models, the discrimination of minorities, hyper individualism, and the idea that humans dominate nature.

There will be setbacks, and nobody can predict the time it will take (decades or centuries).

However, as in all large societal changes, the forces that have already started building the other economy are at work in all countries of the world, even if in some countries there are setbacks. Since this movement is rooted in local communities, the challenge is how to coalesce these forces, to consciously and purposely involve themselves in working with others doing the same thing in other communities, regions and countries.

At this stage in history, networking, at all levels, is the approach that most practitioners agree upon to go forward.

**Opportunities and challenges**

**Opportune fractures**

There is a great deal of raw discontent amply fueled by the spreading financial crisis and undeclared recession, widening inequality, the rocketing price of oil and food, the quagmire of war and threat of expansion into Iran, and worries about global warming. The neoliberal model, which has led to many of these alarming developments, is ridden with fractures. It is increasingly under attack for its failure to alleviate poverty and inequality, or to deliver stability and growth in most of the global south. This is a good time to talk about root causes and the need for fundamental change in our economic system. It is a good time to talk about the concrete models of hope provided by the solidarity economy and the substantial foundation upon which to build.

**Awareness and politicization**

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We need to raise awareness about the solidarity economy amongst the general public as well as among practitioners who do not necessarily see themselves as part of the solidarity economy. This is partially due to the fact that the solidarity economy is a new concept, particularly in the U.S. But it is also due to the fact that many solidarity economy practitioners do not see themselves as part of a transformative agenda. Rather than seeing themselves as part of an alternative model of economic development, they see themselves as complementary – redressing some of the ills of capitalism, or gentling its harsher aspects. For example, many cooperatives, credit unions, social enterprises, green businesses, re-localization efforts, and socially responsible investment funds are happy enough in their niche within the mainstream economy, serving the needs of their members and community. We need to politicize and make the case that they can expand beyond their niches, join together and create a fundamentally different economic system in which they can not just survive, but thrive. We need to find language and framing that resonates with the various sectors.

*Defining the solidarity economy*

Another challenge that we face, and about which we have already had many spirited debates, has been about how to define the solidarity economy. Where is the boundary? Given the core principles of the solidarity economy, what about enterprises that are consistent with only some of these?

For example, is a producer cooperative necessarily part of the solidarity economy by virtue of collectively owning say an agricultural processing facility. What if they hire migrant labor under poor working conditions, or engage in unsustainable agricultural practices.

To take another example, there is a great deal of overlap between the principles of the solidarity economy and the re-localization movement which fosters greater sustainability, democracy, and accountability, but perhaps not equality, anti-oppression or workers rights. At a recent conference in the U.S., the director of an organization that has been very successful in promoting local sustainable agriculture stated that they didn’t address labor issues, but assumed that because migrant workers returned year after year to pick crops that they must be happy enough with working conditions. By this argument, sweatshop workers who return to work day after day must be proof of worker satisfaction.

What about areas such as socially responsible investment (SRI) funds? SRI mutual funds screen investments according to various social and environmental criteria, but ninety percent of the Fortune 500 companies are included in a number of SRI fund portfolios including Coca-Cola, Raytheon, Wal-Mart, Halliburton, McDonalds, Monsanto and Dow Chemicals. This is not to say that SRI campaigns such as the anti-apartheid Sullivan principles have not been effective in promoting social and economic justice, but it is also critical to remain alert to the creep of cooptation and ‘greenwashing’.

For the moment, the solidarity economy in N. America has erred on the side of inclusion, recognizing that if we only work with those elements that are ‘perfectly’ aligned with all

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of the principles of the solidarity economy; we would have a very small base indeed. We understand the solidarity economy as a process in which all its constituent parts help each other learn, grow, evolve and advance. At the same time it is important to continue to have these discussions and debates in order to better understand the areas in which we need to work together to improve alignment with the principles of the solidarity economy.

**Data**

There is a great lack of data about the solidarity economy. Good data is a tool with which to substantiate the value of the solidarity economy – how many jobs, at what wages, how much does it produce, what does it produce, what’s the economic multiplier effect, how much social capital does it produce, is it particularly well suited to alleviate poverty or marginalization. In order to convince the public, practitioners, and policy makers that the solidarity economy deserves support, we need good data.

