

L'Option

de Confrontations Europe

**For an economy of trust
in Europe:**

**The contribution of the social
and solidarity economy.**

From crisis to social change

under the direction of Nicole Alix and Matthieu de Nanteuil

CONFRONTATIONS



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“At ‘La Nouvelle Fabrique’, at 104, you find tools that can’t be bought anywhere”.

Vincent Guimas,
‘La Nouvelle Fabrique’, at 104, Byis

“Economic models, which represent the structure of a situation as invariable, illustrate the strategies that individuals will adopt when they find themselves in a situation that they cannot change. They do not tell us what individuals will do when they have the autonomy needed to develop their own institutions and are able to influence perceived standards and benefits”

Elinor Ostrom,
Governing the Commons.
The Evolution of Institutions for Collective Action
Cambridge University Press, 1990.

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Contents

FOREWORD, *Claude Fisher, President of Confrontations Europe* P 6

INTRODUCTION

A VISION FOR THE SOCIAL AND SOLIDARITY ECONOMY IN EUROPE, P 8
Benoît Hamon, Minister for the Social and Solidarity Economy and Consumption.

THE SOCIAL AND SOLIDARITY ECONOMY IN THE EUROPEAN UNION: P 9
 THE BASIS OF A NEW POLITICAL ECONOMY? *Matthieu de Nanteuil and Nicole Alix*

PART I

Pointers and explanations

RIISING TO THE CHALLENGE OF AN ECONOMY OF TRUST: P 18

AN EXPECTED ROLE FOR THE SOCIAL AND SOLIDARITY ECONOMY, *Hugues Feltesse*

EUROPEAN UNION LAW, ITS STAKEHOLDERS, AND SOCIAL P 20
 AND SOLIDARITY ECONOMY SERVICES, *Jean-Claude Barbier*

THE BREAKTHROUGH OF SOCIAL ENTERPRISE: P 23

CONCEPTUAL CLARIFICATIONS, *Jacques Defourmy and Marthe Nyssens*

THE FRENCH CONSULTATION ON A DRAFT SOCIAL P 28
 AND SOLIDARITY ECONOMY BILL (2012-2013), *Emmanuel Verny*

PART II

Debates and standpoints

• *The digital economy and common goods*

DIGITAL TECHNOLOGY AND THE SSE: THE OBSTACLES AND PATHS TO PROGRESS, P 34
Jacques-François Marchandise

PROTECTING DIGITAL COMMONS, *Bastien Sibille* P 36

SHARING MY EXPERIENCE AS A MEMBER OF THE COMMONS MOVEMENT, P 38
Frédéric Sultan

THE DIGITAL SECTOR, COMMONS, AND THE SOCIAL AND SOLIDARITY ECONOMY, P 41
Debate at Confrontations Europe, 11 September 2012.

• *“Generations” and demographic changes*

ADAPTING SOCIETY TO THE AGEING OF THE POPULATION, *Bruno Drevet* P 44

JUBILACIÓN, “TRANSITION TOWARDS A USEFUL RETIREMENT: P 46

PROMOTING A “DO-IT-TOGETHER” ATTITUDE IN THE NEW GENERATION
 OF 55 TO 75 YEAR OLDS, *Philippe Chabasse*

THE ANTHROPOLOGICAL CRISIS AND THE SOCIAL AND SOLIDARITY ECONOMY: P 47
 ITS CRYSTALLISATION IN THE AGEING POPULATION, *Debate at Confrontations Europe, 12 June 2012.*

• ***New forms of employment and of social protection***

MUTUALS: INNOVATIVE SOCIAL ENTERPRISES IN FRANCE AND IN EUROPE, P 50
Arielle Pieroni- Garcia

EUROPE AND THE SOCIAL RESPONSIBILITY OF EMPLOYERS IN THE SOCIAL AND SOLIDARITY ECONOMY, *Sébastien Darrigrand* P 53

SOCIAL AND SOLIDARITY ECONOMY, NEW FORMS OF EMPLOYMENT, P 55
NEW FORMS OF SOCIAL PROTECTION, *Debate at Confrontations Europe, 26 October 2013.*

• ***Funding methods and solidarity-based finance***

SOCIAL INFRASTRUCTURE AND THE INTERNAL MARKET, *Claire Roumet* P 58

FOR A SOCIAL AND SOLIDARITY ECONOMY CONSORTIUM P 60
IN PRISONS, IN FAVOUR OF REINTEGRATION, *Hervé Bombyd-Eidelman*

COMPLEMENTARY LOCAL CURRENCIES AND THE SOCIAL AND SOLIDARITY ECONOMY, *Pascale Delille* P 61

ASSOCIATIONS: HOW TO MEASURE THE VALUE OF INTANGIBLE ASSETS? P 62
Bernard Bazillon

THE EXPECTATIONS OF SOCIAL AND SOLIDARITY ECONOMY ENTERPRISES IN A CONTEXT OF FINANCIAL CRISIS, *Jean-Louis Bancel* P 63

PART III

Anthropological perspectives

THE ANTHROPOLOGICAL CRISIS AND THE SOCIAL AND SOLIDARITY ECONOMY, P 66
Alain Lipietz

CRISIS OF CAPITALISM AND PLURAL ECONOMY: AN ANTHROPOLOGICAL PERSPECTIVE, *Matthieu de Nanteuil and Jean-Louis Laville* P 69

PART IV

By way of conclusion

CREATING A EUROPEAN ENABLING FRAMEWORK FOR SOCIAL AND SOLIDARITY ECONOMY SOLUTIONS, *Nicole Alix* P 80

LIST OF AUTHORS P 86

FOREWORD

by **Claude Fischer**

President of Confrontations Europe

From the word go, Confrontations Europe has aimed to open up new perspectives, break down divisions to encourage debate and to share views, and bring stakeholders together to inject new life into European construction.

“Let’s shake off the third sector label”. It is this prospect – raised by Philippe Herzog – that served as a benchmark for the working group set up by Confrontations Europe. Social economists have long known that the economy cannot be reduced to market transactions alone. But for too long the social and solidarity economy was regarded as a separate sector of the economy.

The social and solidarity economy (SSE) alleviates the shortcomings of the market and the State. Its actions and component organisations have always been original, and in some cases non-profit-making. Often innovative, they have led the way in searching for global alternatives to capitalism. The SSE is based primarily on the action potential of civil societies, which is too often ignored by the highly-centralised State. The State establishes action plans – which are all more or less long term – and acts in the general interest; however, it fails to involve the public, regarding citizens as mere “objects of policy”.

Times have now changed. Following the succession of global crises that have marked the beginning of the 21st century, market economies, too often governed by short-termism, and governments can no longer keep pace with global, technical and social change. In-depth reform has become a necessity. As a result, many initiatives are emerging within civil societies that go beyond the traditional

boundaries. New service needs are coming to light, social entrepreneurship is evolving, associations are developing and, with them, hybrid economic forms. New “sustainable economy” initiatives of various different types seem to be taking root in France and the rest of Europe. What exactly is going on? Are we seeing a groundswell of change, bringing new forms of social, economic and political action?

