



YORK ST JOHN-ERASMUS
SOCIAL AND SOLIDARITY
ECONOMY CONSORTIUM

Enhancing studies and practice of the social and solidarity economy

A reference handbook

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Chapter 2: Identity, territory and profile



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1. INTRODUCTION

The objective of this chapter is to convey the different meanings and identities of the social and solidarity economy. We will discover the different conceptual and operational approaches of a variety of international organisations, with links to the geographical areas of this project: Europe, Africa and Latin America. The diversity of definitions and identities created are part of a continual process. What is certain, to an extent, are the principles guiding the models in these three areas and elsewhere.

There are certain international organisations paving a way not only towards developing a conceptual approach but framing the social and solidarity economy (SSE) as a model for economic development that will achieve the institution's aims, both macro and micro. The United Nations is one example, with the fulfilment of its Millennium Development Goals.

In the European Union, it is important to emphasise the attention given in the last ten years to the social economy as a tool for social cohesion and in tackling unemployment, especially among young people. This can be seen in the passing of specific laws and specific fiscal processes developed in recent years.

Latin American social economic ideas are particularly evident in the Andes, where forms of self-sustainability prevail in order to combat the poverty generated by neoliberal economic policies applied in the 80s and 90s, as well as being traditional forms of collective action based on ancestral values.

Glossary

Stakeholders: The group of people who interact within the context and the development of the mission and vision of social enterprises and businesses.

Articles of association: Legal documents that validate the foundation and operation of the organisation within existing law.

KEY QUESTIONS FOR THIS CHAPTER

- How is the social and solidarity economy's identity seen at an international level and in the various geographical regions covered in this project?
- What criteria allow us to differentiate between the identities and profiles of organisations in current economic systems: public, private and social.
- How does the question of territory link to that of profile and identity?

Similarly, we will share the experiences of Portuguese-speaking countries in Africa in relation to the social and solidarity economy, drawing attention to the crucial importance of informal groups and the support that other nonprofit organisations, in particular local NGOs, provide in consolidating and formalising practices in the SSE. This is in spite of the lack of political and economic recognition of the social and solidarity economy.

The practical cases accompanying the chapter indicate the impact of the sociocultural, political and environmental baggage within the organisation's profile and identity. The teaching activities and online resources aim to highlight the profile and identity organisations making up the SSE system in each country and to give an understanding of their complex action and interaction with the public and private sectors. At the end is the competence framework based on points developed in this chapter.

Asset lock: Term used for the permanent holding of assets that may only be used to accomplish the organisation's mission and must be transferred to another named organisation in the case of liquidation.

Civil society organisations: Groups of citizens making up various organisations of their own accord. Not part of the public or private sector and usually have a



mission of advocating for causes that will build a fairer, more human society of solidarity.

Democracy: a system of government in which all the people of a state are involved in making decisions about its affairs, typically by voting to elect representatives to a parliament or similar assembly (Oxford English Dictionary).

EMES: A network of research centres from different European universities specialising in research into the social and solidarity economy.

Worker-owned businesses: Organisations that are completely or majority owned by the people who work in them.

Mondragon: A town in Spain's autonomous Basque Country whose name is the origin of the Mondragon Group, and international group of cooperatives.

Participative democracy: A form of democracy that seeks direct participation in informing and developing opinions, for example making final decisions within an organisation. It is different from representative democracy, which is based on the election of a small group of candidates for specific posts.

2. LITERATURE REVIEW

2.1 GENERAL PERSPECTIVES

A practical vision of the social economy was proposed by the Scottish researcher Pearce (2003) (see Diagram 2.1). The conceptualisation of (private, public, social) systems rather than sectors underlines the fact that each has its own set of values and ways of working, such as shown in Chapter 1 and it is complemented in this second chapter concerning identity, profile and territoriality. Pearce identifies the underlying values of self-help, mutuality and social purpose as the fundamental characteristics of the third system. The social system considered the triple bottom line of impact that must consider the economic, the social and the environmental.

In the diagram, the orientation towards the market (moving towards the left of the diagram) and the non-commercial parts of the social economy (moving towards the right of the diagram) are identified. Pearce believes that this is a spectrum, which means that organisations can change over time in their ways of generating income. He also recognises that hybrid

models of more than one of the systems, are also possible (2009, p. 26-28).

According to Pearce (2003), the identity and profile of each system presented in his diagram relate directly to the values and principles of the people and organisations within that system who practise these in order to achieve their aims. As such, the first system covers the private sphere and works towards the goal of generating profit; the people and institutions.

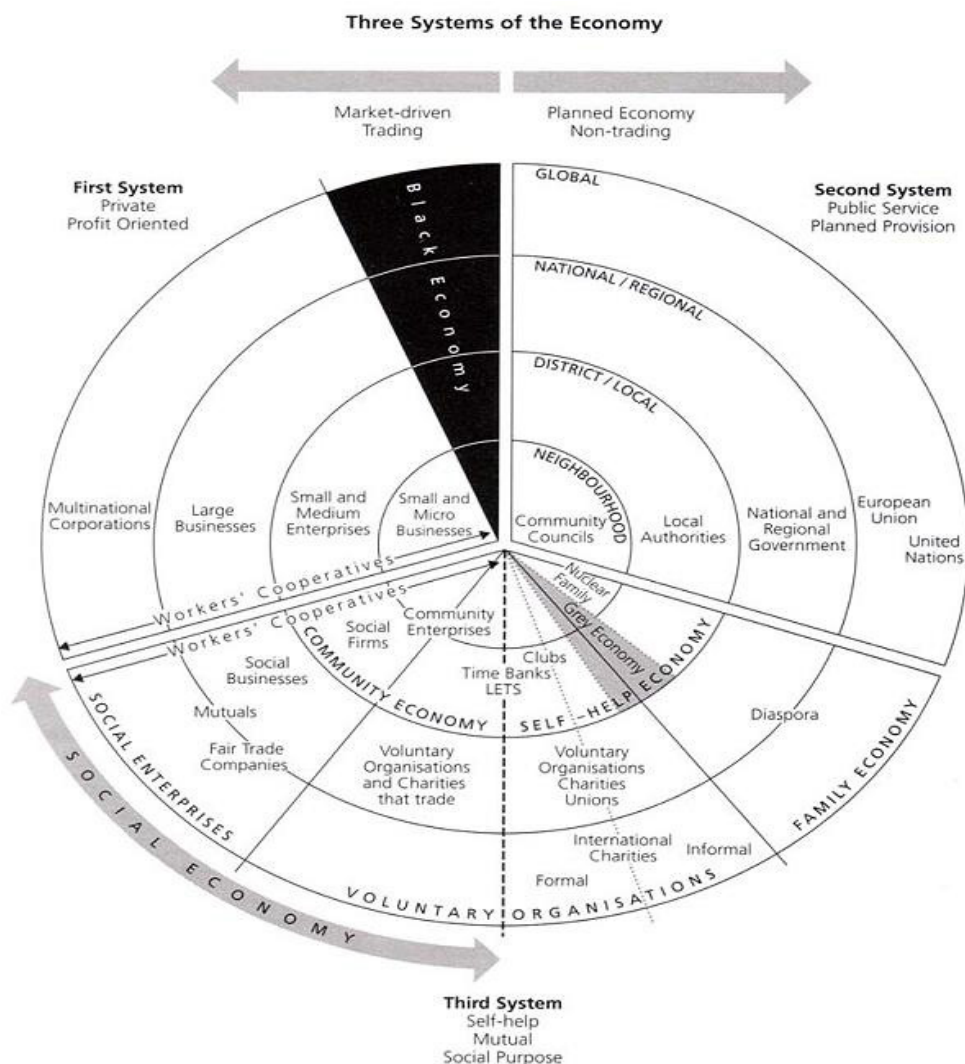
in the second system are identified based on public service and an economy of planned provision with the redistribution of resources as its purpose.

The third system is based on values and principles that see people and organisations shift towards helping one another, self-help and, above all, a social mission. It is characterised by civil society taking action to cover basic needs and to satisfy them in a collaborative way to fulfil this social mission.



Figure 2.1 The three systems of the economy

(Source: Pearce, 2003)



The following table (Table 2.1) gives a typology of the three systems based on five criteria defined by Dash

(2014, p.7), which present a comparison of the basis on which they operate.

Table 2.1 IDEA-TYPE CONSTRUCTION OF THE THREE SECTORS OF THE ECONOMY			
	Public	Private	Social and solidarity economy
Dominant actors	State	Market	Community
Rationality	Distributive	Competitive	Cooperative
Relationship based on	Authority	Exchange	Solidarity/reciprocity
Governance principle	Control	Freedom	Participation
Value creation	Public goods	[Material*] wealth creation (*Chapter author's addition)	Blended values (social, ecological, moral and economic)



Any identity is influenced by the values that form and maintain it, and the identity of the social and solidarity economy is no exception. As considered in the previous chapter, the values and principles on which it is based are framed in the following propositions (Max-Neef, 2013):

- The economy is to serve people, not to be served by people.
- Development is about people not objects.
- Growth is not the same as development and development does not necessarily require growth.
- No economy is possible in the absence of a supporting ecosystem of services.
- The economy is a sub-system of the larger, finite system that is the biosphere and as such permanent growth is impossible.

Bearing this in mind, the multiple meanings and identities of the social economy are reflected in terms such

as: third system, third sector, green economy, living-well economy, common good economy, community economy, popular economy, work economy, all identified by five characteristics that define their mission and vision, while also differentiating them from other economic systems. For Fleber (2012, p. 57), they are:

- Human dignity
- Solidarity
- Ecological sustainability
- Social justice
- Democratic participation and transparency

It can be seen in Table 2.2 how these characteristics are also reflected in the conceptual and operational approaches made in terms of the social and solidarity economy by international, intercontinental and world organisations, giving weight to all five aspects in their respective fields:

TABLE 2.2 CONCEPTUAL AND OPERATIONAL CHARACTERISTICS OF SOCIAL AND SOLIDARITY ECONOMY, ACCORDING TO INTERNATIONAL ORGANISATIONS

Organisation	Description
<p>United Nations: Research Institute for Social Development:</p> <p>UN Inter-Agency Task Force on the Social and Solidarity Economy and UN Department of Economic and Social Affairs</p>	<p>Diverse organisations, businesses and networks sharing characteristics in terms of development objectives, organisational structures and values. The Social and Solidarity Economy tries proactively to mobilise and redistribute resources and surplus in inclusive ways that satisfy people’s basic needs. ... The SSE promotes environmental protection and the economic and political empowerment of disadvantaged people and others implicated in social and environmental justice. ... Profits tend to be invested locally and with social aims. The SSE also highlights the ethics of economic activity (UNRISD, 2014, p.x).</p> <p>Social economy institutions and organizations play an important role in promoting livelihoods and job creation in the fight against poverty. Social economy enterprises offer an important source of employment in the face of global unemployment and underemployment problem” (UNDESA, 2015).</p>
<p>International Labour Organisation (ILO)</p>	<p>Today, the Social and Solidarity Economy is part of the lives of many people, since it promotes values and principles intimately linked to the needs of people and of communities. With a spirit of voluntary participation, mutual help, independence and self-sufficiency, and through businesses and organisations, it seeks to balance economic success with social equity and justice, at both a local and a global level (ILO, 2014a).</p> <p>There is also a clear link with the Decent Work agenda, since the social and solidarity economy promotes: a) labour rights: social businesses promote and defend the basic principles and rights of work; b) Employment: social organisations employ a large number of people, particularly in the local area, helping vulnerable groups to better integrate in society; c) Social protection: social businesses give access to social services for people and collectives overlooked by formal social security systems; d) Social dialogue: social and solidarity economy organisations give representation to those with no link to unions or employment organisations, through cooperatives and associations (ILO, 2014b, p.5).</p>



<p>Organisation for Economic Co-operation and Development (OECD)</p>	<p>The term social economy refers to associations, cooperatives, mutuals and foundations. Social economy organisations run under the principle of interest groups, not shareholders, and are generally regulated by democratic governance and management.</p> <p>The term social entrepreneurship is defined as enterprise with the aim of providing innovative solutions to unresolved social problems. As such, it tends to go hand in hand with social innovation processes aimed at improving people's lives and social change (OECD, 2010 in OECD, 2014a, p.143).</p>
<p>International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC)</p>	<p>The set of private, formally-organized enterprises, with autonomy of decision and freedom of membership, created to meet their members' needs through the market by producing goods and providing services, insurance and finance, where decision-making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has one vote. The Social Economy also includes private, formally-organized organizations with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them (Monzón and Chaves, 2012, p.23)</p>
<p>EMES (2015)</p> <p>International Research Network</p>	<p>Jacques Defourny, co-founder of EMES, gives the following definition of the social economy:</p> <p>In today terms, the social economy gathers enterprises of the co-operative movements, mutual benefit and insurance societies, foundations and all other types of non-profit organizations which all share some principles making them correspond to the "third sector" of modern economies. Indeed, social economy organisations differ from the private for-profit sector as their primary goal is to serve members' needs or a broader public interest instead of maximizing and distributing profits to shareholders or members. They are also clearly distinct from the public sector although non-profit organisations may receive public subsidies to fulfil their mission: they are self-governed private organisations with the rule "one member, one vote" in their general assembly.</p> <p>Jean-Louis Laville, co-founder of EMES, offers the following definition of the social economy:</p> <p>The solidarity-based economy includes the set of activities contributing to the democratisation of economy on the basis of civic commitments. This perspective of analysis is characterised by the fact that it envisages these activities not only from the point of view of their legal form (associations, co-operatives, mutual societies...) but also through the twofold dimension – both economic and political – which constitutes their specificity.</p>
<p>RIPESS</p> <p>International Network for the Promotion of Social Solidarity Economy</p>	<p>The social solidarity economy (SSE) is an alternative to capitalism and authoritarian economic systems controlled by the state. In the SSE, ordinary people have an active role in determining the course of their lives in every aspect: economic, social, cultural, political and environmental. It does not only include organisations and businesses but also citizen movements aiming for the democratisation and transformation of the economy. RIPESS uses the term social solidarity economy to encompass both the solidarity economy and the more radical elements of the social economy. Values: humanism, democracy, solidarity, inclusion, subsidiarity, diversity, creativity, sustainable development, equality, equity and justice for all, respect and integration between countries and towns, and a pluralist solidarity economy (2015, p.2).</p>

All of these create a diverse mosaic of organisations and businesses seeking positive and radical change

within society and, in most cases, unifying those two meanings: social and solidarity.