The paucity of data is part due to the problems of definition and the fuzziness of the boundary. Still there are sectors that could be measured such as cooperatives, community development financial institutions, social enterprises, land trusts, local currencies, and the care economy. It is evidence of the newness of the concept that there are no aggregate measures.

**Growth, Expansion and the State**

There is a lively debate about the extent to which social movements should work with and through the state. The Zapatistas represent one end of the spectrum, rejecting the pathway of seeking state power, state support, or even engaging in voting. The Zapatista movement has been inspirational and influential throughout the world, but it is also heavily beleaguered both internally and externally. On the other end of the spectrum is Venezuela where the state is actively promoting the social solidarity economy and has massively expanded the cooperative sector, community councils and other forms of participatory democracy.

If the solidarity economy is ever going to contend with the dominant economic system, it needs to expand into mainstream sectors of the economy, including complex, high skilled manufacturing. Ultimately, we need policies and institutions that support the solidarity economy. In the U.S., for example, the $125 billion in corporate tax breaks and subsidies would be better spent on enterprises that put social and environmental aims front and center. The $265 billion that the government spends each year on goods and services could likewise be channeled towards producers in the solidarity economy. While one of the strengths of the solidarity economy is that it doesn’t wait on the government to provide solutions, at the same time, the state should be obliged to create an environment that not only doesn’t undermine solidarity economy, but supports it. To ignore the role and power of state is to leave it in the pocket of the biggest and most powerful corporations and wealthy elites.

**Resources**

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The solidarity economy as a movement in N. America, and particularly in the U.S. is operating on a shoestring. Again, this is in part due to the newness of the concept and we expect that this will change over time as awareness and public support grows. At the same time, we face a chicken and egg problem of trying to raise awareness and engagement largely on volunteer time. Many SE practitioners and activists are also quite stretched for time. We have heard from some cooperative worker-owners that they have their hands full just running their business and don’t have time to engage in building a larger social movement. In the long run, strengthening the solidarity economy means helping the cooperatives, the social enterprises, credit unions, green businesses, land trusts and so forth scale up and move from the margins into the mainstream. Still the immediate pressures of survival can absorb the time and energy of practitioners.

Social movements
Many progressive social movements are quite aligned with the principles of the solidarity economy. In the U.S., however, there has been a divide between the social movements which have focused more on protest and those engaged in building the solidarity economy. While there is still a considerable gulf, there is an increasing openness on the part of social movements to integrate elements of economic development partially driven by the survival needs of their constituency. For example, an immigrant rights group in Arizona is organizing against draconian measures to deport undocumented immigrants, but is also looking for ways to survive in an increasingly hostile world – forming cooperatives, establishing community gardens, farmers markets and community banking.

Those social movements that are not engaged in economic development, but that focus on protest or advocacy, also have an important role to play in pushing for common goals of social/economic justice and sustainability. Equally important, they have a role in holding SE practitioners accountable to these principles. In Canada, the social movements have been closely involved with the development of the social economy and have been able to push and aid social economy practitioners to improve performance in areas such as sustainability, gender equity, or community accountability.

In conclusion to this paper, both authors feel that the opportunities for building another economic approach are greater than ever. More and more people, in most parts of the world, realize that neoliberal, or elite globalisation, has shown its limits. Global warming, the energy crises, the food crises, get people realising that another approach is not only needed, but has become an absolute necessity.

We are convinced that the solidarity economy approach already has answers that are working. As we have shown, this economy already exists, but it needs to grow in scale and become a full fledged answer to problems in communities, in countries, and in the world.
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Suggested readings

*The social economy: Diverse approaches and practices in Europe and in Canada.* Margie Mendell, Benoit Levesque and Jean-Louis Laville

*CED & Social Economy in Canada, a people’s history,* Mark Cabaj, *Making Waves,* Volume 5, Number 1, 2004)

*Social Economy & Solidarity Economy* by Michael Lewis and Dan Swinney, published in *Making Waves* (Volume 18, number 4)

*Other Economies are possible* by Ethan Miller in the magazine *Dollars & Sense* (July August 2006)

APPENDIX 1

The Seven Principles of Cooperatives
The cooperative principles provide a common purpose, based on values, for economic activity. They foster solidarity and place value on meeting peoples’ needs rather than simply making and spending money. These principles are a powerful vision for how to structure our economic relationships based on solidarity.