It is this groundswell that Confrontations Europe aims to analyse, support and amplify through this special edition of *L’Option*. As it encourages the full use of human resources, it is also a core factor in the reform of our democratic pact. We cannot meet the enormous challenges posed by globalisation without giving citizens and all social and economic players our full support. Not only businesses, which are needed to foster innovation, increase competitiveness, boost the creation of wealth and develop employment, but also the public services, which are undergoing a revolution in many areas, and other players too whose strength lies in their ability to combine economic and social objectives on a daily basis.

We will be unable to rally civil societies around a “policy of civilisation” – to use a term coined by Edgar Morin – unless we try to democratise the economy, in other words we place the economy at the service of society or, to go even further, place society at the heart of the economy. In the past it has been the role of trade unionism and collective bargaining to bring this prospect to fruition, but employee participation in management is not yet accepted. The social and solidarity economy has paved the way for participation, but its action is still too limited. It must now engage in more global dis-

cussions on how to manage open economies in a globalised world. And cooperate more with other types of business in both the public and the private sectors.

Ever since it was created, Confrontations Europe has taken an interest in:

- the utility of public goods and non-market solidarity for the market economy;
- how diversity in corporate forms – whether the organisation in question be private, public or collective – affects social stability; and
- involving citizens in the economic and social sphere, with a view to fostering civic involvement in European construction.

This edition of *L'Option* is a sort of laboratory of ideas and confrontations between theory and

practice, put forward by 22 talented people to help us break free of the confines of conventional thought and redefine our options. Minister Benoît Hamon also does us the honour of sharing his thoughts with us. Their knowledge of the economy in all its diversity provides a tremendous springboard for understanding the complexity of our societies and for taking steps to change them.

In today's knowledge economy, we are all vehicles of social change. Such is the meaning that can be given to the social and solidarity economy today. A message that is reflected in our 20 years of dedication at Confrontations Europe. ■

A VISION FOR THE SOCIAL AND SOLIDARITY ECONOMY IN EUROPE

by **Benoît Hamon**

Minister for the Social and Solidarity Economy and Consumption

The subprime mortgage crisis in 2008 and the sovereign debt crisis in 2010 should not be analysed simply as economic crises: they are symptomatic of serious problems in the model itself.

It is important that everyone realise that the economy cannot be approached on a short-term and speculative basis.

However, neither should we break abruptly with the dominant model. It is simply that France and Europe are in need of “economic biodiversity”. [The social and solidarity economy, with its principles of patience and temperance, constitutes a new and dynamic approach and offers a solution to the economic crisis that Europe is experiencing today.](#)

I firmly believe that the social and solidarity economy can also provide an answer to Europe’s political crisis, which is essentially a crisis of confidence. Europe’s citizens feel isolated and, more often than not, powerless over the crisis they are going through. Yet the social and solidarity economy is a participative economy, whose model is based on the principles of co-construction and collaboration. Therefore, it provides the means for citizens to retake control of economic policy. Public confidence in the European project also relies upon this restoration of citizen participation and the cooperation that it naturally creates.

My political activities over the past year and more have been aimed at developing this alternative economic model. On 24 July, I presented a bill on the recognition and the development of the social and solidarity economy, which I will support in Parliament in autumn. An inclusive definition of the social and solidarity economy is needed to ensure its recognition.

We decided to develop a law that encompasses traditional social and solidarity economy players – such as associations, cooperatives and mutuals – as well as ordinary businesses that meet the specific requirements of this sector: democratic governance, the provision of a social benefit, the allocation of a share of the surplus to the equity of the company, and restrictions on speculating on capital.

Measures to promote and support the development of SSE enterprises must also be taken at European level.

All barriers to the growth of the social and solidarity economy in Europe must be lifted. In this respect, I have asked the European Commission to adopt a legislative proposal on the status of mutuals in Europe. At present, mutuals differ from other companies in that they cannot group together on a European scale without losing their specific characteristics. This type of obstacle is unacceptable and it restrains, for no reason at all, the growth potential of the social and solidarity economy.

To recover from the crisis, Europe must diversify its approach. We must draw on what we have already accomplished and build together a patient economy across Europe, meeting concrete social requirements. I would like to lead the way towards a plural solution. My actions are guided by a single conviction: the social and solidarity economy is a source of great economic vitality and democratic renewal. ■

THE SOCIAL AND SOLIDARITY ECONOMY IN THE EUROPEAN UNION: THE BASIS OF A NEW POLITICAL ECONOMY?

Introduction to *L'Option* by *Confrontations Europe*

by *Matthieu de Nanteuil and Nicole Alix*

The social and solidarity economy (SSE) is not short of either tangible evidence of its utility or people to manage its development. In 2010, it employed over 14 million people in the European Union and operated in all 27 Member States. It has helped to increase the feminisation of the workforce and is composed essentially of white-collar workers, although it also employs blue-collar workers and executives¹. Having grown from a small group of professionals claiming to descend from the 19th century associationist tradition – a tradition sustained by opposition to industrial capitalism – it now has a very diverse structure: associations, cooperatives and mutuels, not to mention the countless initiatives seeking to firmly establish the economy in local areas. Generally speaking, it is characterised by a variety of institutional tools and contexts.

However, the term “social and solidarity economy” does not refer simply to a group of several different activities. Because of the “non-profit” criterion, which may also be referred to as “controlled profitability”, there is a focus on initiatives that are not of immediate practical utility. In most cases, the explicit objectives of such initiatives are oriented towards solidarity and citizenship. Whereas the market uses social cooperation to achieve a return on investment, the goal of the SSE is the opposite. It aims to *finalise eco-*

nomie action in accordance with the principles of the democratic pact. According to Bernard Eme and Jean-Louis Laville, the SSE is a set of practices combining economic exchanges and citizenship commitments (Eme, Laville, 1994, 2005). It is anything but straightforward social philanthropy.

Despite this decisive contribution, several well-informed observers – Quebeckers in particular – argue that this “economic giant” is still a “political dwarf” at Europe-wide level. In fact, while the social and solidarity economy is steadily gaining strength in the European political sphere, recognition of its specific characteristics is still shaky: “professional activists” or “dedicated professionals”, a dual economic and social objective, a hybrid funding model and disparate institutional environments. Everything speaks in favour of seeing the SSE as an unusual political object, one that is struggling to find its rightful place in a European landscape shaped by half a century of unequivocal sharing between State and market.