2.2 EUROPEAN PERSPECTIVES

A brief historical perspective

According to Defourny (2009), the concept originated in the 19th century, when various types of organisations including cooperatives and mutuals were formed as a response to the challenges and problems the economic system was creating at the time. Their aim was to organise production and consumption, allow credit access and have more equitable and democratic basic health services.

The British researchers, Ridley-Duff and Bull (2011, pp. 26-27) place the earliest cooperatives in the late 18th century Scotland and in the US. Later, the Rochdale Pioneers in the north of England pooled their resources and opened stores, buying and selling items they could not afford individually. They established a set of principles in 1844 around democratic membership control, the economic participation of members and concern for community, which are still highly influential in the cooperative movement today.

The UK was not alone in developing associations in the 19th century. In Italy and Spain pioneering experiences have been identified from the first half of the 19th century. Monzón and Chaves (2012, p.15), citing to Reventos (1960) give an example of the Association of Weavers as the first trade union in Spain and the Mutual Association of Weavers founded in 1840 as a mutual provident society. These authors also refer to De Jaco (1979) who identifies mutual associations in Italy which had a strong presence in Italy in the middle of the 19th century. The Società operaia di Torino is named as the first consumers' cooperative, founded in 1853."

For these two authors (ibid, p.16), the social economy was revived in the second half of the 19th century by the economists John Stuart Mill and Léon Walras. Both men highlighted the importance of the moral side of democracy in production processes as well as economic profits.

In the middle of the 20th century, as cooperatives, mutuals and associations helped tackle "socially important themes of cyclical unemployment and potential bias in power relations" (Monzón and Chaves, 2012, p.17), economic models were principally developed in the traditional private sector and the public sector. The end of the 20th and beginning of the 21st

centuries saw the rise of neoliberal capitalism and the shrinking of the public sector, an "experiment in which the markets and money were left to their own free will to find their own path around the world without much political interference" (Hart, Laville and Cattani, 2010, p.1). CIRIEC (2000), cited by Monzón and Chaves (2012, p.18), draw attention to the growing importance of cooperatives, mutuals and associations in "creating and sustaining work and righting serious economic inequalities."

The *non-profit* sector has its historical roots linked to the philanthropic and charitable ideas that were deeply-rooted in 19th century Britain and in the countries it influenced. This and US philanthropic foundations gave rise to terms such as the *charitable sector* and the *voluntary sector*, which are included in the wider concept of the non-profit sector. In essence, this approach only covers private organisations which have articles of association forbidding them to distribute surpluses to those who founded them or who control or finance them (Monzón and Chaves, 2012). In this respect it is a subset of the social economy.

The concept of *social enterprise* first appeared in Europe in 1990 in Italy. New entrepreneurial initiatives arose primarily in response to social needs that had been inadequately met by public services. At the same time, the concept was being developed in the US with the work of Greg Dees in relation to the *social entrepreneur* (Defourny, 2014).

Evidently, concepts of the social economy can vary, as can the terms used to define it. The aim of this chapter is not to create or to validate any one of these definitions but to explore the perspectives and organisations that adhere to the values and principles known, in this project, as *the social and solidarity economy*.

The importance of the social economy in Europe

The following figures demonstrate the importance of social economy organisations (European Commission, 2015):

- There are 2 million social economy enterprises in Europe, representing 10% of all businesses in the EU. More than 11 million people – about 6% of the



EU's employees – work for social economy enterprises.

- Mutual societies account for 25% of the European insurance market.
- There are 250,000 cooperatives in the EU, owned by 163 million citizens (one third of EU population) and employing 5.4 million people. Cooperatives hold substantial market shares in industries such as:
 - » Agriculture - 83% in the Netherlands, 79% in Finland, 55% in Italy, and 50% in France;
 - » Forestry - 60% in Sweden and 31% in Finland;
 - » Banking - 50% in France, 37% in Cyprus, 35% in Finland, 31% in Austria, and 21% in Germany;
 - » Retail - 36% in Finland and 20% in Sweden;
 - » Pharmaceutical and health care - 21% in Spain and 18% in Belgium.

The following sections will cover the profile and the identity of organisations within the social economy, as well as their reach in specific geographical areas.

Profiles and identities of social economy organisations

Cooperatives

The International Labour Organisation (ILO), in its Recommendation 193, defines the cooperative as “an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.” Article 3 establishes that “The promotion and strengthening of the identity of cooperatives should be encouraged on the basis of: (a) cooperative values of self-help, self-responsibility, democracy, equality, equity and solidarity; as well as ethical values of honesty, openness, social responsibility and caring for others; and (b) cooperative principles as developed by the international cooperative movement ... voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and concern for community.”

The two key features of the cooperative model highlighted by Ridley-Duff and Bull (2011) are, firstly that “members should contribute to, and then share in the economic surpluses generated by their enterprise”

(p.26). In cooperative stores, members receive a dividend. In producer cooperatives, members get a share of profits. Secondly is the commitment to democratic membership: intended to “prevent elites appointing themselves to positions of power and holding these without the consent of the communities they serve” (p.28).

Mutuals

According to the European Commission (2015), in Europe two types of mutuals exist:

- **Health (providence) mutual** - predate modern social security systems and cover risks such as illness, disability, infirmity, and death. These are usually subject to specific legislation.
- **Insurance mutual** - cover all types of risk (accident, life insurance, etc.) and are normally subject to general legislation regarding insurance.

According to the Spanish Business Confederation for the Social Economy (CEPES) (2015a), mutuals are not-for-profit societies of people, with a democratic structure and management, that offer voluntary insurance alongside the public provision of social security.

The mutual as a specific type of insurance organisation, is based on the fact that the insurer and member are one and the same. A mutual, then, complies with the principle of identity or unity, characteristic of participation-based businesses, by carrying out its main activity exclusively with its members. This democratic management ensures that insurance premiums go entirely towards guaranteeing the claims of the collective.

Worker-owned companies ('Sociedades Laborales, Spain)

According to CEPES, worker societies are unique to the social economy, and require at least 51% of social capital to be in the hands of member workers. They are traditional commercial businesses (public and private limited companies) but differ from these in their worker-focused nature and must use the acronym SAL (anonymous workers company) or SLL (limited workers company). In 2013, there were 11,000 worker-owned companies in Spain, creating almost 64,000 jobs (CEPES, 2015b).



Social enterprises

Doherty, Haugh and Lyon identify these as “hybrid” organisations, combining enterprise with an embedded social purpose (2014, p.417).

According to Monzón and Chaves (2012), the Anglo-American spectrum of approaches range from those who consider social enterprises to be the commercial company counterpart of private non-profit organizations with a social purpose, to those whose definition of a social enterprise centres exclusively on social innovation and satisfying social needs, whatever the form of ownership of the enterprise (public, private capital-based, or social forms of ownership). Defourny (2014) argues that most recent works in the UK are less focused on the definition and frontiers. Rather, they

acknowledge the very wide diversity of forms, contexts and dynamics. Pearce, however, warns that there is growing concern about “essentially private organisations masquerading as social enterprises” (2009, p.22) and advocates more precise definitions.

In the Continental European tradition, the main approach to social enterprises is summarised in the studies and proposals of the EMES network. It is based on a series of indicators, as seen in Table 2.3, which can be divided into economic and social. It is not intended to form a definition, rather it sets out indicators the fulfilment of which will vary greatly in different contexts (Defourny, 2014).

TABLE 2.3 ECONOMIC AND SOCIAL INDICATORS OF SOCIAL ENTERPRISES	
Sphere	Criterion
Economic	A continuous activity producing goods and/or selling services
	A high degree of autonomy
	A significant level of economic risk
	A minimum amount of paid work
Social	An explicit aim to benefit the community
	An initiative launched by a group of citizens
	A decision-making power not based on capital ownership
	A participatory nature, which involves various parties affected by the activity
	A limited profit distribution

Table adapted from Defourny (2014, pp.25-28)

Social enterprises are legally recognised in various forms in some European countries, including Italy, Portugal, France, Belgium, Spain, Poland, Finland and the United Kingdom (Monzón and Chaves, 2012).

Associations and foundations

According to Monzón and Chaves (2012), associations and foundations are in the non-market sub-sector of the social economy supplying services to individuals, households or families and usually obtaining most of their resources from donations, membership fees, subsidies, etc.

The European Commission (n.d.) defines associations as a “permanent grouping of natural or legal persons whose members pool their knowledge or activities either for a purpose in the general interest or in order to directly or indirectly promote the trade or professional interests of its members.” The main characteristics of

associations are: voluntary and open membership, democratic governance and the payment of fees by members, rather than a capital contribution.

Foundations, on the other hand, have their own source of funds which they spend according to their own judgement on projects or activities of public benefit. They are run by trustees and may undertake research, provide grants and fund voluntary work.

Current EU perspective

The Committee on Employment and Social Affairs of the European Parliament (2009) formulated the following definition and explanation of the social economy and its reach within Europe’s social and economic fabric:

The social economy is characterised by its respect for common values:



- the primacy of the individual and social objectives over economic gain;
- the defence and implementation of the principles of solidarity and responsibility;
- the conjunction of the interests of its user members with the general interest;
- democratic control by its members;
- voluntary and open membership;
- management autonomy and independence in relation to public authorities;
- the mobilisation of the bulk of surpluses in pursuit of the aims of sustainable development and of service to its members in accordance with common interests.

The social economy comprises cooperatives, mutuals, associations and foundations, as well as other businesses and organisations that share the essential characteristics of the social economy.

2.3 LATIN AMERICAN PERSPECTIVES

In Latin America what is understood by the *social and solidarity economy* as a concept is still in the process of construction. Its practice amongst the population has emerged as a strategy for collective action for survival derived from ancestral values in times of economic crisis within the countries. The institutionalisation of the concept comes from the legislation from respective governments, each with different aims and objectives and from these spring a diversity of meanings. However, it is clear from the practice that one of the practical objectives of the social and solidarity economy organisations is to gain access to markets. By uniting, members can compete within markets as a way of generating income for survival, rather than uniting as an end in itself.

The evolution of the concept: multiple approaches

Before the arrival of Europeans in America and prior to the Rochdale experience, indigenous Latin American peoples practised “diverse ways of cooperation that were mixed with models brought by the conquista-

Conclusion

The profile and identity of any social and solidarity economy organisation are a product of the local context and the culture from which it emerges. Defourny and Nyssens maintain that researchers should “humbly take into account the local or national specificities that shape these initiatives ... Supporting the development of social enterprise cannot be done through just exporting ... European approaches. Unless they are embedded in local contexts, social enterprise will just be replications of formulae that will last as long as they are fashionable” (2010, p.49).

This chapter has given an overview of the diversity of identities, profiles and definitions of organisations in the social and solidarity economy in Europe and does not claim to be exhaustive. Ridley-Duff and Bull argue that definition is not an abstract intellectual exercise, rather “it is a dynamic process engaged with on a daily basis by people deciding how to develop and identify their enterprise, what the rules for economic support are and ‘how far these rules can be bent’” (2011, p.57).

dors. Mayans, Aztecs, Incans and other pre-Columbian cultures combined working with property in multiple collective and individual forms, while developing systems of solidarity social welfare.” (Martínez, 2002, p.43). “Both the idea and the practice of cooperation to the fulfilment of individual and community needs are present throughout the history of humanity. Since the earliest human societies, man has seen in cooperation (and solidarity) a way of subsistence” (Martí, 2014, p.101).

Many of these traits remain alive in people’s collective imaginary and are still being practised in a sort of symbiosis together with the practices and values of the modern world.

Martínez (2002) quoting Pineda (1994) asserts that during the 17th and 18th centuries there were many religious cooperative organisations that arrived in America. In the first half of the 19th century, in Mexico and Venezuela there were already savings and credit banks. These cooperatives were then taken up by European immigrants in Argentina and Brazil (of Italian, French, and German origin), Paraguay (German)



and Chile and Peru (British). Then came the development of a unionist and participative trend, also from immigrants, with consumer cooperatives, credit and funeral services (Argentina, Chile, Uruguay). Finally, a social trend emerged of Latin American thinkers and politicians that promoted cooperatives with social purposes (Peru, Ecuador, Costa Rica).

Social and solidary economy

In the last few years the term *social and solidary economy* has been agreed upon as an expression that brings together traditional social economy with new ways of self-managed associative work—predominantly related to the expression of solidary economy (Hintze, 2006).

What is understood as the social and solidary economy in Latin America entails multiple and diverse meanings, with a strong transformational meaning and content and loaded with a distinct political and ideological component (and sometimes caught in the discussion about whether capitalism as a system would endure or not.)

On the one hand, some hold the view that socio-economic organisations that involve self-managed labour cannot avoid to some extent being subjected to market forces, being drawn in (*co-opted*) to the capitalist system and end up serving it as social pressure on the labour market and/or the state diminish. Other perspectives, on the other hand, place emphasis in their emancipatory and counter-hegemonic potential (Hintze and Deux, 2014, p.444) when they constitute themselves as a social and economic organisation. That is to say, they establish an alternative to the dominant development model through the practice of collective organisation and association in order to generate jobs and income for those who were out of the labour market¹. Coraggio (2008) points out that there is no way to overcome exclusion without the development of a whole new societal model that is driven by the desire to create a wider conception of life and livelihoods and that places the fulfilment of everyone's legitimate needs at the heart of the process.

Sarria has a more pragmatic approach:

well into the 2000s and as the national scene changes, the difficulties for the solidary economy to become a social, economic and strategic proposal become evident.

¹ In a context of economic crisis, employment crisis and an increase of inequality in the region.

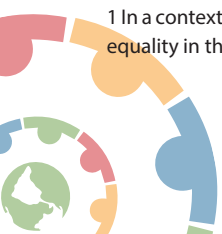
. . In fact, the solidary economy as a policy of development loses its strength in a context of economic growth, with a reduction in unemployment and extreme poverty. This is particularly the case as national priorities tend towards market integration, complemented with social policy that, by improving the living standards of the poor, strengthens mass consumerism and the capitalist model of accumulation. In this sense, it becomes evident that there are diverse interpretations of the role of the solidary economy in the different parties of which it is made up: some of them seem more interested in market integration rather than a wider change in ways of living and consuming (2014, pp.428-429).