1st Principle: Voluntary and Open Membership
Cooperatives are made up of members who come together to meet their needs through some kind of economic activity. Anyone can be a member of a cooperative, and no one can be forced to become a member.

2nd Principle: Democratic Member Control
Cooperatives are owned and controlled by their members. This means that members, who share a common purpose, make the decisions that will affect their daily lives and that purpose. In a worker cooperative, the members are the workers in the business, and the workers make the decisions about the business. This is a very different social and economic relationship from the traditional hierarchical owner vs. employee structure. Shared democratic decision-making power is the foundation for creating new social and economic relationships based on common purpose: democracy is critical to the solidarity economy.

3rd Principle: Member Economic Participation
In worker cooperatives, the members are worker-owners. They have an economic stake in their business. Usually this means they own a part of the business, but it can also mean that they share some of the surplus (profit) or have some other kind of shared investment in the cooperative. This sharing of ownership means one person can never control the cooperative, one person will never get rich at the expense of others, and the owners will continue to act with their common interests in mind.

4th Principle: Autonomy and Independence
The principle of autonomy and independence ensures that cooperatives’ clear purpose to meet the needs of their members is always foremost and that they are not controlled by any outside group or force for others’ gain.

5th Principle: Education, Training and Information
Cooperatives are committed to continuous education for their members, because they believe that people will make better decisions and work better to advance their common purpose if they are educated, informed and properly trained. Education also helps cooperative members grow and develop as people and as co-op members.

6th Principle: Cooperation among Cooperatives
Solidarity in cooperatives extends beyond just the members of an individual cooperative. Cooperatives value working together toward a larger common purpose, and creating a network of interdependence and cooperation among cooperatives.

7th Principle: Concern for Community
Cooperatives consider their common purpose to include the health and welfare of the community in which they operate and do business. They build solidarity with and are committed to doing what’s right for their communities.
Other approaches

The **Enterprising Non-Profit Program** uses the term "social enterprise" to refer to business ventures operated by non-profits, whether they are societies, charities, or co-operatives. Others often use a broader definition that includes privately owned ventures that have a very strong blended financial and socially responsible return on investment.

For non-profits and charities, operating an enterprise is nothing new. Museums and art galleries have operated gift shops as a way to generate revenue to support their exhibits and promote art. Service organizations such as the YMCA and YWCA have used fee-based programs to support their charitable activities. Girl Guide Cookies were first baked and sold in Regina in 1927. And many non-profit social service or relief agencies have operated thrift stores as a means of generating revenue for their activities and providing low-cost goods to their clients.

There are many different reasons why non-profits think about starting a social enterprise. They range from the purely financial to purely mission-based. Most often they are some combination of the two.

There are three major reasons why non-profits and charities have started social enterprises in recent years: diminished government funding; the understanding that there are some needs the market will never meet on its own; and the opportunity to advance mission-related goals.

http://www.enterprisingnonprofits.ca/

**Social entrepreneurs** are pioneering individuals who generate innovations that benefit humanity. Such innovations may come from the fields of technology, finance, philanthropy, medicine, or any other kind of field.

Social enterprise has generally referred to mission-based commercial activity by nonprofits, which may include for-profit subsidiaries of these organizations. Increasingly, it also encompasses new forms of for-profit businesses launched to serve a social purpose. Either of these arenas may be fertile ground for social entrepreneurs to realize their innovations. SEA welcomes social entrepreneurs into our community to learn about business models currently generating social value, to share their ideas and passion, and to develop mentorships and partnerships for translating their ideas into impact.

http://www.se-alliance.org/

**Ashoka**

Vision

Ashoka envisions a world where Everyone is a Changemaker: a world that responds quickly and effectively to social challenges, and where each individual has the freedom, confidence and societal support to address any social problem and drive change.

Mission

Ashoka strives to shape a global, entrepreneurial, competitive citizen sector: one that allows social entrepreneurs to thrive and enables the world’s citizens to think and act as changemakers.

http://ashoka.org/home/index.cfm