At the same time, however, Europe’s civil societies have never given up: they have been energetic in their efforts to break through an increasingly porous barrier, to meet the challenge posed by new social needs (care for vulnerable people, support for artistic creativity, digital development, etc.) and to invent new strategies to stave off the threat of a “market society”, which governments are no longer able to contain. This

¹ In 2009/2010, the social economy provided paid work for over 14.5 million people in the EU, i.e. 6.5% of the working population in the EU-27 and around 7.4% in the 15 “old” Member States. In countries like Sweden, Belgium, Italy, France and the Netherlands, it accounts for 9 to 11.5% of the working population (EESC, 2012).

capacity for action has given rise to a number of different cultural orientations: in some places, the role played by the social and solidarity movement is regarded as being an inherent component of national identity, while in others it is still marginal. In any case, a set of practices has emerged capable of creating a link between economic challenges, social needs and political commitments.

For a long time, the European Union viewed these practices with disdain, describing them as an “exception”: in fact, they derogate from the “competition law” that governs trade, without being identified with public action which falls within the exclusive competence of States and their local units of government. But, over the years, as these practices have continued to develop and to weave themselves into the social fabric, and as both markets and States have sunk into a deep crisis, this restrictive approach has seemed increasingly disconnected from reality.

The apparently “exceptional” nature of the social and solidarity economy is not a flaw or a failing: it is a vehicle for social and economic innovation and for the revitalisation of the public sphere. Its strength lies precisely in the fact that it challenges the legal and institutional architecture of contemporary societies at their neuralgic point, that is to say the “unthought-of” boundary between State and market.

THE CONTEXT OF THE UNION IN 2013. THE AFTERMATH OF THE “SINGLE MARKET ACT FOR A HIGHLY COMPETITIVE SOCIAL MARKET ECONOMY”.

Has the introduction of the Single Market Act (SMA) in 2010 opened up new perspectives? On the 20th anniversary of the Single European Act, initiated by Jacques Delors in 1992, the Commission decided to lay the foundations for a new, job-creating single market, capable of addressing issues of social cohesion and sustainable development (European Commission, 2010, p. 4). The project is organised around three objectives: to pursue strong, sustainable and balanced growth; to put citizens at the heart of the single market; and to promote better governance and dialogue in the single market (*ibid.*, p. 5). In addition to the original, recurring themes (protecting consu-

mers, supporting entrepreneurs and in particular SMEs, improving the tax system, particularly regarding VAT), there are now several new ones including:

- the idea that the single market should be driven by a “services economy”;
- support for “long-term” financing and investment;
- the improvement of “public services”, in view of providing more efficient and innovative services oriented more towards sustainable development;
- the reform of the “Professional Qualifications Directive”; and
- support for “social entrepreneurship”.

Obviously, it is the last point that interests us here. Is the importance that the European Commission seems willing to attach to the extremely broad “social business” sector sufficient to put Europe on the path to structural reforms commensurate with contemporary challenges? Does the term “social entrepreneurship” refer to a new segment of market capitalism, a responsible but limited gesture on the part of some employers, or a much broader movement? Should we go so far as to see “social business” as a turnaround in Community doctrine, in acknowledgement of the efforts to restore solidarity within civil societies?

Such questions are not innocuous. The crisis that is shaking the old nations of Europe to the core is not just an economic, social and ecological crisis. It is also fundamentally political. It reflects a crisis in the way civil societies influence the course of their own development. According to Philippe Herzog (Herzog, 2012), whereas the Greek crisis could have led to a strengthening of financial cooperation mechanisms and, perhaps, to the emergence of a system of financial federalism, the measures taken by the EU have fallen far short of those that would be required by a long-term European action plan centred on requalifying the production system, linking education and employment and creating “European public goods”. The EU has also proved incapable of thinking about the conditions of production or of the buy-in to the new financial regulations by the public, regarding the civil society as a mere adjustment variable in a time of crisis. Austerity is no longer a means to an end; it has become an end in itself.

Given these reductionisms, the movement impelled by the SSE is taking on a specific quality and meaning. It provides only a partial answer to the current problems. But its scope extends much further than the practices specifically associated with it. It indicates that economic recovery scenarios are intrinsically linked with the definition of a new global strategy for regulating capitalism, with and beyond the State. It is also a reminder that, in this area, there is no point trying to wipe the slate clean: it sets up all-or-nothing politics against the realism of citizen practices combining economic rationality and socio-political dynamics.

This is where the notion of “trust” really comes into play. Market efficiency requires the existence of cooperation based on mutual trust. However, left to itself, the market pushes aside the principles of courtesy needed to establish what Durkheim referred to as “moral conscience”. It thus undermines the conditions for its own operation. In response to this, welfare states are called upon to play a decisive role. But given the bureaucratic contradictions that they have to deal with, the weakening of their sovereignty by globalisation and the opening up to competition of their social systems, they cannot fulfil this role alone.

Fully restoring the bonds of trust within society is therefore a crucial challenge. As Jürgen Habermas repeatedly pointed out through the theory of “communicative action”, the emphasis placed on interaction means creating a framework for deliberation that is not influenced by power and money, a framework that enables the reform of the democratic pact in line with modernity (Habermas, 1983, 2003).

In a recent text, Philippe Herzog argued along the same lines: he stressed the necessity of both developing the “social capital” of private-sector players and creating new “public goods”: “platform and network economics are creating [...] configurations with the clustering of information and the leveraging of social capital by private players, whereas the competition doctrine would like to chop up business in which coope-

ration and integration are consubstantial. It is fighting the coordination of funding activities, yet this contributes to the clustering effect. There is evidence that competition policy can only have a positive effect on innovation if it is tailored to individual sectors, and if it pursues a fresh public-good approach” (Herzog, 2012, p. 3).

The movement impelled by the social and solidarity economy extends this reasoning by giving it a concrete existence. Following in the footsteps of Hannah Arendt, it represents a new form of “common action” capable of finalising economic rationality in a context of crisis and contributing to a new definition of collective action centred on solidarity (Arendt, 1988).

Hence it is increasingly urgent to create a legal and institutional framework that recognises this movement: it is important not only for the European Union’s economy, but also for the development of a public arena for discussing economic issues. This is essential to creating a European civil society, which does not exist at present. It is with this in mind that Confrontations Europe decided, in January 2011, to create a working group on “social economy, social cohesion and local development”. The group was put into place within the framework of the 2012 *Entretiens Economiques Européens* (European Economic Debates): Better appropriation of the European market for a more united social market economy.

Originally led by Matthieu de Nanteuil then Nicole Alix, its goal from the outset was to organise an exchange of ideas to better understand the complexity of the fast-expanding sector that is the social and solidarity economy, and also to get a good grasp of its scale of operation in Europe². This special edition of L’Option by Confrontations Europe reports on these activities. Published in both French and English, it aims to draw the attention of European decision-makers to practices that showcase the engagement of citizens and the growing economic vitality at the local level. Before presenting the overall organisation of this special edition, a short explanatory introduction is required.