Another point of this debate has been around the term social economy, solidarity, popular or work economy. Coraggio (2008) states that *popular economy* is that which refers to the set of activities that workers carry out according to their work capacities and other resources for their own reproduction and that of their families. It is part of a capitalist economy and comprises other functions such as reproducing the labour force that is required by capital.

In this respect he notes that each domestic or Popular Economy unit, the workers guides the use of his/her work and other economic practices, in order to achieve the reproduction of its members under the best possible conditions. In doing so, s/he is willing to compete with other domestic units, even at the expense of the other's survival, behaviour induced by the market and by the capitalist State (Coraggio, 2011, p. 120).

Unlike the Popular Economy, labour economics presents as alternative system, with other rules, more democratic power relations, other values and a different strategic sense: to optimise the reproduction of everyone's lives, with levels of dialogue and cooperation, collective decision-making, and the recognition of needs and definition of strategies for collective management" (Ibid, p. 120).

According to the same author, social economy is a term that is still marked by the traditional form of cooperatives, mutuals and associations, constituted and codified by the system as ways of working together along non-capitalist lines. Although it began as an emancipatory project by workers during the 19th century, its gradual evolution within the capitalist market system has brought about, to a considerable degree, behaviours that are quite far from a cooperative ideal.



He argues that the social economy is “a transitional proposal of economic practices of transforming actions, aware of society, that wants to generate from within the current mixed economy towards a new economy, an alternative economic system, organised by the principle of improving the lives and livelihoods of all citizen-workers” (Coraggio, 2007, p.37).

The economy based on labour conceived by Coraggio (2007, 2008) (in contrast to the economy based on capital,) is an organised system of production and division of labour, of circulation and distribution, as a legitimate system to fulfil needs. It is ultimately based on freely associated work and with a socio-political objective that are put forward by different interest groups that are fighting for aspects of an improved life and livelihoods for all people and communities.

Razeto (2002), one of the first scholars to talk about solidarity as a productive factor, establishes it should not be referred to the solidary economy, but rather an economy of solidarity, understood as:

... the introduction of solidarity as an active element, productive force and matrix of economic relationships and behaviours, in the processes of production, distribution, consumption and accumulation. An active agent of solidarity, not marginally but centrally, is enough to determine the birth of a new way to develop economics, that is to say, the establishment of a special economic rationale, different, alternative, which would allow: new ways of enterprise based on solidarity and labour; new ways of distribution that articulate fair exchange relationships with conviviality, cooperation, reciprocity and mutualism. They would promote new ways of consumption that integrate social and community needs to a network of fundamental needs for the overall development of man and society; and a new way of wealth creation, centred on knowledge, labour skills, social creativity, community life and values, capable of ensuring sustainable development in social and environmental terms.

For Razeto, solidarity (named by this author as factor C²) and associative work (that carried out with other workers) are the two main productive factors that can replace and make up for the lack of other resources or productive factors in societies that do not possess them.

The debate still remains, and no one can be sure of the future direction of the social and solidary economy in Latin America or in the world. The question arises: can

crises or cracks in capitalist economy open up space for new ways of organisation, production and reproduction of life that brings about a higher quality of living together? There are no simple answers or steps to answer this question, but it is clear that it will not be possible to develop another economy without another politics, another way of being and an alternative public policy (Deux, 2014).

By reviewing different definitions of solidary economy (Coraggio 2008 and 2011; Vuotto and Fardelli 2014; Razeto 1986 and 2011; Guerra 2010) and moving beyond ideological standpoints, there can be an approach to its definition from Latin America, as follows:

The solidary economy is an economy centred on the person and on job and income generation. Its main purpose is to produce goods and services that respond to economic and social needs, individual or collective, from structures that ensure: a process of democratic management, free association, self-management and cooperation amongst workers, collective ownership of capital and its means of production, participation and individual and collective responsibility of its members and users. Solidarity is distinguished as a central element of the economic process. It is constituted from non-individualistic values of solidarity and mutual help which are self-managed. It combines economic, social, cultural and educational functions and activities according to social transformations. Therefore, its contribution is expressed in its insistence upon local development and in communities, especially in the creation of sustainable jobs, the development of an offer of new services, the improvement of quality of life, etc.

Organisations of solidary economy and other forms of associativity seek to carry out joint purchasing through them, to increase bargaining power in the market. They also set out to manage the spread of risks through collective systems of protection, the self-supplying of credit, among others.

Causes of the emergence of social and solidary economy

The causes for the emergence and development of social and solidary economy are diverse. Razeto (1997) points out the following causes or “paths”:

- 1. The path of the poor and popular economy. It emerges in situations of exclusion and poverty in which the popular economy becomes a real process of economic activation and mobilisation**

2 C for *Compañerismo* (fellowship in Spanish), *Cooperation*, *Community*, *Compartir* (share in Spanish), *Communion*, *Collectivism*, *Charisma*.



- in the popular world. The popular economy combines resources and capacities in labour, technology, organisation and traditional commercial relationships with other modern ones. The result is a heterogeneous multiplicity of activities oriented towards ensuring subsistence and daily life.
2. The path of solidarity with the poor and social development services. It arises from the situation of privilege enjoyed by those who are not excluded or marginalised, neither are they poor. Notwithstanding this, they are aware of their own situation and that of others and incorporate solidarity in their economic undertakings. They commit part of their resources and time to make donations that allow creation and functioning of foundations, associations, and non-profit organisations.
 3. The path of work. Workers who are unemployed or underemployed experience the same issues, needs and practical situations. This means their similar conditions of life lead them to face their circumstances through collective action, in an associated and autonomous work.
 4. The path of social participation and self-management. Social participation entails a permanent exchange of targets, experiences, ideas, interests and goals of each subject. It is a process through which there is a collective attempt (in a cooperative and solidary manner) to get the best for those who will get support, commitment and participation.
 5. The path of transforming action and social changes. It arises from the awareness related to the change in social structures, where disadvantaged actors find a space to be heard. It is here where their demands for better conditions are considered, and where the contribution of each person's talent and creativity is valued.
 6. The path of alternative development. Fostered by those who feel the need of another type of development: one which is more comprehensive, based on values such as justice and solidarity.
 7. The path of ecology. This starts with those who become aware that environmental issues are generated by the way economy is set up, who create organisations that try to reverse some of the environmental damage.
 8. The path of women and family. The crisis in the family and the situation of discrimination against

women have encouraged attempts at different forms of economic action, mainly coordinated by networks of women and/or families.

9. The path of peoples who have an ancient tradition. This is part of the struggle of ancient ethnic communities and peoples—who have suffered exclusion and marginalisation—to recapture their identities, to validate their early cultures and their own communal ways of economic management.
10. The spiritual path. This emerges from different groups that hold a humanist and spiritual philosophy. They feel the need to commit to a communitarian or associative way of living in the creation and development of collective economic practice. These would be based on fraternal values, and on the logic that wealth has to be at the service of human and social development, opening up space for solidarity in economic forms.

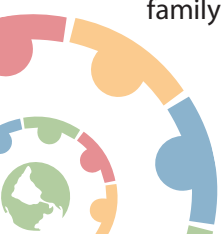
Cooperativism

Cooperativism in Latin American deserves particular consideration, as its origins, age, size, sector, organisational structures, degrees of legal formalisation, penetration and success are very heterogeneous across the region. Traditional cooperation behaviours were mixed with modern cooperativism, and often ended up subsumed by it. Traditional ways of mutual help were superimposed by cooperative ways unknown until then; as in the case of Peru during the 1970s, where ancestral cooperation was not in conflict with private and collective property.

In Martínez's terms, the introduction of cooperative ways and models which were foreign to the continent and badly adapted into specific contexts generated "a sort of unbalanced fusion between cooperative types" (2002, p.168) which ended up in the disintegration and neglect of state support, despite its strong prior encouragement.

The same author continues:

However this heterogeneity highlights an overall profile. The first characteristic is that modern Latin American cooperativism is important and mainly associated with the middle income population ... Its historical origin is abundant in middle classes and skilled urban workers. In rural areas, it usually involves historic colonies of settlers or smallholders, often beneficiaries of agrarian reforms ... A sec-



ond characteristic of cooperatives in Latin America is the insufficient degree of organisation, whose causes are found in two types of factors:

- Its origin is mostly external to the region and discontinuous, and being unresponsive to the initiative of the cooperative members has limited the further autonomous development. Successive national governments have fluctuated in their policies, driven or not by interests unrelated to the region. First, they maintained strong public bodies specialising in the promotion and control of the cooperative movement. Later, they transferred abruptly almost all those functions to the cooperative movement, leaving the State for a final monitoring and recording.
- The relative brevity of the period of development: less than a century. For that reason, an identity and common operating procedures have not been established (Martinez, 2002, pp.167-168).

Cooperativism seems to be more successful with strategies that respect individual private property to which every family has a right. This is why during the last few years the biggest success is not in cooperatives based on production, but in those involved in consumption, labour, finance and commerce.

Social enterprises and non-profit associations

This refers to an organisation that originates with the aim of solving some social or environmental problem. It is economically sustained thanks to an entrepreneurial dynamic that involves selling products or services. Given that in Peru, as in other Latin American countries, there is not a specific legal way to identify them, they can be registered as profit or non-profit organisations.

Conversely, a non-profit organisation and a social enterprise share an environmental or social purpose. However, the first one depends mostly or totally on donations, whereas the second one generates its own funds and has a business management.

Lastly, a social enterprise does not compete with governmental social programmes, as these are the natural tools governments possess to fulfil their redistributive

obligation, and are financed by the taxpayers. Social enterprises are private endeavours that attempt to solve problems which have not been tackled by the state. State resources are not used for their funding, but rather resources generated in the market (Fuchs, Prialé y Caballero, 2014, p.5).

Non-profit civil associations

Many social enterprises have been generated by non-profit civil associations. The reasons for this are that they have needed to obtain self-finance and they have responded to the mission they set for themselves.

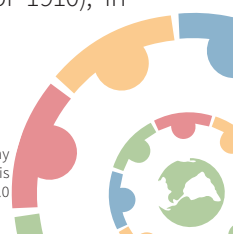
Non-profit civil organizations, normally known as NGOs, refer to collectives formed by members of civil society who promote processes of development and democratisation in and from civil society with a perspective focused on rights. Some common characteristics of these collectives above the great diversity that characterise them, according to Caceres (2014, p.5) are:

- **The result of a free decision from a collective of citizens.**
- **They are non-profit.**
- **They are independent from the state.**
- **They promote some collective interest in the public sphere.**
- **They have a perspective of *social justice* and/or *social transformation*, therefore, they take account of a political will to change.**
- **They take a stand on rights, including gender equality and interculturality.**

Institutionalisation of the social and solidarity economy in Latin America

The history of solidarity economy in Latin America and the Caribbean dates back to before the European colonisation and has its first manifestations in the form of collective work that were developed in different cultures—in many cases known as *minka* and *ayni*. However, their institutionalisation according to the legislation of each country in the region begins only after the last decade of the 20th century (with the exception of Honduras, 1985.) The practice preceded legislation.

However, there were also some previous experiences, such as in Venezuela (Cooperatives Act of 1910), in



Chile (Cooperatives Act of 1924), in Argentina (11.388 Act on the Legal regime of the cooperative societies of 1926) and in Peru (236 Supreme Decree of 1944).

Conclusion

In spite of the differences in terms of the law, operation and function of the entities that form the social and solidarity economy, it is possible to talk of a distance travelled. However, there is still a great deal to do in terms of legislation, action, advocacy and evaluation. It seems necessary to invigorate strategies and syner-

2.4 AFRICAN PERSPECTIVES

Understanding in an African context

As already mentioned in the previous chapter, the social and solidarity economies in Africa have considerations and precepts that are difficult to translate, in the sense used by Boaventura de Sousa Santos (2007). Researcher Yao Assogba of Togo, cited by GESQ (2002), tells us that the understanding of the social economy in Africa, as “an ancillary and informal sector, is difficult to define”. Fall and Guèye (2009) explain that the European practice of the social economy can be found in concepts such as the *popular economy*, the *real economy* or the *informal economy*. In this regard Amaro believes that given African contexts, “the most common term to use is community economy” (2005) to convey the diversity of realities to be studied.

Jahier discusses these realities in the African context, highlighting the ancient practices of survival which often go ignored and undervalued and which form the basis for a popular economy whose lack of recognition has limited their development (Groupe d'économie solidaire du Quebec (GESQ), 2002, p.20). As his *Perspectives on Africa's Social Economy and the Role of the European Economic and Social Committee to Help its Development*, explains, “In Africa the social economy is a sector which has so far been largely ignored by the international community as a whole, including the European Union. Its specific nature is not recognized and therefore it is not actively addressed in policy and consultation processes and decisions” (Jahier, 2010, p.1). He adds:

On a continent where between 80% and 95% of the population works in the informal sector, the social economy can be a crucial tool for the development and the progressive transformation of the living conditions

gies both within and between sectors, as they would allow continuous creation and validation amongst protagonists and movements of the third system together with a responsibility to carry out research. The task is to contribute with comprehensive proposals for public policy and to promote more visibility and presence. Likewise, it is necessary to articulate ways and mechanisms to create and access local markets, as well as national and international ones, by democratising processes of production, commercialisation, consumption and of savings.

and the job market because it raises these to a credible standard of social protection. The social economy lets people operate in the market and make a decisive contribution to the continent's social and economic development (p.1).

Therefore, it is important to first know how to better react to this reality in an appropriate way. Yao Assogba explains:

The various forms of solidarity were born locally in communities, and arose from social events (like weddings, for example), and are seen today in farmers' and workers' movements”. The evolution of these forms would have created a so-called “African social economy” which can be defined as “the expansion of countless small production and selling activities that are conducted by various family, clan or ethnic groups”. According to him, these activities would develop according to a logic that differs from that of capitalism—organised by the individual who has the labour and who aims to improve the living conditions of people or localities. “Therefore, several logics are present, such as the subsistence economy and the production economy—the connections to social reproduction and cohabitation. The central point is the importance of affective relationships (GESQ, 2002, pp. 20-21).