² In addition to those having contributed to this special edition, the following people participated in the working group: Marie-France Boudet, the then Secretary General of Confrontations Europe; Guillaume Filhon, then from the Representation of French Social Security Institutions to the European Union (*Représentation auprès de l’Europe des Institutions de Sécurité sociale française*, Reif); Claude Fischer, President of Confrontations Europe; Laurent Ghékière, Head of EU Office, Union Sociale pour l’Habitat; Philippe Herzog, Honorary President of Confrontations Europe; François Michaux, former Director of Forecasting for the Renault Group, policy officer at Confrontations Europe; Véronique Ollivier, the then manager of the Brussels office of Confrontations Europe.

SOCIAL ENTREPRENEURSHIP, SOCIAL AND SOLIDARITY ECONOMY: A TENSION TO BE EXPLORED

Publication of the SMA presupposes removing any ambiguity regarding the scope of the social and solidarity economy. By using the broader and much vaguer term “social business”, the European Commission’s reference document overlooks the difference between: (a) capitalist type organisations that aim to use social action as a vehicle of *profitability* (which we suggest considering to be «social businesses»); (b) social enterprises that have a social dimension to their objectives, but which employ operational rules that help them achieve these objectives *as efficiently as possible* («social enterprises») and (c) the other social and solidarity economy initiatives that aim to change the dominant economic process through the *democratisation of the economy*, by adjusting their management methods in line with the specific features of partnerships and with the governance methods that they imply (“social and solidarity economy”).

This classification, which is quite succinct, would benefit from being explained in greater detail. It should be presented within the context of structural change, resulting from the fact that market capitalism has become the source of specific initiatives (category a above). As several researchers have shown (Janssen and Schmitt, 2011), these initiatives have a critical dimension to them: they challenge the idea that entrepreneurs are calculating, omniscient and single-mindedly focused on obtaining an immediate return on their investment. Such initiatives involve behaviours wherein profitability is often *deferred*. Nonetheless, they are still strongly attached to the general rules of market capitalism, where the pursuit of new objectives – “social” objectives in this case – does not mean that the underlying economic culture has to change.

The different approaches (a, b and c above) are all useful, provided their scope is clearly specified. For example, it is important to distinguish between:

- “social enterprises”, which are guided by the principle that commercial activity is a means of achieving social or societal objectives. In this case, the profits are mainly reinvested with a view to achieving this social objective; the method of organisation or ownership system reflects their social mission³;
- “‘collective’ social-economy enterprises” (legal groups of individuals: mutuals, cooperatives, associations), at the origin of the social and solidarity economy movement. In this case they are governed democratically by their members and the profits are not distributed, or only partially; part of the added value is held in reserve, reserves are assigned to common interest, and ownership is shared (no individual owner). Such organisations apply the principle of “double quality”, according to which a person is both employee and shareholder, consumer and shareholder or citizen and shareholder. In practice, this highlights the conflicts of interest that pervade our lives and create tensions that affect us all (Herzog, 2010).

At the same time, some research has shown that in some countries, for a certain time, the term “social economy” referred to quasi-public operators who helped to implement the Welfare State, while the solidarity economy maintained its working-class origins: its originality lay in a tradition of working-class associationism, which aimed to stem the tide of dehumanisation associated with industrial capitalism by creating local trading communities (Castel, 1995; Laville, 2010). Generally speaking, more research is needed into the close links between the social and solidarity economy and the labour movement.

Therefore, in view of these different approaches, *we propose a European conceptualisation of the social and solidarity economy that encompasses the full range of non-capitalist, economic initiatives aimed at increasing solidarity and citizenship, without under-estimating the sizeable differences between them.* This definition is similar to the “ideal type” of social enterprise proposed by Marthe Nyssens and Jacques Defourny in one

³ A normative definition of social enterprise is provided in the regulation on European social entrepreneurship funds: a social enterprise has a “primary objective of achieving a measurable positive social impact” with regard to “vulnerable, marginalised, disadvantaged or excluded persons”, or through “a method of production of goods or services that embodies its social objective”, provided that the “distribution of profits does not undermine its primary objective” and that it “is managed in an accountable and transparent way, in particular by involving workers, customers and stakeholders affected by its business activities.” Source: Regulation (EU) no. 346/2013 of the European Parliament and of the Council of 17 April 2013 on European social entrepreneurship funds.

of the articles in this special edition (*infra*). Nevertheless, it underlines just how important the method of economic action actually implemented is as a means of distinguishing between organisations. As these authors point out, social enterprises derive from the social and solidarity economy, which means that their principles are largely inspired by the values of the associative sector; however, not all the organisations in the social and solidarity economy are social enterprises.

Differences in terminology and approach may also be considered from a historical perspective. According to Benoit Lévesque, great crises spawn new “social economy clusters” (Lévesque, 2009): This perspective is a reminder that the social and solidarity economy has always provided answers in times of crisis; it has made it possible to provide specific solutions, not only over the short term in response to emergencies but also over the long term to pave the way for the future eco-

nomy. Championed by social groups seeking local solutions to their needs, the social and solidarity economy has always been a child of necessity as much as a motor for social diversity.

Therefore, the social and solidarity economy must be fully involved in market regulation and in the new social model that the European Union is being called upon to establish, especially since the revolution in the digital and energy sectors has required that it assume new roles.

On the whole, the SSE is based on citizen participation in the economic sphere with a view to promoting solidarity and citizenship; such participation is non-mandatory and the benefits, as well as the costs, are shared. However, in certain Member States and at the European level, these citizen-based initiatives are still often suspected of being amateurish, are considered inadequate by large corporations and are sometimes tarred with unfair competition accusations from the

1848-1850	“Traditional” regulatory crisis, spread of the wage-earning classes	Mutual aid societies Labour cooperatives
Late 19 th century	Accumulation crisis	Farmers’ cooperatives Savings and credit
1920-1930	Crisis in competition regulation and shift to a new consumer standard	Consumer cooperatives Housing cooperatives
1980-1981	Fordist and welfare crisis	New “social economy” clusters - local development - local services - insertion - solidarity-based finance
Current crisis	Regulatory and accumulation crisis; financial, economic, environmental, political and social crisis	- Responses to emergencies created by the crisis (1) - Desire for transition and transformation (2)

(1) Responses to emergencies created by the crisis:

- unsatisfied basic needs
- need for retraining and economic transition
- more self-employment possibilities
- higher debt and desire to overcome difficulties
- abandoned or neglected regions and sectors

(2) Desire for transition and transformation:

- *Local and virtual products and services:*
 - culture and leisure, services for people
 - creative economy, open innovation (user participation)
 - virtual economy involving skills, knowledge and experience
 - products of craftsmanship
 - local products, local buying, relocation of the economy
 - social innovations
- *Search for growth through quality products and services and low energy consumption*

viewpoint of “pure” market principles as they mix private, public and local resources. The time has nonetheless come to implement them.

As far as financial asset portfolios and entrepreneurship are concerned, diversity is a factor of stability; it also promotes social cohesion in a world where networking prevails and vertical integration by nation states is well and truly over. This special edition has been put together with these factors in mind.

FROM CRISIS TO SOCIAL CHANGE

It is divided into four parts:

- The first part (**“Pointers and explanations”**) includes four articles. After explaining the stakes involved in developing an “economy of trust” (Hugues Feltesse), it describes the legal framework needed in the European Union to take into account the specific characteristics of the SSE, and points out the difficulties of such an undertaking (Jean-Claude Barbier). The third article retraces the genealogy of different “schools of thought” and thus describes the respective roles of the “social enterprise” and the “social and solidarity economy” in the evolution of economic practices with a social objective (Jacques Defourny, Marthe Nyssens). The final article focuses on the French consultation on a draft SSE bill (2012-2013) (Emmanuel Verny);

- The second part (**“Debates and standpoints”**) gives the floor to those actually on the ground, who give substance to the SSE in all its diversity. Their contributions were all presented at the various meetings of the “social economy, social cohesion and local development” working group. The presentations gave rise to a great deal of discussion, showing just how much potential the SSE harbours in regard to societal issues. Four topics were selected, and the first three are followed by a summary of the debates:

- *The digital economy and common goods:* Discussions on “Digital technology and the SSE: the obstacles and paths to progress” (Jacques-François Marchandise), “Protecting digital commons” (Bastien Sibille), “Sharing my experience as a member of the commons movement” (Frédéric Sultan), and “The digital revolution driving the SSE” (Nathalie Parent);

- *“Generations” and demographic changes:* The role of the SSE in “Adjusting society to the ageing of the population” (Bruno Drevet), and “Promoting a do-it-together attitude in the new generation of 55 to 75 year olds” (Philippe Chabasse);

- *New forms of employment and of social protection:* The standpoint of mutuals, “Innovative social enterprises” (Arielle Garcia), and “Europe and the social responsibility of employers” (Sébastien Darrigrand); and

- *Funding methods and solidarity-based finance:* The link between “Social infrastructure and the internal market” (Claire Roumet), the movement “For a social and solidarity economy consortium in prisons, in favour of reintegration” (Hervé Bompard-Eidelman), the links between the SSE and “Complementary local currencies” (Pascale Delille), the evaluation of “Intangible assets” by associations (Bernard Bazillon), and “The expectations of social and solidarity economy enterprises in a context of financial crisis” (Jean-Louis Bancel).

- The third part (**“Anthropological perspectives”**) aims to place these contributions in the longer perspective of anthropological debate. It points out that these initiatives are taking place in the midst of an “anthropological crisis”, that of the individuation process characteristic of modernity. Individuation marks the end of traditional forms of solidarity – linked to the church and family – and the establishment of “organic” solidarity links. For a long time, such links were maintained by the market and the State, particularly the “Fordist State” later destroyed by liberal productivism. They have not however withstood the dual pressure of ageing and solitude. They now need to be re-established alongside hybrid economic and political forms, at the local level (Alain Lipietz). The second article adopts a global approach to the crisis, based on Karl Polanyi’s “disembedding” theory (Polanyi, 1983). It discusses the three fundamental pillars of the SSE: reciprocity, proximity and recognition. From an anthropological viewpoint, these pillars provide a means of establishing an economy of trust: through them, the goal is to develop a global strategy for regulating market capitalism based on the recognition of alternative economic practices, whose objectives help

renew the democratic pact (Matthieu de Nanteuil, Jean-Louis Laville);

- This is why, in the final part, (“**By way of conclusion**”), the aim is to ensure that the legal and institutional recognition of the SSE is a priority. “Creating a European enabling framework for social and solidarity economy solutions” does not only mean inventing new economic recovery scenarios. It means undertaking to transform social relationships to change our approach to living side by side and develop policies that are commensurate with Europe’s ambitions (Nicole Alix).

The crisis has led to the rehabilitation of countless hybrid economic forms, which Europe had previously excluded from its vision of society in favour of a reductive perception of the links between State and market. While the construction of the European Union institutions is today taking place against a backdrop of anomie and fragmentation in civil societies, one consequence of the crisis is that economic practices oriented towards solidarity must be taken into account in future European policy.

Democratisation of the economic sphere is essential to increasing political democracy: such is the practical and theoretical challenge that this special edition of *L’Option* by Confrontations Europe aims to address. ■

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Pointers and explanations

RISING TO THE CHALLENGE OF AN ECONOMY OF TRUST: AN EXPECTED ROLE FOR THE SOCIAL AND SOLIDARITY ECONOMY

by *Hugues Feltesse*

“It is high time that political decision-makers, in addition to widely and frequently calling for trust in their speeches, effectively took into account this structural dimension of growth in their economic and social policy priorities”.

The European Council of Lisbon had set an ambitious goal of making Europe “the most competitive and dynamic knowledge-based economy in the world by 2010”, in order to meet the sustainable growth needs of our societies in terms of jobs, competitiveness, the environment and social cohesion. However, this promise has clearly not been kept and the European Council’s new strategic plan for the next ten years has postponed most of the targets set by the Lisbon strategy until 2020.

Of course, the financial, economic and political crises – the latter having been triggered by the debt crisis – have undermined the Council’s ambitions. But it would be seriously short-sighted to conclude that this failure is due to the economic context alone, when the causes are above all structural.

TRUST: THE BEDROCK OF THE KNOWLEDGE ECONOMY

If a knowledge-based economy is to develop and grow, it must be accompanied by an economy of trust. In fact, a growing number of economists share the belief that production factors (capital and labour) are only partly responsible for economic growth. Other factors must be taken into consideration, such as education (referred to as

human capital), technology and social capital (of which trust is the, or at least one, essential component).

Given the failure of not only State control alone but also the promotion of private ownership as a universal means of managing resources and the environment, Elinor Ostrom, the *first woman to be awarded the Nobel Prize in Economics* in October 2009, emphasised the need for trust and reciprocity in the responsible management of common property resources (public goods or common goods). This conclusion is in line with the broad array of economic and/or social research that has been conducted since the mid-80s on the role of trust in economic development and performance in both the macro and the micro-economic domains⁴ (Laurent E. 2012).

While the concept of trust is complex, has several definitions, takes various forms and goes hand in hand with criticism regarding the irrelevance of the indicators used, we should be glad that research in the different economic and social disciplines is gradually placing it at the heart of new corporate and market reforms, and of the development of cooperation, cohesion and new interaction structures. This is a real turnaround compared with a long period of neo-classical dominance, during which the trust element was

⁴ The author describes and explains the actual and operational dimensions of trust in the economy.

widely neglected, despite having been described by Adam Smith as essential to economic expansion and by Keynes as the cornerstone of production, consumption and trade. It is high time that political decision-makers, in addition to widely and frequently calling for trust in their speeches, effectively took into account this structural dimension of growth in their economic and social policy priorities.