According to the Senegalese researcher Abdou Salam Fall, you cannot view the practices of social and solidarity economies in Africa without placing them “in the historical context unique to the region, where the economy was historically oriented toward the needs of the colonial metropolis, a reality always present”, even after the fall of the colonial regime. For the author, the daily search for strategies to combat poverty “created unimaginable stockpiles of wealth” in the popular economy, in the informal sector, and in social



movements, etc. The author therefore believes that it is possible to use an “inclusive but multifaceted concept, linked to business activities that, while it expands its scope, maintains its human dimensions and seeks to accumulate in order to redistribute” (GESQ, 2002, pp.36-37). Along the same lines as Assogba, Salam Fall also highlights the character and identity of these economic practices:

It is an economy that relies on networks where trust, based on the sharing of expertise, is the guiding principle. They are activities that arise from a business tradition not framed in the sectors in which wealth is created from lineages or ethnic or other groups This is a system of social responsibility defined by the community, and which produces countless valuations for goods or not, as well as space for inventing new production and redistribution values (GESQ, 2002, pp. 36-37).

Soumahoro (2007) from the Ivory Coast, claims that while in Europe or America being involved in the informal sector means being on the margins of a formalised system, in Africa “it is the informality of the system which means people adopt a strategy of necessity and survival within an integrated social dynamic” (p. 157).

Marques (2010), citing Favreau and Fréchette (2002), finds that in the economic events of the twentieth century that devastated the southern countries - “the worsening economic crisis, the restructuring imposed by the IMF in most of the countries in Africa, Latin America and Asia, the phenomena of poverty and social exclusion, among other factors” - were the impetus in the communities for the emergence of “new forms of solidarity and mutual help in order to solve the problems in which they were finding themselves” (2010 , p.24). In this context a recovery of traditions of “common solidarity” (those that were practised in daily life within families and clans) would have emerged (França, 2002, p.16), which is generally known as a *popular economy*, especially in Latin America.

Marques (2010), however, explains that there are authors who distinguish a popular economy from a solidarity economy. Citing Arruda (2006), Marques, considers that a popular economy is clearly different from a social economy, whose dominant mode of interacting is one of cooperation and which has as its core values a conscious solidarity with all human beings, respect for diversity, and reciprocity; whereas a spontaneous grassroots economy is still dominated by *homo economicus* and *consumens*.

In other words, for Arruda, social and solidarity economies are a rational and thoughtful human quest for a fairer economy “with a sense of reciprocal altruism”, whereas a popular economy is a pragmatic economy that tries to improve livelihood without concerning itself about how it fits ideologically. The concept of a solidarity economy is, according to that, a “demanding” concept that, on the one hand, “recognizes the existence of popular wisdom in economics, which in and of itself helps people to meet their material needs and immaterial needs”; while on the other hand “considers it essential that people be conscious actors” (Marques, 2010, pp. 25-26).

Continuing the debate about the best concept that can transmit the plurality and diversity of the African reality, Borzaga and Galera (2014), underline that the concept of ‘social economy’ can only be applied to the African reality if its borders are revisited in a way to encompass the diversity of traditions that exist in African countries (informal groups self-help and mutual aid, for example). They therefore propose that instead of an approach made through the legal forms and a regulatory approach, that a practice-based two-pronged approach should be taken focused on the factors that explain the success of the social economy in Europe: the fact that these organisations arise in response to the needs of a particular community; and that they have a community identity” (p. 5).

Typologies of associations

Looking at ancestral practices for the roots of the current social and solidarity economy, Varela (2010) attempts to give an overview of pre-independence associative forms which are still in force today in Cape Verde:

- **Tabanca** - Complex sociocultural and recreational association whose aim is solidarity, achieved through mutual help and the lending of mutual assistance. It is funded through contributions from its members who pay monthly dues, and from donations from either members or third parties. These resources are used for cultural activities that assist members in cases of illness or death; members being farm workers, construction workers, etc. Providing support in case of death or illness has gained autonomy with regard to Tabanca, manifesting itself particularly in the countless mutual assistance associations, funeral homes, and savings and loans, among others, which still remain.



- *Djuda* - Solidarity and support for conducting activities that require strength or skill and that cannot be done by very young, elderly, sick or the disabled; it is also exercised in relation to people with family or close emotional ties.
- *Djunta-mon* - Form of mutual aid, properly accounted for, which means that all the work done by a person for another has a counterpart, either through a payment of like work or of similar nature. There is therefore an obligatory reciprocity. However it is not regulated by the government. It occurs especially among families with little economic power.

According to Dias (2007, p.38), these forms of community cooperation have emerged as a way to “confront the difficulties - cyclic or chronic - dictated by the environment”, since populations in Cape Verde were very dependent upon farm work, blue collar jobs, and at the mercy of the whims of the land, weather and agricultural plagues, among other factors; and of population composition of the islands of Cape Verde (small scattered clusters in an environment that is, at times, hostile). In addition, says the author, this cooperation was also needed as a buffer from colonial authority “that did not serve the population but rather served itself *from* the population”. He concludes, therefore, that one of the driving factors of the emergence, perpetuation and multiplication of these modes of cooperation was the absence of the government.

Fonteneau and Develtere (2009) present and discuss the following existing categories on the African continent: cooperatives, mutual aid societies or mutual aid groups, associations and other community-based organizations and social enterprises.

Cooperatives

In Africa, cooperatives were introduced by the colonial powers and were adopted by the independence movements in the post-independence period. They then became, in the context of the independence movements, the most important form of economic organisation. However, “the new, independent governments created very close links with the cooperatives, which came to be used as instruments of mobilisation and control of various social and economic levels” (Jahier, 2010, p.3).

Dias, researcher of the cooperative movement in Cape Verde, validates this interpretation by saying that in its first phase, after achieving independence in 1975,

cooperatives were promoted by the government and the party, especially as an instrument supporting the rural population in solving the problem of the distribution of essential goods. The importance attributed to the sector, and based on the Constitution . . . recognizes three forms of property: public, private and cooperative (Dias, 2007, p.46).

The beginning of the second phase coincided with the establishment of the National Institute of Cooperatives (NIC) and with an improved organisation of the sector. Several authors (Dias, 2007; Varela, 2010) believe that within these two phases are found some of the characteristics that elicit mistrust from the population and weaken the cooperative model - a certain political paternalism on the part of government, the political party and the NIC, the excessive bureaucracy when constructing new cooperatives, the population’s limited knowledge about the proposed model and other skills necessary for good management - the fruit born from a process that is totally driven “from the top, down” without full commitment from members.

In the 1990s the influence of economic liberalism reached the vast majority of African countries, causing cooperatives to lose the connotations with government that they had previously possessed. In some countries this fact allowed the recovery of “autonomy, voluntary nature and internal democracy, which are characteristics of the cooperative model”, thus the cooperative entered into a “new phase of renaissance and expansion” (Jahier, 2010, p. 3). In other countries, namely Cape Verde, openness to the new ideological matrix was a setback in the cooperative movement, eliminating the “third type of property” statute in the 1992 Constitution (which places it instead within the realm of private property), and “stripped away the legal and administrative benefits from those who had enjoyed them, while the government began an accelerated process of *withdrawal* from the cooperative sector, culminating in the extinction of the NIC in 1997 and 1999. This also meant the removal of all references to the cooperative sector in the Constitution, leaving mention only to the public and private sector as economic actors. Cooperatives come to be governed by the Commercial Code, which considers them, for all purposes, as mere private companies” (Dias, 2007, p.52).

However, according to Varela, at present several indicators can be verified that point to a revaluation of the cooperative and the social economy. These are



presented as important answers for the “need to find solutions for an economic initiative with a human face, that respond to the need for progress for society in Cape Verde.” However, he continues, “we must overcome the prejudice, which is absolutely wrong, that cooperatives are a ‘thing for poor people’, resurrecting the idea [...] that well-conceived and well-managed cooperatives can be an important and successful weapon in the fight against poverty” (Varela, 2010, p.11).

Jahier (2010) cites data from Fonteneau and Develtere (2009) and states that the majority of African cooperatives are in customer hands and operate in the agricultural sector, as well as in the credit sector. There are also active cooperatives in the sectors of construction, insurance and distribution. It is estimated that, today, about 7% of Africans are members of a cooperative (Pollet, 2009).

Mutual aid societies and other mutual assistance groups

Mutual aid societies are mainly aimed at providing social services for their members and their families, by sharing risks and resources and operating in the arena of social protection; emphasizing health and funeral services. “The numbers and the ramifications are significant - it is estimated that at least 500 mutual societies operate in West Africa, reaching several hundreds of thousands of people,” according to Jahier (2010, p.4). Also noteworthy in this category are the organisations and/or similar groups, both formal and informal, that likewise operate in other sectors. That is the case of the *Tontines* in French-speaking Africa, the *Rotative Savings and Credit Association (ROSCA)* in English-speaking Africa, or the *Abota* (Guinea-Bissau), *Kixikila* (Angola) and *Xitique* (Mozambique), and in Portuguese-speaking countries of Africa, all of which will be presented in Chapter 6.

Associations and other community organisations

Another very numerous group in Africa is made up of associations that operate in both rural and urban areas and in many sectors. The profile of these organisations is highly varied and includes voluntary organisations, community, non-governmental organisations (NGOs), and nonprofits, among others.

Ki-Zerbo, a historian from Burkina Faso defends these kinds of organisations, stressing that “there are community-wide investments, and a responsibility on the part of families, that are neither in the *private-private* capitalist sector nor in the nationalised economy” (2006, p.165).

The number of associations in the field of social economy increased exponentially with the democratic process in the 1990s, thanks to a better legal framework and relaxation of bureaucracy.

Highlighting the case of Guinea-Bissau, a typology of specific association has arisen in the north of the country: the *Filhos e Amici da Tabanca* (Lopes, 2012, p. 88) (translated as *children of the friends of the village*). These associations are important in several countries in West Africa (Fall and Gueye, 2009), as a result of the social concerns of the inhabitants of the communities. This is especially the case among the ethnic groups with modest economic power, and are created for the following purposes identified by Lopes (2012): 1) the recognition of unmet needs; (2) the recognition of the inability of the State to respond to these needs; (3) the recognition of the existence of means - though limited - which enable difficulties to be alleviated; (4) the very strong sense of belonging to a place and a community (p. 89). Animated by these objectives, these organisations which are funded by work within the community and by migrants from the community who live in other countries, try to respond to the following social problems: education, health and infrastructure, in particular roads that reduce the isolation of the village.

Special attention should be given to NGOs, which, in most cases, act as a bridge between Northern and Southern hemispheres. The great challenges for these organisations include: lack of autonomy, due to reliance on external funding; and the exportation (and often imposition) of the Northern model, without consideration of the different context in the South. This adversely affects work and impact in the field of developmental cooperation. Also of note is that these organisations are often the engine for the emergence of other social economy organisations, such as associations or cooperatives, since many of their projects include improving the skills of actors in the South so they might organise and access international funding. Thus, NGOs, especially in the area of development, can be considered drivers



of the transition from informal activities to formalised ones within the sector.

Barros (2012), a researcher from Guinea-Bissau, highlights this fact. Studies on associations of Guinea affirm that these organisations are focused on ends rather than means and generally work with formally constituted organisations. This has increased the number of formally constituted associations, both in the capital and in rural areas (p.74). However, he also warns of the danger of this, since the existence of specific lines of credit can contribute to emptying the associations of their own agenda of priorities, thus effectively taking control of them (idem).

Social enterprises

Fonteneau and Develtere, citing Mori and Fulgence (2009) note that, in the case of Tanzania, and probably in most African countries, “the concept of social enterprise is not well known in Africa even by economic actors whose activities meet the criteria of social entrepreneurship” (2009, p.12).

Foundations

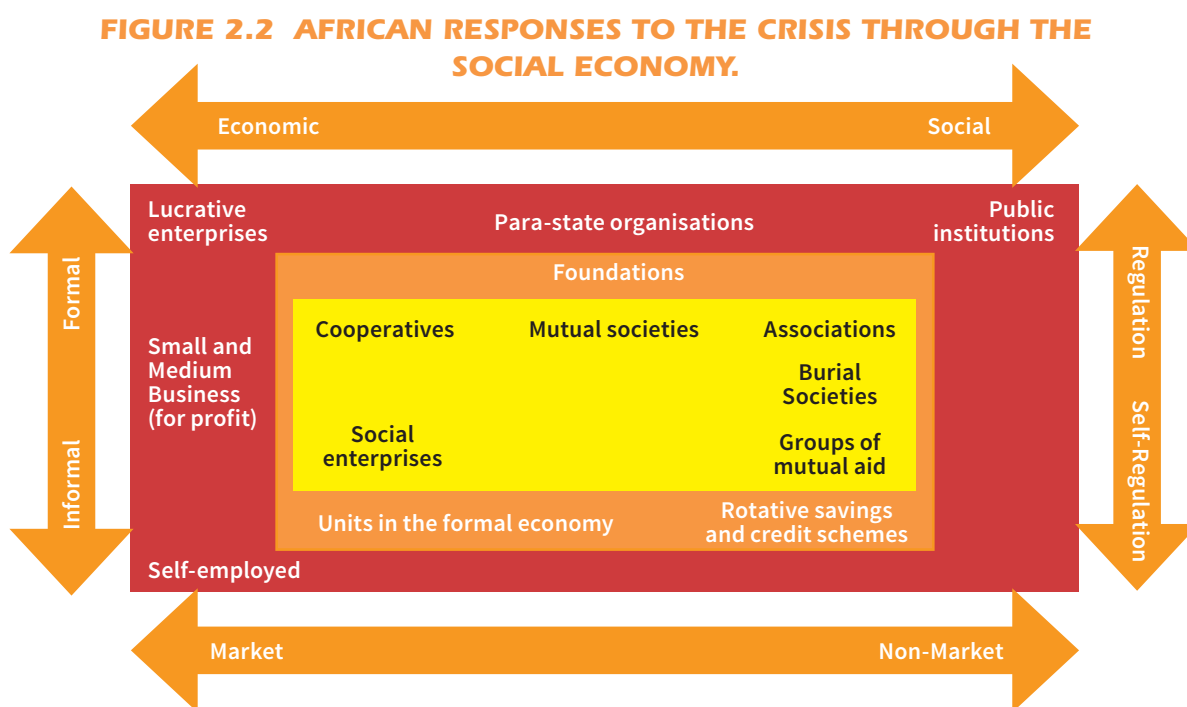
Fonteneau and Develtere discuss whether foundations should or should not be considered to be social economy organisations in several countries of the world, stating that this question has not yet been analysed within an African context. However, they con-

clude that “many foundations support social economy structures in Africa, and that in Europe, for example, they tend to be classed as social economy organisations” (2009, p.13). They also raise the question about the informal economy, considering its importance in the African economy, and its relationship with the social economy, concluding that the potential difference or relationship between the informal economy and the social economy will depend on the mission, values, and principles of governance of the organisation.

Figure 2.2 shows the economy in Africa: in the red area are the organisations that are not included in the social economy; in the yellow area are those which are clearly part of the social economy; in the orange area are those which need to be analysed case by case.

Conclusion

By reviewing the literature it is understood that social economy organisations, whether formal or informal, have a significant economic and social impact in Africa. On the one hand, they create jobs and provide direct and democratic participation in the distribution of resources; on the other hand, intervening in society, particularly in the poorest areas where state interventions are rare, these organisations ensure access to goods, services and a degree of social protection for the most vulnerable groups, with a direct impact on reducing poverty (Jahier, 2010, p. 5).



Source: Fonteneau, B. & Develtere, P. (2009, p.8 , Adapted from Ninacs, 2002).



Assogba supports this idea by saying that two conditions are necessary in order for the African economy, which he calls the popular economy, to become a viable alternative: i) recognition of the popular economy in Africa as a unquestionable alternative form of growth and development for the African states, by transferring power to these organisations; ii) a new

relational model of solidarity among organisations of the social and solidarity economy in the North and South “(GESQ, 2001, pp. 20-21).

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2.3 DIALOGICAL SECTION

Profile of organisations in the social and solidarity economy

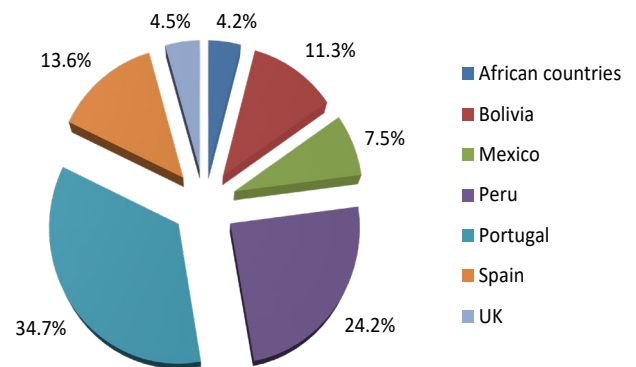
Field study in Africa, Europe and Latin America

Each University in the Project took responsibility for administering a questionnaire for a particular area, carrying this out via different university networks, co-operatives, local social enterprises, etc. The very fact that the areas are so different provides an opportunity to present a wide spectrum of activity which can show the directions of the social and solidarity economy (SSE) at an international level. Members of just over 1000 organisations completed the questionnaire in the countries indicated below.

In Fig. 2.3 can be seen the parts of the world that took part in the questionnaire on identity and profile. The largest proportion of the questionnaires came from Portugal and Peru (with 37.4% and 24.2% respectively). These were followed by Spain (13.6%) and Bolivia (11.3%). Whilst the percentages for the other countries are lower, the data gathered has allowed us to carry out a detailed study of each, and so the remainder of the diagrams feature only one country, with the exception of the African countries (Mozambique, Guinea Bis-

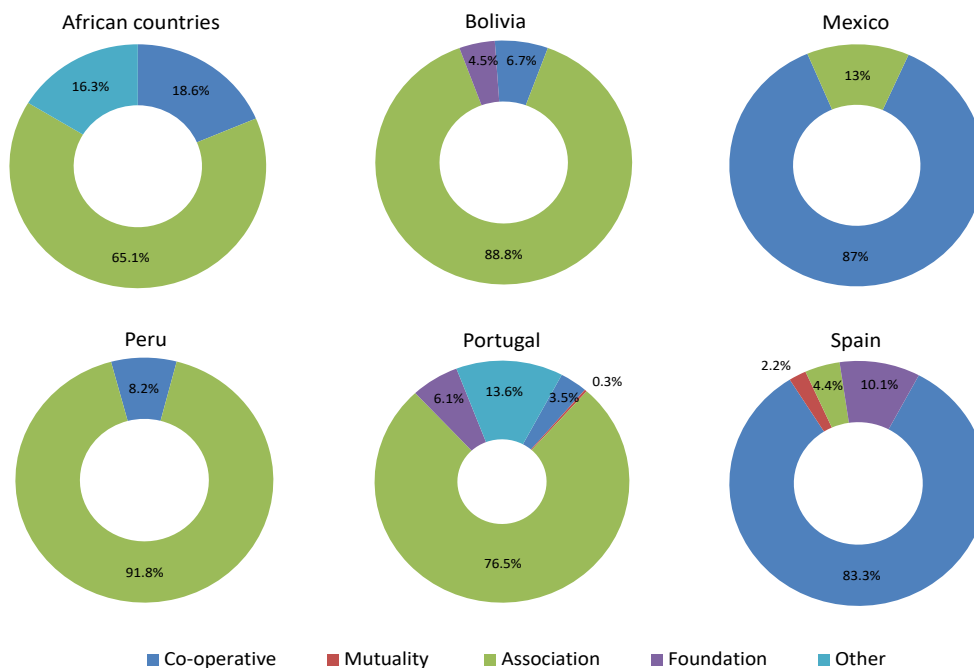
sau, Cape Verde and San Tome) for which an insufficient number of responses was obtained to the survey to consider them separately, but as they share a common profile they have been analysed together.

Fig. 2.3
Origin of the organisations that completed the questionnaire



In terms of the legal status of each organisation, in Fig. 2.4, it is understood that, as in the African countries, countries like Bolivia, Peru and Portugal most organisations prefer to classify themselves as associations, whereas in Mexico and Spain, the term cooperatives is preferred.

Figure 2.4
Legal status (African countries, European and Latin American countries with the exception of the UK)



The fact that the majority of the organisations of the African countries are legally constituted as associations (65.1%) or as cooperatives (18.6%) is due to the fact that, in these countries, the options are limited within the SSE domain. Through carrying out our study, we have identified a large number of informal groups – that are not established in a legal sense – and NGOs that can also be included in the term ‘associations’. As a result, the percentage which corresponds to those organisations that have declared themselves belonging to another legal status, makes clear the need for more classifications which might cover the range of organisations in a particular country.

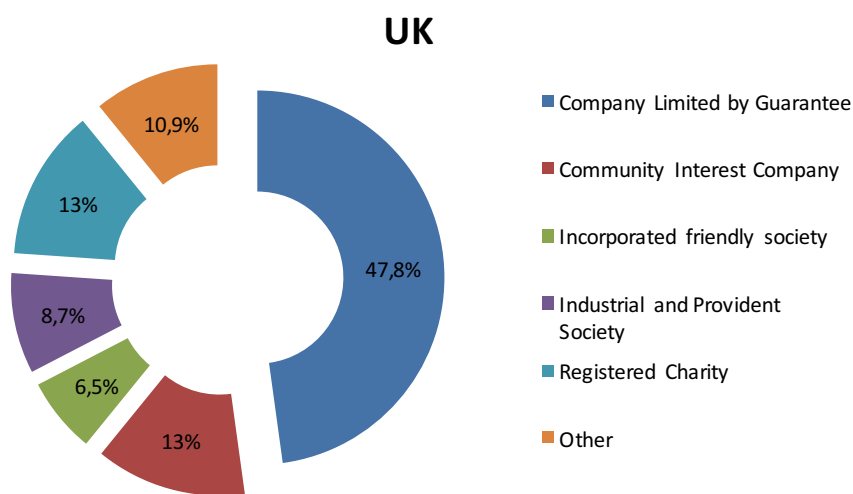
Something similar occurs in Portugal where the legal status of SSE organisations are limited. In this study, we have been able to determine that, at the present time, the legal status used to classify most of the Portuguese organisations has remained the same as decades ago. The high percentage of associations (76.5%) is also due to a peculiarity in the Portuguese

system: the existence of what are called Private Social Solidarity Institutions (IPSS according to the Portuguese acronym). These institutions are to be found throughout the country and can have very different goals, although almost all of them are in the areas of social support where the State either cannot or does not want to intervene in a direct way.

As for the other two countries in which the association is the legal status that dominates (Bolivia and Peru with 88.8% and 91.8% respectively) it is important to point out that, in most of the Latin American countries, the State encourages the creation of associations in order to undertake collective actions such as the fight against poverty.

Whilst for the above mentioned countries it has been possible to find equivalent terms for the legal status, in the UK this has not been possible. As a result, the percentages corresponding to each have been represented in the following diagram thus:

Fig. 2.5
Legal status (UK)



Historically, the British government has used a wide variety of terms to describe the legal status of social and solidarity organisations (a little known term in the UK where terms such as ‘social enterprise’, ‘cooperative’, ‘charity’ and ‘third sector’ are better understood as general concepts). Organisations can adopt a particular legal status and combine it with that of a cooperative or that of a charitable organisation. This allows them to have both a commercial identity (a *trading*

arm) and a non-profit identity within the same organisation enabling it carry out commercial activities at the same time as raise funds from donors. Furthermore, it is worth pointing out that some of these legal classifications are used by institutions of very different sizes. Amongst the organisations surveyed, there were small social enterprises with fewer than 10 employees right up to large financial institutions classified as co-

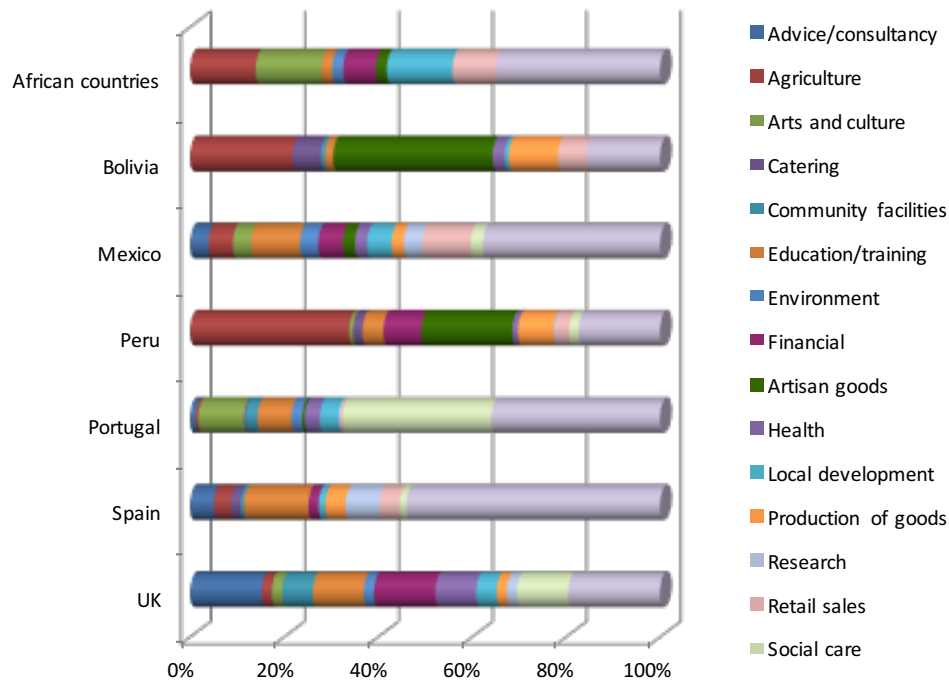


operatives or mutuals with annual incomes in the millions of Euros.

In terms of the main sector in which the organisations included in the survey were operating, 37 sectors were

considered. In Fig. 2.6 only those that are present in most of the countries are included so as to identify the areas in which the social economy organisations in the different countries operate.

Fig. 2.6
Principle sector



In African countries the main areas of activity for SSE organisations from which data has been collected are agriculture (and activities resulting from this), art and culture and local development (they represent about 45%) which correspond to the traditional sectors of those countries. The fact that agriculture continues to be the main area of activity may be due to the tendency to want to preserve the traditional values, encouraged often by funding from other continents. As for local development, it is sufficient to say that it covers a range of different activities. It is also relevant to point out that the percentage corresponding to other sectors, 25.6% of the organisations surveyed do not correspond to the 37 sectors identified, which is a large number, clearly demonstrates the diversity in terms of SSE and the need to continue research in this area, paying particular attention to those countries that up to now have not been studied extensively such as the African countries.

SSE organisations in Bolivia and Peru are located in different sectors of the economy, from subsistence agriculture right through to organisations which are tied

to the international market (e.g. the Peruvian cooperatives for the production of coffee, maize, cocoa and other products). The sectors where there is the highest concentration is agriculture followed by the artisanal where more than half the Bolivian and Peruvian organisations operate (55.6% and 53.3% respectively). The financial sector in Peru stands out with its savings bank cooperatives and municipal savings banks as does the industrial production in Bolivia.

If we focus our attention on Mexico, it can be seen that the leading sectors are education/training and wholesale with 10.4% each. However, they occupy second and third position. The leading sector amongst the SSE organisations in Mexico is tourism with 27.2% which is not a sector in which many organisations surveyed work in the other countries and so is not represented in the diagram.