WHAT IS THE ECONOMY OF TRUST BASED UPON

“Trust appears (...) as an interindividual experience derived partly from an interest-based calculation, a calculation immersed in a social environment”, writes economist Eloi Laurent in “The Economy of Trust” (Laurent, 2012, p. 35). Trust is not therefore a situation that can be lastingly achieved by coercive means (as anticipated in forms of administered economy) and/or by competition (as promulgated by the spirit of modernity). It is a dynamic that must be managed as an interactive process, or a continuum. To accomplish this, a global and sustainable approach is required, built upon interdependent conditions, such as the quality of social relations, the reduction of inequality, the reliability of information, proximity or the reduction of social distances, the rule of law and legal or judiciary security, an education system that fosters a culture of “spontaneous sociability”, a collective engagement⁵, dialogue, reciprocity and dynamic horizontal cooperation processes.

A PRIORITY FOR THE SSE

Such conditions would no doubt be particularly conducive to the development of the knowledge-based economy, as they would foster decompartmentalisation and the widespread sharing of knowledge and innovation between and within companies, and would promote collective intelligence.

The social and solidarity economy fits in particularly well with the dynamics set in motion by the economy of trust, which it has already broadly adopted: proximity, solidarity, collective engagement, the broadest possible commitment of people and resources to a cause, citizen

participation, reciprocity, reduction of wage gaps, participation, communities of users and producers, and so on. It would be good if Europe were more aware of the benefits of such practices and if it were to include the promotion of the economy of trust – an essential driver of growth – in its list of priorities for the coming years. ■

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⁵ Putnam argues, based on a comparison between northern and southern Italy, that networks of civic engagement produce norms of general reciprocity, which foster the emergence of social trust.

EUROPEAN UNION LAW, ITS STAKEHOLDERS, AND SOCIAL AND SOLIDARITY ECONOMY SERVICES

by *Jean-Claude Barbier*

“Current EU law is based on a single, narrow vision of the economy, in which all the agents are ‘companies’ and are in competition with one another”.

The so-called *social and solidarity economy* (SSE) represents a great economic, political and social challenge for the future. It is difficult to take the full measure of the SSE, as institutional differences between countries get in the way of transnational analysis. The role of the European Union (EU) in this area revolves around the fundamental legal concept of social services of general interest. In recent years, a significant amount of work in the specialised literature has focused on defining the activities that fall within the scope of the SSE, but a mutually-agreed definition has not yet been established. This situation no doubt requires greater legal attention, which seems to be a prerequisite to the full and proper acknowledgement of the social and solidarity economy. Current EU law is based on a single, narrow vision of the economy, in which all the agents are “companies” and are in competition with one another. Given its history, the Union cannot afford to limit its approach to just one form of economic activity.

In the article below, we take a critical look at the role played by EU law in social services legislation. EU law has a number of specific features that make it strange, foreign to those operating in the social services sector (Barbier and Colomb, 2012), even unusable, dangerous and harmful as we will see in the first part of the article. Yet this situation is not inevitable, it results from the accumulated practise of this law over many years. We will show that the future consequences of EU

law depend largely on the way it is enforced by legitimate players.

THE PROBLEMS RAISED BY THE EU LAW

For the purposes of simplicity, we will divide problematic features into four groups. The first feature concerns the asymmetry in the Union’s legal system. Freedom of movement and freedom of establishment, although associated with competition law, constitute a hierarchically superior legal bedrock throughout the Union because they are supposed to enhance competition and improve the functioning of the single market. Social rights are taken into consideration only to the extent that they might be affected by the functioning of this market (or, conversely, affect the market’s functioning). But their enforcement “for their own sake” is not, strictly speaking, an explicit political task of the EU, barring exceptions. Although these exceptions have spread to several areas since the Treaty of Rome, the primary legislation, which mentions the importance of the Union’s social dimension, is virtually unusable and is hardly, or very indirectly, justiciable. In many areas, which we will not have time to analyse here in any great depth, the Union’s “social legislation”⁶ is taken above all to be “symbolic”. This applies most notably to the EU Charter of Fundamental Rights, now referred to in Article 6 of the Treaty on European Union (TEU). In fact, most of the social rights set forth in this charter are not directly

justiciable at the European level, and must be enforced through national laws. The way in which the European Commission has handled the enforcement of international conventions on social rights since the beginning of the economic crisis is a striking example of this asymmetry⁷.

The second feature concerns the gradual spread, through contagion, of the scope of EU economic law to the social sector. While the distribution of competences for social affairs has apparently not changed, EU economic law disrupts and changes the national enforcement of social laws in all Member States. The article in the Treaty of Rome concerning so-called services of general interest did not originally apply in any way, shape or form to social services. However, the 2006 services directive deriving from this article allows for the incorporation of social services, including those aimed at vulnerable people, into the logic of competition. Some Member States, such as France and most of the countries in central Europe, apply criteria for opening up competition with the private sector. The very idea of “public service”, which is still a benchmark in the majority of countries, has no place in EU law.

The third feature concerns the uncertain, indeed illusory, nature of some of the principles of EU law, the most important of which has to be the principle of subsidiarity. The uncertainty arises from the long enforcement chain of EU law, which is ultimately implemented through national legislation. This long enforcement chain prohibits visibility or even, quite simply, prevents ordinary citizens from knowing which parts of their national legislation come from Europe. If they are ordinary citizens, then they do not know how to contest this legislation, for which they are not symbolically responsible unlike in their national parliaments through delegation to their representatives. We would like to put particular emphasis on the illusory nature of subsidiarity in the social sector. According to the court judges that

we interviewed, “it is a *political principle*” aimed primarily at meeting the symbolic requirements of the Member States, regarding the protection of their competences. The leading specialists in social law explain that there are virtually no limits to the influence that EU law exercises across the board, even outside the boundaries of those particular areas in which the Community authorities have competence to act (Rodière, 2008).

On principle, the Union’s competence (the Commission’s law enforcement role and the Court of Justice) extends to ensuring that EU (economic) law is being properly implemented, including in areas that do not fall within its scope. As far as social services of general (economic) interest are concerned, this means that, despite protocol no. 26 on “services of general interest”, article 1 of which underlines “the essential role and the wide discretion of national, regional and local authorities in providing, commissioning and organising services of general economic interest as closely as possible to the needs of the users”, the European Union ultimately has the power to decide whether or not the national or sub-national authority has made an “obvious mistake” in deciding that such and such a service is of general interest. Such an occurrence would not be unprecedented, since the Commission has decided just that regarding the definition of social housing, notably in the Netherlands. Likewise, although the right to strike does not fall within the scope of Community law, a fact that has recently been acknowledged in several judgements of the Court of Justice⁸, the Commission services drew up a draft regulation (which has fortunately been withdrawn since) asserting that freedom of circulation prevails over the right to strike⁹. Uncertainty was also apparent in a recent controversy over a draft directive on public procurement contracts, the annexes of which included the presence of social security schemes, despite the fact that they are excluded from competition in pursuance of the Poucet-Pistre rulings of 1993.