In Portugal, most of the activities carried out by SSE organisations are in the area of social action (31.6%) largely due to the characteristics of the IPSS which, as was mentioned above, these are deep-rooted or-

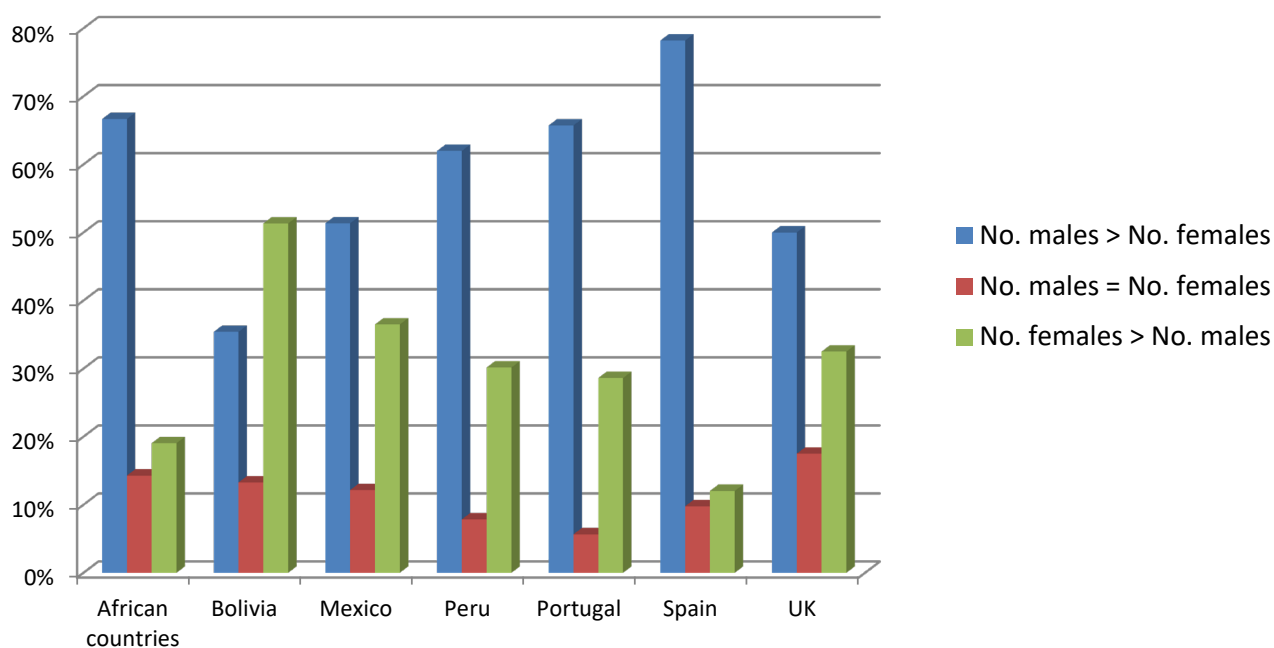
organisations within the country. It is also worth pointing out, although to a lesser degree, those organisations that are engaged in activities associated with the arts and culture (9.8%) as well as those dedicated to education/training (7.2%). There is also a significant percentage corresponding to other sectors, amongst which there are different types of organisations which are related to leisure or associations of voluntary fire-fighters. These are peculiar to Portugal.

In the case of Spain, whilst the percentage of SSE organisations working in the education/training sector is worth pointing out, what deserves more attention is that of manufacturing, being the principal sector of those companies surveyed in the country (24.5%) since it is uncommon in the other geographical areas in the survey.

As for the UK, the sectors where there are the highest concentrations are consultancy (15.2%), finance (13%) and education/training and social action both with 10.9%. There is also a high percentage engaged in the health sector (8.7%). In addition, although less significant, several organisations are committed to local development and others who offer opportunities for work and training for those who have difficulty accessing the labour market. These are focused on the production of goods.

If one of the aims of the present study was to analyse the role of the woman in the SSE sector, in Fig. 2.7, it can be seen for the different countries whether it is common for the number of women who are part of the management exceeds that of men.

Fig. 2.7
Workers on the Board of the organisation

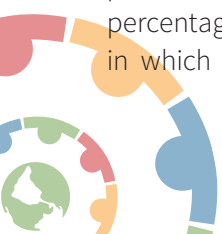


Except in Bolivia, in all countries there are more SSE organisations in which the board members are made up of more men than women.

The statistics for the African countries that have been obtained in this study (67% of men occupy management positions) resonate with the problems that African women have traditionally faced in arriving at positions of power in whatever domain. Besides, the percentage corresponding to those organisations in which women have a greater presence in terms

of posts of responsibility (19%) should not be taken lightly since, in this case, it refers to organisations for the promotion of gender equality or women's associations.

In Mexico, the percentage of organisations in which the number of men in management positions is higher than that of women is also the highest with 51.4% and at the same time it is also the country in which there is the least variation. This difference is greatest in Peru where 62% of organisations have male managers or



board members above all in the financial sector and manufacturing cooperatives. The number of women who occupy posts of responsibility is greater than that of men in 30% of Peruvian organisations. This is especially in the area of artisanal production and the small scale agro-fishery production and change areas. These are areas where women work together to support the family income.

The difference observed in practically all countries, with the predominance of men in management positions, is even more marked in Spain where 78.2% of the SSE have more men than women in management positions.

The perspective found in the public and private enterprises in Portugal, as far as equality of opportunity is concerned in terms of access to management positions, there does not appear to be a change when we look at SSE organisations. The study reveals that in 65.7% of the organisations surveyed there are more men than women in positions of responsibility. It must be noted that although the number of women who are working in the social sphere is greater than that

of men, the boards continue to be made up of mainly men.

In the UK, almost 50% of the organisations surveyed have more men than women on their boards. This predominance of males is very noticeable in mutually managed financial institutions, although in other types of organisations, the dominance of one gender over another is not noticeable.

Finally, Bolivia deserves a special mention. It is the only country out of the countries studied in which more than half of the organisations (51.3%) have more women than men on their management boards.



4. PRACTICAL CASES

4.1 NATIONAL FARMERS' UNION (UNAC), MOZAMBIQUE

Rational objectives

- To identify the values of the National Farmers' Union (*União Nacional de Camponeses, UNAC*).
- To analyse its role in the African economic context.
- To understand how it operates and the identifying features of UNAC.

Experiential objective

- To be aware of the specific role of UNAC in combating poverty.

Context

Mozambique gained its independence in 1975 and saw civil war until 1992, between supporters of the two major national parties: FRELIMO, which had led the fight for independence, and RENAMO.

After independence, the transition government led by FRELIMO created "Machamba do Povo" ("Land of the People"), collectives which, according to Ismael Ansumane, honorary president of UNAC, aimed to "break elitist power, setting engineers side-by-side with peasant farmers, uniting them as Mozambicans to fight for and develop their country." These collectives introduced ideological cooperativism to Mozambique, to the extent that "there came a time when farmers and peasant families identified in their minds the cooperative as part of the State, of the Party."

After the Rome General Peace Agreement put an end to the civil war, however, capitalism and the market economy gradually emerged as the predominant model.

"In the context of a liberalised economy and the coming ideological multi-party system", Ismael explains, UNAC became official, with the aim of "building farmers' consciousness internally" and inciting active participation in a "completely non-partisan movement", to achieve development in Mozambique.

Content

<http://www.unac.org.mz/english>

UNAC was started officially in 1994, despite having existed since 1987, and not "in the charge of the Government or of FRELIMO" as was the case with cooperatives, but "on the initiative of farmers themselves", in order to take on a key role in building a fairer and more prosperous society of solidarity (the organisation's mission).



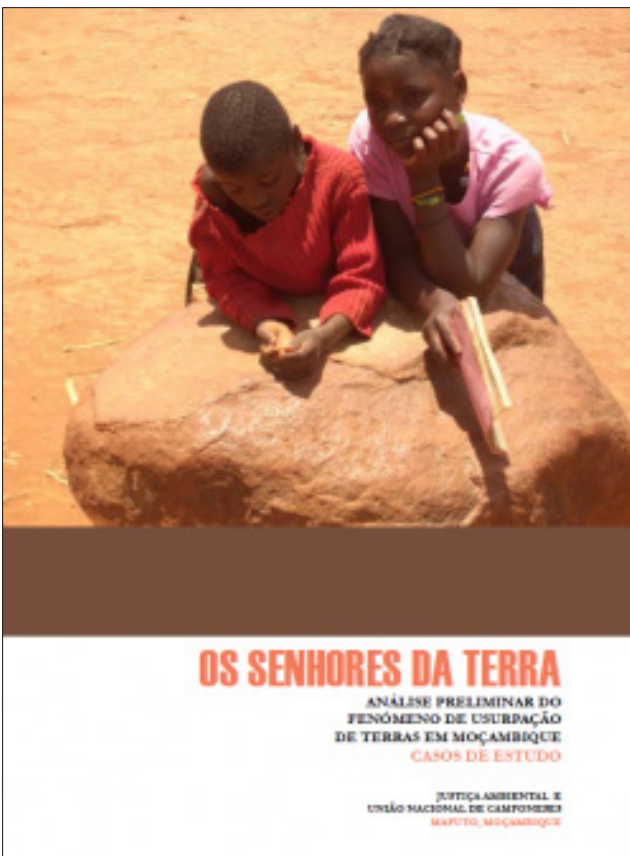
The movement operates throughout the country and does not want to be recognised as "the organisation that works to support farmers" but rather the organisation that fights for "peasant farmers to be the protagonist in something". Its general aim is to "represent farmers and their organisations to guarantee their social, economic and cultural rights by strengthening farmers' organisations and participation in defining public policy and development strategies with a view to guaranteeing food sovereignty, always taking youth and gender equality into account."

All farmers, whether or not they have formed associations, cooperatives or another form of local organisation, can be members of UNAC, without discrimination on the grounds of skin colour, race, sex, ethnic origin, religion, level of education, social standing, physical or mental health, or political views.

UNAC is organised into Provinces (Provincial Unions) which in turn are composed of various districts. These member organisations represent the union and the unity of farmers in a common strength and vision, making the movement visible and active, in different physical spaces and in the country's development policy framework. UNAC currently has 86,000 individual members, grouped into 2,122 associations and cooperatives. These in turn are organised into 83 district unions, seven unions and four provincial hubs. UNAC's commitments are as follows:

- Access to and control of land for farmers;

- Strengthening of farmers' organisations;
- Defence of common goods (water, seeds, environment, biodiversity);
- Active participation of farmers in policy-making processes;
- Promotion and development of local markets;
- Active participation of women and young people in the national political agenda;
- An increase in awareness and strategies in the fight against HIV/AIDS;
- Political and organisational training for farmers.



The profile of UNAC collaborators has changed over the years but have always been characterised by their commitment. Ismael Ansumane accepts that “gradually we had to go looking for young people who had some academic training or intellectual capacity, activists but also civil servants. UNAC needs civil servants but those who

are activists, who we can identify with” and who are in tune with “the identity” of the movement.

UNAC has fought for recognition, from society and the State, of the important role this section of society - peasant farmers - undertakes. It has done this through a dialogue promoting the spread of joint action that identifies with farming support policies. To reinforce this fight, UNAC became a member of Vía Campesina, an international farmers' movement, and is a member and collaborator in several forums nationally (e.g. Women's Forum) and internationally (Community of Countries with Portuguese as an Official Language).

One example of UNAC's biggest fights is the right to land. It is a fundamental concern in a region where this represents the population's essential survival tool as the people live basically on what they produce. In 1997, in the process of Land Law revision, UNAC managed to make itself heard and had a part in securing access to land for the Mozambican people. Article 3 of Law no. 19/97 states that “the land is the property of the state. It is a universal means of wealth creation and the social well-being of the whole population. It is for the use of the people and may not be sold, transferred, mortgaged or seized.” According to this legislation, it is the Mozambican State which establishes the conditions of land use. However, it has led to a surge of land occupations and the relocation of people due to the monopoly of foreign business under government or local authority protection, to the detriment of communities. The consequence of this forced displacement is often total abandonment of the area, leaving families without the means on which to survive, or a place to work.

In 2011, UNAC published the book “Men of the Land: Preliminary analysis of the land grab phenomenon in Mozambique”, with the aim of denouncing the large projects set up in Mozambique in the agribusiness, tourism and mining sectors which are creating more and more conflict and aggravating the poverty, shortages and vulnerability of rural communities.

Questions for discussion and action

- What three things struck you most about the case study? Why?
- Reflect on the importance of movements representing a social group and on their organisational models.
- Search on the UNAC website to find out the role of women in the organisation.
- Identify the main successful features that mean UNAC achieves its mission and fulfils its objectives.

resources

Video

UNAC - The National Farmers' Union in Mozambique (with English subtitles):

<https://www.youtube.com/watch?t=24&v=gYqUKfGqryE>

Other resources

The United Nations in Mozambique:

<http://www.mz.one.un.org/eng/Como-Trabalhamos/As-Nacoes-Unidas-em-Mocambique>

Case study elaborated by Inês Cardoso, Centro de Estudos Africanos, Universidad de Oporto in collaboration with the York St John - Erasmus Social and Solidarity Economy Consortium.



4.2 YOUNG APPRENTICE FARMING COOPERATIVE (COAJQQ), GUINEA BISSAU

Rational objectives

- To identify the mission and the objectives of COAJQQ.
- To recognise the essential role of COAJQQ in its community.
- To learn COAJQQ's strategies for achieving financial sustainability.

Experiential objective

- To understand the importance of holistic intervention on the part of a social and solidarity organisation in serving the community

Context

The Young Apprentices Farming Cooperative, COAJQQ, started in 1998 in Guinea Bissau, in the city of Canchungo in the Cacheu region. The initiative was created by a group of three young graduates, from Cuban universities, in agronomy, forestry resources and veterinary science. The initiative came from a feasibility study carried out by the group, which concluded that it would be of use to the region to start a project in agriculture, given the country's potential in that field.



Working in a region that is very isolated, with no connections to the rest of the country (two bridges, João Landim y São Vicente, have now been constructed and mobility is easier), the study had to be carried out very carefully.

Despite these restrictions, the group decided to continue, aware of the agricultural potential the northern region represented for Guinea Bissau.

The main area of activity for the cooperative is Food Security and Sovereignty (in fishing, livestock and agriculture), and trying to unite development culture. These are all matters which, according to Leandro Pinto Júnior, executive director of COAJQQ, "are insepara-

ble". COAJQQ's main members are farming and fishing groups and associations.

Content

Mission and objectives

COAJQQ's mission is "to join forces to support communities and try to give them the skills to produce and manage their projects," because, as Leandro Pinto Junior attests, "community is the primary material." Their main objective, then, is to include the whole community by way of active participation, always with the particular interests of each organisation in mind. COAJQQ aims to contribute to profitable, diversified and sustainable agriculture that responds to the needs of the country's population.

They try to foster an increase in agricultural productivity, the development of new competences for peasant farmers and the improvement of the population's eating habits, always preserving the region's cultural and environmental characteristics. It is hoped that improvements in agricultural viability, the capacity to take products (both processed and unprocessed) to market and management skills will diversify and increase family incomes and increase their chances of subsistence and of investment.