⁶ Non-exhaustive examples: cross-cutting provisions that require a “social market economy”; the “promotion of social protection”, the “elimination of poverty” (Article 3 TEU); Article 9 of the TFEU, “in defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health”; the principle of subsidiarity and protocol no.2 on its application; collectively-exercised fundamental rights (social and social protection legislation, such as the right to social insurance, the right to strike, etc.).

⁷ In the case of the adjustment programmes in Greece, the ILO’s conventions were not complied with.

⁸ Notably the Laval judgement in 2007.

⁹ Draft regulation of the Council of 21 March 2012, COM (2012) 130 final.

The fourth feature concerns the way in which EU law is established and enforced. In many countries, and the literature has shown that this is true of countries in central Europe (Falkner and Treib, 2008), EU law is not properly enforced or is not enforced at all. Moreover, citizens seeking justice are not familiar with EU law, which, as we have already said, is incorporated into every national legal system. Neither do they, for the most part, have the means to appeal against it. In most cases, a judgement by the Court of Justice can only be overruled by the European Council. This situation may change due to the – at present hypothetical – consequences of EU accession to the Convention on Human Rights, provided for in protocol no. 8 of the Lisbon Treaty, referring to Article 6 of the TEU.

STAKEHOLDERS IN EU LAW, ADVANTAGES AND OPPORTUNITIES FOR THE SOCIAL SERVICES SECTOR

These four features, and the consequences that they have on the provision of social services in the social and solidarity economy, should be described in detail, although we do not have room to do so here. Thus far, if we look at the social protection systems and social services in the EU Member States, we can conclude that the influence of EU law has been modest. Yet the stakeholders are very concerned about the potential illustrated by precedents (Barbier and Colomb, 2012). Many stakeholders and citizens in the Union are striving to protect the specific characteristics of the social and solidarity economy, especially in large countries like Germany and France and, generally speaking, in the “old” Member States. These endeavours are often associated with efforts by large opinion groups to protect public services, including in Great Britain which is known for its liberalism. But so far, the stakeholders in question (citizens, civil society, NGOs) have found it difficult to organise themselves in order to effectively promote these characteristics. At EU level, the legal and political representation of the different forms of economic activity leaves a lot to be desired, and the legitimacy of NGOs is very uncertain. A former and important administrator of the European

Commission has gone so far as to say that the “Almunia-Barnier package”, which was adopted in December 2011 and aims to amend the law, was the most important event “in ten years” as far as Social Europe is concerned¹⁰.

This just goes to show how important European Union law is. Like private-sector players who have been practising “strategic” litigation for years, it is time that defenders of social rights and services finally accept that promoting these rights and services necessarily means formalising them in EU law, so that they are part of a legal system that, at present, focuses almost entirely on economic law – and a particularly dogmatic and partial economic law at that. ■

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¹⁰ Jérôme Vignon, Conference in Paris, organised by the SSGI collective, 2 February 2012.

THE BREAKTHROUGH OF SOCIAL ENTERPRISE: CONCEPTUAL CLARIFICATIONS

by *Jacques Defourny and Marthe Nyssens*

“Covering the fifteen countries that then formed the European Union, {EMES} has gradually developed a common approach to social enterprise based on the definition of an “ideal-type” (in the Weberian sense), i.e. an abstract model synthesising the principal characteristics of the new entrepreneurship observed within the social and solidarity economy au sein de l’économie sociale et solidaire”.

Since the mid-90s, we have witnessed a breakthrough of three notions that had virtually never been used before: social entrepreneurship, social entrepreneur and social enterprise. Although each is sometimes the subject of specific conceptual debates, they are largely interconnected – especially since they have gained in popularity and are still riding on the crest of the same wave.

These notions are closely related to the various approaches which, since the 1970s, have stressed the existence of a “third sector” in our economies, distinct from the for-profit private sector and the public sector. It is important that we first provide a brief overview of these now conventional approaches. In addition, far from replacing them, the new notions surrounding social enterprises and the analytical potential that stem from them illuminate and enrich existing approaches, highlighting particular dynamics within the third sector, and sometimes beyond it.

THE REDISCOVERY OF A THIRD SECTOR

Internationally, the American-inspired approach to the non-profit sector is undoubtedly the most widespread. But this approach focuses only on what corresponds roughly to our associations and foundations. It completely ignores initiatives of the cooperative type, which share very much

the same values and are often rooted in the same soil of 19th-century associationism¹¹. This explains why other approaches have developed in Europe, in particular those based on notions of the social economy and the solidarity economy, both of which were forged primarily in France.

The social economy: values, status and rules

Although there is no single definition of the social economy, it is almost always presented as having two key aspects. On the one hand, the term is used to describe private, non-capitalist categories of organisation, with special status and rules: cooperatives, associations and mutuals, and increasingly foundations. On the other hand, the social economy refers to the principles and values which are supposed to inspire certain modes of operation: independent management, set up with an aim of serving members or the community rather than maximising profit, (hence a low return on capital and joint reserves that cannot be shared), member equality and a democratic decision-making process.

When the social economy was first officially recognised in France, it was defined as being composed of “cooperatives, mutuals and those of associations classified as such on account of their production activities”. So, to begin with, only as-

¹¹ For a more in-depth analysis of these limits, see Defourny (2001) and Evers & Laville (2004).

sociations “adminstrating” service equipment or infrastructure were included. Subsequently, however, many more associations were included in the social economy, to the extent that they became by far the biggest component in terms of jobs. Gradually, the definition of the social economy also expanded to incorporate complementary approaches like the solidarity economy, which generally has its own specific dynamics; as a result, the term social and solidarity economy is used more and more often.

The solidarity economy: re-embedding economics in society

In very concise terms, the solidarity economy may be defined as “all economic activities subject to a determination to act democratically, in which social relations of solidarity have priority over individual interest or material profit” (Laville, 2005, pp. 253-259). More precisely, solidarity economy activities are not a matter of legal status, but of a twofold – economic and political – dimension, which determines their originality.

At the economic level, there is an insistence on reciprocity and mutual commitment among the people who have given birth to the initiative (impulsion réciprocaire). Activities are then consolidated by a “hybridisation” of the different types of resources: the initial reciprocal resources (e.g. the giving of voluntary labour) are replaced by public contributions linked to redistribution and by market resources. Due to its insistence on a combination of varied economic resources and principles, the solidarity economy approach invites us to say no to the growing hegemony of approaches driven by the sole market forces.

The political dimension of the solidarity economy, on the other hand, is expressed “in the construction of public spaces which allow a debate among the stakeholders on the social demands and the purposes being pursued”. Whether this takes the form of protest against or cooperation with the public authorities, the key issue is that major societal challenges are taken up explicitly by revitalising democratic debate from within. One major challenge, therefore, lies in maintaining autonomous public spaces that are distinct from but complementary to the public spaces instituted and regulated by the public authorities.

THE MAIN TRENDS IN SOCIAL ENTERPRISE IN ENGLISH-SPEAKING COUNTRIES

In the United States, the concept of social enterprise began to emerge in the early 1990s. One of the key events of this period was the launch of a “Social Enterprise Initiative” by the Harvard Business School in 1993. Since then, other leading universities and various foundations have set up training and support programmes for social enterprises and social entrepreneurs.