The work of COAJQQ is recognised by the community, which is directly involved in the cooperative, and by government representatives. But in order for such recognition and trust to exist, "huge dedication and transparency is necessary within the organisation; an enormous effort must be made because transparency and good management are an essential model to follow."

Action in solidarity

COAJQQ has always had a very clear social and solidarity dimension in its sharing of resources, knowledge and technical competences - the training they provide for community good and societal enrichment, for example.

The solidarity model is also evidenced by the inclusion of women from other associations. Space is opened up for them to participate in training, to have the chance

to put new knowledge into practice (making the most of fruits by turning them into jams, for example) and to use COAJQ's technical means. It is all about reciprocity: "we involve women from other associations who come to participate in the training They come here to learn but they also contribute their labour during the training day."

COAJQ also accepts volunteers, who are involved in the activities. It is expected, however, that the volunteers can really offer added value, and therefore the voluntary work must be carried out in areas which the cooperative sees it is lacking or that need developing. "We ask for help in those areas where the cooperative's needs are greatest, so the cooperative can be strengthened," Leandro Pinto Júnior explains.

Financial and economic sustainability

- **Production and marketing of goods**

The goods the cooperative produces, from making drinks and jams out of fruit to poultry breeding or the use of fruit trees (lemons, guavas, palms) produced by COAJQ in nurseries, are not only for selling but also to demonstrate the possibility of diversifying the community's diet. The cooperative also aims to make a profit from cashews, as an alternative to chestnuts, also using the fruit which is of no interest to the very lucrative cashew trade. Among the products derived from cashews are juices, jams and champagne; this surprising inclusion is not yet widespread and indicates the great innovation of the organisation). The cooperative also sells seeds and other supplies that, before COAJQ was founded, had to be bought in the capital, which increased peasant farmers' production costs.

Production takes into account the volume absorbed by the market, reaching some parts of the Cacheu region (Canchungo and São Domingos, for example) as well as the capital, Bissau. The products can be found in supermarkets, petrol stations and the Bissau shop 'Cabaz di Terra'. This shop, a collective space run by various Guinean social and solidarity economy organisations, acts as a display of the products of Guinean biodiversity, strengthening social capital between organisations.

- **Services**

This is an area that has been part of the organisation since it was founded. The cooperative offers services to 39 associations in the field of food security and sovereignty, with 2,145 peasant farmers and 133 fisherfolk as members. Mechanical hulling of rice, hiring out the Rotavator and technical support are very important funding sources. It is interesting to note that often these activities create non-monetary benefits as a result of direct exchanges. As well as giving peasant farmers access to these services, COAJQ stocks up on primary materials to use in processing. Technical training is another important source of income for the cooperative. The radio station 'Uler a Band', as well as the free service of cultural enrichment and information it provides to the community, it also sells airtime for advertising products or communicating the activities of other organisations, such as international development NGOs, for example. COAJQ is also supported by member fees.

Future concerns and challenges

The greatest concern will continue to be food security and sovereignty and the development of farmers' competences. It is important, therefore, to increase training opportunities, transmitting basic knowledge that improves production output and knowledge of the internal market. Training and supporting peasant farmers is seen as a very important project that must be continued. Modernisation of production methods and techniques would also be beneficial. To do that, "high quality horticultural seeds and genetically improved - and therefore more profitable - bird species" must be obtained, Leandro Pinto Júnior explains.

COAJQ runs an agricultural space in which it attempts to diversify the community's dietary options and the profitability of poultry breeding, growing fruit trees and horticultural products (using modern techniques such as drip irrigation). COAJQ hopes to transform the farm into an agronomy school with a very practical approach, which will guarantee access to the region's peasant farmers, who may be teachers as well as students, transferring their skills and demonstrating that scientific knowledge is just one type of knowledge that serves development, and not the only one.



Questions for discussion and action

- Identify the main objectives guiding the work of COAJQ.
- Give your opinion on the strategies COAJQ uses to guarantee its financial sustainability. Suggest others that could be used.
- Analyse COAJQ's policies and evaluate them according to the principles of the cooperative movement.
- Choose one of the future challenges identified by COAJQ and comment on it, suggesting how it could be overcome.
- Search online for alternative teaching experiences in which teaching is based not only on academic qualifications but on experience. Give your opinion on these and relate them to the values of the social and solidarity economy.
- What solidarity and/or support actions would you be prepared to carry out in order to support initiatives such as COAJQ and what would you do to implement them, with the institution's permission?

Case study elaborated by the York St John - Erasmus Social and Solidarity Economy Consortium in collaboration with Leandro Pinto Júnior



4.3 HOLY HOUSE OF MERCY, VIANA DO CASTELO, PORTUGAL

Rational objectives

- Identify the specific characteristics of the Holy House of Mercy
- Analyse the procedures/practices of the Holy House of Mercy, Viana do Castelo
- Relate the characteristics of the Holy House of Mercy at the present time to its history and its links with the Catholic Church

Experiential objective

- Raise awareness of the specific characteristics of the Holy House of Mercy

Context

The houses of mercy were founded in the reign of Manuel I (1495-1521) at a time of great prosperity for Portugal. The first was founded in Lisbon on 15 August 1498 (the feast day of the Assumption of the Virgin Mary to Heaven) with the support of Queen Leonor. The houses of mercy arise from two basic sources: its links with the catholic church reflected in the iconography of the Holy House of Mercy in which the people are shown protected by the protective mantle of the Virgin Mary and its links with the local elite supported by privilege and royal protection which turned them into local centres of power in the kingdom.

The organisation is based, from the outset, on a strong appeal to charity according to the 14 works of devotion and mercy set down in the Christian catechism. Its finance came, apart from its support from the Crown, from the bequests of benefactors who, at the time of their death, and to atone for their sins, left large inheritances to the institution.

Towards the middle of the 18C, the management was in the hands of senior government officials and represented the main way in which social action was carried out by the Portuguese Crown. Having undergone a great deal of turbulence and difficulties during the political changes of the 19th and 20th Century in Portugal the houses of mercy survived maintaining

their charitable nature and their links with the Catholic Church.

In 1977, the Union of Portuguese Houses of Mercy was founded (UMP according to the Portuguese acronym)



recognising its autonomy and freedom of action which only has to meet the needs of the State. According to the UMP publication in 2000, there are approximately 384 houses of mercy which uphold the Christian spirit but, in practice, they are adapted to the 'current

forms of protection and social solidarity which respond to the human desire for dignity'.

A large number of them have wider action teams whose objective is to respond to new social needs, especially poverty, as well as other problems. Furthermore, it is worth pointing out that today the houses of mercy are involved in a range of services (cultural services, holiday camps, professional workshops, leisure and free time activity, crèches, care homes, etc.). According to Sá e Lopes (2007, 'it is not surprising that houses of mercy are, in many towns, the most dynamic institutions, the biggest employers, and continue to be centres of power and social affirmation'.

Content

History

The Holy House of Mercy of Viana de Castelo (SCMVC) was founded in 1521 and is presently linked to the IPSS, the Social Solidarity Institution. In keeping with all the houses of mercy, its mission was to carry out works of mercy, in particular provide for the social needs of the Viana do Castelo municipality. At the present time, its social commitment amounts to the following: two care homes and social support to the elderly, two crèches/kindergarten, a community canteen and a home help service. The services provided

are those that one would expect in such provision: accommodation, hygiene, food, laundry, first aid, social support, entertainment and wellbeing.

As is typical in houses of mercy, that of Viana also has a rich heritage with a particular importance for the Church of Mercy. Its vision, mission and values (referred to below) are intrinsically linked to its historical-religious origins and it is proud of this identity associated with serving and being linked to the people with its role of supporting and providing help and social protection. Manuel Gomes Afonso, the current head of the Holy House of Mercy of Viana do Castelo confirms this mission and this need for service claiming strongly that what led him to accept the role of head was the need to find fulfilment through service to ones neighbour (“to make it happen and to be part of the change”) stressing at the same time the voluntary nature of these motives: “These important tasks are not remunerated. Were they to be, I am sure that the identity of the institution would change”.

Vision

The Holy House of Mercy of Viana do Castelo claims to be an institution that responds to social needs appropriate to the demands of the citizens and residents of Viana do Castelo. It aims to find solutions to new social problems and to be governed by continuous improvement.

The difference between SCM and other social economy organisations and its challenges

The history of the houses of mercy gives them a very distinctive character. Its work is always imbued with a traditional, caring spirit based on the doctrinal and moral Christian principles. The term itself Misericordia derives from the latin misera meaning pity and cordis meaning heart. It is intrinsically linked to the main objective of helping people who are the victims of spiritual or material poverty or suffering.

This history and particular character can, on the one hand, be positive, projecting a clear image of a ‘credible, ideal past of generous dedication to helping ones neighbour, giving the benefactor the certitude

Mission

The Holy House of Mercy of Viana do Castelo has as its mission to protect and support the people and resi-



dents of Viana do Castelo, from childhood thorough to old age through social actions that bring about improvements in their quality of life. We count on the support of responsible people committed to sharing who lend their services to meet the needs and expectations of the individual. We recognise the importance of associations which provide an interdisciplinary bridge for community intervention.

Values

The Holy House of Mercy of Viana do Castelo is inspired by the 14 works of mercy, guiding its action according to the following values: solidarity, Christian values, equality, justice, trust and honesty, social responsibility, professionalism and rigour, seeing the humanity in all, individuality and dignity, continuous improvement and protecting the environment.

that what was given will be put to good use’ (Manuel Gomes Afonso, Head of the SCMVC). On the other hand, it can produce a problem of inflexibility and resistance to change. Manuel Afonso underlines the fact that amongst the current challenges facing the SCM, is the need for new ways of raising funds. He states: “There was a long tradition in which the Holy Houses lived on donations from benefactors who, to emphasise their importance and atone for their sins, left large inheritances either in their wills or in donations”.

Today, the Holy Houses live off the estate rents which also sets us apart from other organisations since it of-

fers a degree of sustainability in spite of the high maintenance costs. Another challenge mentioned, which threatens the very identity of the institution is its high dependence on state agreements “which means that almost only those projects which correspond to State financial priorities are put into place”. This factor stifles creativity, innovation and limits the identity of the institution, sometimes giving rise to a certain “passivity and acquiescence” which often stand in the way of initiatives which might better address the current needs of the people.

This is a concern that Manuel Gomes Afonso makes clear: “The SCM should be more responsive to current

problems and meet its social needs”. In particular, it should meet the needs of that sector of the population that needs particular training in order to learn and be able to access the job market. This is a problem that Portugal is facing in the current crisis.

The houses of mercy are also specifically linked to the church, which gives them a unique character and legal status. As the Head of Holy House of Mercy of Viana do Castelo states: “The statutes and the elections of its officers have to be approved by the bishop of the dioceses and obey the jurisdiction of the Concordat between the Holy See and the Portuguese State”.

Themes for discussion and action

- Identify some of the key characteristics of SCM.
- Reflect on how the SCM might show more initiative whilst maintaining its key characteristics.
- Link current social economy organisations with their historical footprint and the importance this has for houses of mercy in this context.
- Identify the impact that historical-political-religious links have for the services that the houses of mercy provide today.

4.3 THE MEANING OF THE MONDRAGON 'EXPERIENCE'

Rational objectives

- To identify the founding principles of the Mondragon Group's identity.
- To place importance on regular revision of identifying principles within SSE organisations.
- To understand the central tenets of the Mondragon Group's identity.

Experiential objective

- To value the need for collective consideration of how the principles that make up the identity of SSE organisations are (or are not) put into practice.

Context

At the beginning of the 2000s, the Mondragon Group, better known at the time as the Mondragon Cooperative Corporation, was developing its economic success at an international level, overcoming the challenge of tougher and tougher competition and an ever more globalised economy.

This economic success, however, was not enough for the Mondragon Group. A debate sprung up at the heart of the corporation as to whether this trajectory was in fact moving away from the essence of the group.

Content

In May 2003, the 8th Mondragon Group Conference took place. There was a clear need and desire to reflect on the meaning of the Mondragon Cooperative Experience (MCE). Meetings were held with the presidents of all the corporation's cooperatives and each gave their opinion on what had been achieved up to that point, his impressions of the current situation and the future meaning of Mondragon cooperativism. One of the conclusions drawn from these meetings was that it would be beneficial to open the debate to the collective and encourage participation from every cooperative body in a similar process of reflection.

The discussion process that opened up after the conference and the thoughts of the presidents led, by the end of 2005, to an updated view of the general feeling towards what future the Mondragon Group wanted to see and how to get there. The concern expressed by the Permanent Committee in 2003 was brought up at the outset of this reflection process; among other things,

the plenary asked if "we are moving away from what is the essence of the experience", suggesting a debate that would provide answers to that question.

The presidents of the cooperatives were the first to carry out that debate. Specific meetings in small groups saw an initial analysis that informed the framework of subsequent debates. The key comments were as follows:

- **Cooperative identity is being lost, proportionally with business advancement.** The marks of our identity lack conviction. A need to consolidate what we are and the difficulty of maintaining efficiency over time without an additional motivation were noted.
- **Cooperative ideology must be updated, and made more appealing to all but especially to new generations.**
- **Our cooperative experience is based on a socio-entrepreneurial system created by and for people. We must work, therefore, on participation at all levels of the organisation.**
- **We can and must continue to collaborate for societal transformation, aspiring to a model with greater self-direction and solidarity.**

The contributions made by the presidents confirmed the analysis made by the Permanent Committee, noting the need to revive the sense of the cooperative. In response to that need, and taking the corporation's values and basic principles as a starting point, three strands of action were established:

- **Cooperative education;**
- **Participation and cooperation;**
- **Social transformation.**

This made it possible to extend the debate on the meaning of the experience to the cooperatives themselves, with a level of participation unprecedented in this type of reflection process. Nearly 2000 people contributed in the first instance and this could be contrasted with the action plans of the governing bodies and management of the Group in the final stage.

The selection of these three strands was due to the decisive nature each of them had in the development of the MCE. This narrowing down meant analysis and con-

clusions were more easily made, without prioritising other areas which would require a different emphasis. The ideological and practical basis, however, continued to be the one formed by the Basic Principles of the cooperative experience, the mission and the corporate values, as well as what the Mondragon Group usually calls its “Inspiring Philosophy”.

A large-scale debate then took place at the heart of the Mondragon Group on the shaping of cooperative identity.

As previously mentioned, the focus of the debate was organised into cooperative education, participation/cooperation and social transformation:

Cooperative Education

This has been fundamental in the origin as well as the development of the MCE. It was the educational seed sown by priest José María Arizmendiarieta, founder of the Mondragon Group, that made the subsequent growth of the cooperative movement possible. The cooperative education of the first few years provided an excellent fertiliser for the cooperative project. “There cannot be cooperation without cooperators; and there will only be cooperators if they are trained. One is not born a cooperativist, one becomes a cooperativist through education and practising the rules of the game of cooperation.”

In recent decades, there has been a notable growth of support for education and technical training (at the University as well as in the business itself), while cooperative education has been relegated into second place, despite it’s clearly being among the Basic Principles of the group.

Participation - Cooperation

The Mondragon Group is recognised worldwide as a unique experience of worker participation, and this is considered to be one of its competitive advantages. It is a much-written case study and a model to imitate, a successful business experience based on participation and cooperation. This recognition is valuable as it helps to create a public identity which, as well as being an important asset, constitutes a competitive advantage for the Mondragon Group.

Social Transformation

Support for community development is where there seems to be a need for a greater effort in relating to the Mondragon Group’s surroundings. The cooperative presidents recognised in the discussion meetings that cooperatives are an important aspect of social transformation. They suggested, however, that the influence of the Mondragon Group on this transformation was not equal to its capacity. They also demonstrated that social transformation through community development was not something complementary to their work but rather *the critical objective of the experience*, noting that the group’s mission involves “creating wealth in society through business development and job creation, preferably in cooperatives.” The Mondragon Group model for approaching social transformation is to commit directly to those affected, with projects that ‘cooperativise’ their common needs and interests.

Therefore:

- **Cooperativising social needs is at once the objective of the Mondragon Experience and the tool for social transformation.**
- **This focus on social needs, alongside cooperativisation, is directed through a range of social concerns.**

In short, it means a commitment to the needs and interests of the community through cooperative structures. This is the origin of various different cooperatives (such as educational, consumer, credit or service cooperatives, associations, and mixed cooperatives) created during the history of the Mondragon Group.

It is also important not to lose sight of the historic use of Social Project Funding in the Mondragon Experience, both for supporting certain community development initiatives (mainly in education) and for reinvesting a portion of business profits into society through various collaborations.

From the point of view of social transformation, the Mondragon Group is pausing at this time in order to:

- **analyse existing social needs in the area**
- **analyse the possibility of cooperativising these needs**
- **encourage cooperativisation projects in these areas**



- collaborate with other community development experiences nearby
- revise the use and allocation of Social Project Funding

Everything mentioned in this reflection on the meaning of the experience has resulted in the creation of a model for corporate management which we introduce and analyse in chapter three of this handbook: Modus Operandi.

Questions for discussion and proposals for action

- Why does reflecting on the meaning of the Mondragon experience equate to reflecting on the Mondragon Group's existence?
- What purpose does such reflection serve? How can such reflection lead organisations to operate in a very different way?
- Why does reflecting on the meaning of the experience pose questions as to the shaping of cooperative identity?
- What further questions would you ask the Mondragon Group directors about the reflection process they undertook in order to revise your own meaning of the experience.
- What proposals would you make within your organisation to reflect on how the values and principles behind it are practised?



5. PEDAGOGICAL ACTIVITIES

CHAPTER 2: THE THIRD SYSTEM OF THE ECONOMY	
Title	The third system of the economy
Subject	The social economy as a system includes a variety of economic actors that work in multiple areas of human interaction. There is cross-over between the systems and organisations in the social economy may have characteristics of other systems.
Size of group	Small groups of 2 – 4 people
Time required	90 minutes
Learning objectives	<ul style="list-style-type: none"> ▪ Be aware of the diversity of organisations within the third system of the economy. ▪ Understand the different legal forms of organisations in different countries. ▪ Map the organisations of the three systems which are located near the university
Competences	<ul style="list-style-type: none"> ▪ Be aware of the differences between organisations in the 1st, 2nd and 3rd systems. ▪ Be able to see similarities and differences between the systems.
Key words	System, mental models, operating criteria, 1st, 2nd, 3rd systems, informal economy, black economy.
Materials needed	<ul style="list-style-type: none"> ▪ Photocopy of the Pearce diagram (2003) (Diagram 2.1 in this chapter). ▪ A list of 3-4 organisations for each system (private, public, social), cut up so that each organisation is on a small piece of paper. ▪ Pens ▪ Paper
Instructions	<p>1.Preparation:</p> <ul style="list-style-type: none"> ▪ Present the activity, explaining the importance of recognising organisations according to the system they operate in. Draw attention to the objectives and competences which the activity addresses. <p>2. Steps to follow:</p> <p>2.1. Distribute one Pearce diagram to each group</p> <p>2.2. Describe the diagram, noting the structure of the circle: in particular how each system has its purpose and each concentric circle encompasses from small to large organisations; and the distribution according to whether they trade or not. Give and elicit examples of organisations known by the group.</p> <p>2.3. Give out the papers with organisations written on to each group. Ask the students to place the pieces of paper in the circle, in the place they feel is most appropriate.</p> <p>2.4. Afterwards, each group will justify their reasons for placing organisations in the place chosen. Ask the students to find out more about the organisations and make a comparison between them.</p> <p>2.6. If the students place an organisation in more than one system, they should justify this.</p> <p>3. Brief reflection about the activity</p> <ul style="list-style-type: none"> ▪ What caught your attention as you carried out the activity? ▪ How easy or difficult was it to place the organisations within the system? ▪ What differences were there amongst the group? ▪ In the case of organisations begin in more than one system, how would you classify them? ▪ What legal forms of organisations can you identify in the organisations mapped? <p>Source: John Pearce (2003)</p>
References	Pearce, J. (2003) Social enterprise in Anytown, London, Calouste Gulbenkian Foundation
Notes	See also the InterncontinentalRIPES virtual library:
Contact person	York St John Consortium – socialeconomy@yorks.ac.uk



CHAPTER 2: ELENA, ISABEL AND THE BICYCLE	
Title	Elena, Isabel and the bicycle
Subject	Aspects of ownership
Size of group	Individually to start the activity and then in small groups.
Time required	Minimum 60 minutes depending on the versions of the story worked on in the activity.
Learning objectives	<ul style="list-style-type: none"> ▪ To build an understanding of aspects of ownership. ▪ To reflect on the roles work and capital play in ownership.
Competencies	<ul style="list-style-type: none"> ▪ Build an understanding of aspects of ownership (end point, use and profit). ▪ Be able to reflect on and appreciate the roles fulfilled by work and capital in ownership.
Key words	Aspects of ownership, work, capital.
Materials needed	The story in its various versions and the points table.
	<p>1. Story – Version 1</p> <p>The following story should first be read individually:</p> <p>ELENA needed a bicycle. She buys one for £40 but it is in very bad condition. She doesn't have space to keep it in the house so she locks it up outside.</p> <p>ISABEL lives near Elena and knows how to fix things. One day, Isabel sees the bike, asks about it and is told Elena has left it there. Isabel doesn't know Elena very well, but the next day she goes round and tells her she knows how to fix things and so on, and asks if she can fix the bike. She mentions that she sometimes needs a bike but doesn't have enough money to buy herself one. She adds that she has to earn a little money in the next few weeks, so could they come to an arrangement? Elena says yes, excellent, let's come to an arrangement. "But how much shall I pay you to fix it?" she asks Isabel.</p> <p>Isabel replies that she isn't sure, that she will have to think about it and let her know. But they never speak about it again. Every two or three days, Isabel works on the bike for a couple of hours. After a few weeks, the repairs are finished and she tells Elena that it just needs painting. The next day they get together and take it onto the street so Isabel can paint it. She is just finishing when a man who is passing stops to admire the bike. He suddenly looks at his watch and says "I'm in a real hurry right now but I love the bike and I'd like to buy it. I'll come back tomorrow and pay you £400 for it." He says goodbye and leaves hurriedly.</p> <p>AND THEN?</p> <p>2. Individual reflection and group debate</p> <p>Students must respond to the following question: what do you think will happen next? Will they sell the bike or not? Who has the right to make that decision, Elena and/or Isabel?</p> <p>The student's consideration should bear in mind that it is not a matter of finding the most likely response in that student's community, or what the law dictates. What is required is the student's opinion of what would be fairest and most correct in this situation – given the situation, who should have the right to decide?</p> <p>3. Introduction to the theory of aspects of ownership + Reflection</p> <p>The teacher should introduce theoretically the three aspects of ownership: (1) end point, (2) profit and (3) use. Once familiar with the theory, each student should respond to the following questions:</p> <ul style="list-style-type: none"> ▪ "Who should make the decision to sell the bike?" (Question on Aspect 1) ▪ "Who has the right to use the bicycle?" (Question on Aspect 2) ▪ "Who has the right to the profits of the sale?" (Question on Aspect 3)



Instructions for trainer

Next, the student should fill in the following table (the row for Version 1) according to the instructions below:

		Scale				
Right to	Version of story	1	2	3	4	5
End Point	Version 1					
	Version 2					
	Version 3					
Use	Version 1					
	Version 2					
	Version 3					
Profit	Version 1					
	Version 2					
	Version 3					

Instructions for completing the table: Imagine a scale from 1 to 5. "1" means that ELENA (who bought the bike) should have 100% of the right to decide. "2" means Elena should have the final say but should first consult Isabel (who repaired the bike); she is ethically obliged to consult her. "3" means that, in the circumstances, Elena and Isabel should have the same rights; they should be members with equal rights and therefore, to make a decision, they must either agree amongst themselves or draw straws/toss a coin. A "4" means that ISABEL should have the final decision, but should consult with Elena. A "5" means Isabel should have 100% of the right to decide.

The student should choose a number between "1" and "5" and support their choice. Afterwards, there should be a group count to note in the table how many people have opted for "1", how many for "2", "3", "4" and "5" and a discussion around this. There is no correct answer; the aim is to discuss which is the fairest response from the ethical perspective of each student.

4. Read version 2 of the story

The students are presented with the second version of the story which is as follows:

In this second version the content is the same EXCEPT that rather than buying the bike Elena FINDS it abandoned and in bad condition. (Then Isabel fixes it etc, and the rest of the story is the same).

If the circumstances change in such a way, how would this affect your evaluation of what is fair and correct in each aspect of ownership?

Complete the table again (the Version 2 row, for each aspect) individually and then as a group. Discuss the changes in the scores.

5. Read version 3 of the story

The students are presented with the third version of the story.

In this third version, the content of the story is the same as the first version EXCEPT that Elena WORKED 10 hours one weekend cleaning her grandmother's house, her grandmother paid her £40 for her work and, afterwards, Elena bought the bike, Isabel fixed it, etc.

What is your opinion for each aspect?

Complete the table again (the Version 3 row, for each aspect) individually and then as a group. Discuss the changes in the scores.

6. Final reflections

To end the activity, the teacher should open a final discussion around this question: What general conclusions can you draw from this exercise, going beyond the concrete circumstances of Elena and Isabel's story?

Finally, the teacher should summarise the different aspects of ownership from the point of view of the Social Economy and convey to the students the complexity and importance of this perspective.

References	David Ellerman: "Property and Contract in Economics: The Case for Economic Democracy"; Cambridge, Massachussets: Basil Blackwell Inc., 1992
Notes	
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6. COMPETENCES

STAGE 1	AREA OF COMPETENCE	Additional explanation and Competence descriptors: COMPREHENSIVE KNOWLEDGE AND UNDERSTANDING OF THE PROFILE AND IDENTITY OF SOCIAL AND SOLIDARITY ECONOMY (SSE) ORGANISATIONS.	SELF-ASSESSMENT ACTIVITIES
Consolidating the Identity and Profile of the Social and Solidarity Economy (SSE)	Identity and profile	<p>To have knowledge and understanding of the criteria and multiple meanings of the social and solidarity economy as a system and a legitimate body of theory:</p> <p>Typology for economic systems</p> <p>I can:</p> <ul style="list-style-type: none"> Identify what differentiates the three economic sectors - public, private and social - in my own local area. Analyse and value each of these criteria using examples of organisations belonging to each of the sectors in relation to the university (see self-assessment activity). SSE organisations identity <p>Identity of SSE organisations</p> <p>I am:</p> <ul style="list-style-type: none"> Interested in knowing the precedents and history of the system and SSE organisations from a perspective that compares and relates the project's various geographical regions or others considered to be relevant. Identify the various international organisations and their approach to the concept and practice of the SSE. Recognise the characteristics and values that differentiate SSE organisations within a European, African and Latin American perspective. 	<ul style="list-style-type: none"> I map the different organisations from the public, private and social sectors that are directly linked to the university. I analyse the map, highlighting and explaining how these organisations are present or not in the university's mission, vision and strategy for social connection. I contact the SSE Observatory in the country to open a relationship and propose studies related to the identity and profile of SSE organisations with students.
	SSE and regional development	<p>To understand how the SSE is framing how to exist and work in the field of regional development, without policies and/or strategic guidelines, in both rural and urban areas.</p> <p>The geographical areas in this project, or others</p> <p>I can:</p> <ul style="list-style-type: none"> Identify the similarities and differences in the situations from which SSE organisations form their identity and develop distinct profiles. Familiarise myself with the key historical, political and cultural factors that have influenced the formation of SSE organisations' identities in the different areas covered by the project. Feed in periodically to the York St John Consortium (socialeconomy@yorks.ac.uk) to make known other factors influencing the development of SSE organisations' identity and profile in my area. 	<ul style="list-style-type: none"> I create a list of bibliographic references and grey literature¹ on the SSE for the library. I analyse the list and evaluate how authors from the various geographical regions have had an influence in raising the visibility and legitimacy of the SSE in my country or continent. I have sent the list to the York St John Consortium to be included in the handbook, recognising the work done in your geographical area. socialeconomy@yorks.ac.uk I study and look for evidence of political, historical, cultural and regional precedents and how they have influenced the appearance of the SSE in my local area.

¹ Grey literature: Body of literature and documents not produced through conventional publication channels. It usually concerns scientific documentation that is initially distributed to a limited audience. https://en.wikipedia.org/wiki/Grey_literature [Accessed 01.10.2015]