Following Dees and Anderson (2006), we nevertheless think it appropriate to distinguish between two main American schools of thought: the earned income school and the social innovation school (Defourny & Nyssens, 2010).

The earned income school

The work of the first generation of the “earned income school” equated the concept of social enterprise with the earned-income strategies developed by non-profit organisations in pursuing their social mission. Social enterprise was then seen as an innovative response to the problems of funding “non-profit” organisations, which were increasingly coming up against obstacles in private fund-raising or in obtaining subsidies from public authorities and foundations (Kerlin, 2006).

A second generation within this school has extended the notion of social enterprise to a vast range of organisations, which may be for profit or not for profit, provided they engage in commercial activity in seeking to achieve a social purpose. The emphasis is not only on the importance of commercial resources but also on a set of management methods derived from the profit-making private sector. A wide variety of initiatives developed by conventional commercial companies – various forms of sponsorship and more innovative activities – can form part of “corporate social responsibility” (CSR) strategies, which many business schools have been quick to describe as social entrepreneurship.

The notion of “social business” proposed by Muhammad Yunus (2010) can also be included in this second generation. This term is used to describe enterprises, whatever their legal status, which have to cover the totality of their costs out of commercial resources. This notion was deve-

loped essentially to achieve recognition for a model of enterprise which focuses on the supply of goods and services to (very) poor customers, a new market segment for some large businesses, particularly in the countries of the South. Social businesses are generally companies established by investors, but these owners, at least as envisaged by Yunus, do not receive a dividend: the profits are reinvested 100% in the business to further its social mission.

The social innovation school

Another school of thought focuses on the very specific nature of the social entrepreneur, and his creativity, dynamism and leadership in coming up with new responses to social needs. Dees (1998, p. 4) has proposed the best known definition of a social entrepreneur in that school:

He sees the latter as playing the role of change agents in the social sector by adopting a mission to create and sustain social value, recognising and relentlessly pursuing new opportunities to serve that mission, engaging in a process of continuous innovation, adaptation and learning, acting boldly without being limited by resources currently in hand, and finally exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created¹².

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The emphasis here is on the systematic nature of innovation and the breadth of its social or societal impact, rather than on the type of resources mobilised. The Ashoka organisation has played a pioneering role in promoting this way of thinking. Since the early 1980s, it has supported entrepreneurs of this kind, even though the term “social entrepreneur” was adopted only at

a later stage. Nowadays, individuals of this kind are increasingly presented as modern heroes (Bornstein, 2004).

Some works produced in the United States (Emerson, 2006) emphasise the need to combine these different approaches into a common characterisation of social entrepreneurship based on four key criteria: the pursuit of social impacts; social innovation; the mobilisation of commercial revenues; and the adoption of managerial methods, no matter what the legal status of the organisation (for profit or not for profit, private or public). These authors emphasise the double, or even triple, bottom line, and the creation of mixed or hybrid added value (“blended value”) with closely linked economic and social dimensions.

SOCIAL ENTERPRISE IN EUROPE

A diverse landscape

Turning to developments in Europe, it is interesting to note that, institutionally, the main initial impulse came from Italy where, in 1991, the Parliament adopted a law granting the specific status of “social cooperative” to the initiatives that had been mushrooming for several years engaged in starting up business activities for social purposes. Over the last twenty years, following the introduction of this new status in Italy, many other European countries have introduced new legislation of this kind, with eleven of them instituting legal frameworks or public schemes in recognition of the possibility of performing an economic activity while pursuing a social purpose (Roelants, 2009). Some of these frameworks have been shaped on cooperative lines, e.g. *the société coopérative d'intérêt collectif* in France (2001), while others do not refer specifically to the cooperative model.

The approach adopted by the European research network EMES

The different concepts of social enterprise listed above coexist in most parts of the world, including France. Business school academics, such as Nicholls (2006) from Oxford University, have taken up and sometimes re-engineered the concept of social entrepreneurship, drawing inspiration to varying degrees from American schools of thought.

¹² Our translation.

In Europe, however, the first theoretical and empirical bases for conceptualising social entrepreneurship were laid by EMES. This European research network was set up in 1996 to study “the emergence of social enterprises” in Europe. Covering the fifteen countries that then formed the European Union, this network has gradually developed a common approach to social enterprise based on the definition of an “ideal-type” (in the Weberian sense), i.e. an abstract model synthesising the principal characteristics of the new entrepreneurship observed within the social and solidarity economy. Researchers have thus identified indicators which enable them to detect the emergence of new social enterprises and also help them in analysing older organisations reconfigured by new internal dynamics.

The indicators identified by the EMES network have always, thus far, been presented in two sub-groups: four economic indicators and five social indicators 1848-1850 (Defourny, 2001, pp. 16-18). For the sake of comparison, however, we think it increasingly appropriate to distinguish three sub-groups, rather than two, thus emphasising the point that some are more indicative of the modes of governance specific to social enterprises as defined by the EMES ideal-type. By applying these nine indicators, we can recognise some characteristics typical of social or solidarity economy organisations which are supplemented or refined here so as to reveal new entrepreneurial dynamics (Borzaga & Defourny, 2001, 16-18).

Economic indicators:

- a continuous activity producing goods and/or selling services
- a significant level of economic risk
- a minimum level of paid work

Social indicators:

- an explicit aim to benefit the community
- an initiative launched from a group of citizens or civil society organisations
- a limited profit distribution

Governance structure indicators:

- a high degree of autonomy
- decision-making power not based on capital ownership
- a participatory nature, which involves various parties affected by the activity

It is important to note that these indicators are not a set of conditions that an organisation must satisfy in order to deserve the label of social enterprise. They are not prescriptive criteria at all but, as already mentioned, they constitute an “ideal-type” which, like a compass, can help the observer to relate the various entities to one another, to group them into certain categories and, if appropriate, to draw boundaries to define the group of social enterprises he wants to highlight, to study in greater depth and/or to bring to the fore of the economic landscape.

CONCLUSIONS

Even if all the practices it embodies are not new, social entrepreneurship is clearly in tune with the times and is continually diversifying, be it in terms of organisation, business sector or location. As it is a very recent notion, this growing diversity and the openness of the concept are no doubt two reasons for its quick rise to success with leaders in both the public and private sectors, who, each in their own way, are discovering or rediscovering new opportunities to promote entrepreneurial dynamics and social objectives.

Clearly, the different concepts of social enterprise and social entrepreneurship are deeply rooted in the contexts in which the organisations are created and develop. Each context engenders its own specific debates.

In the American context, it is the private sector, virtually alone, that seems to determine the landscape of social enterprise and social entrepreneurship. This no doubt goes hand in hand with the widespread belief within the business community that market forces have the ability to solve a growing number of social problems. Therefore, even if some argue that different types of resources should be mobilised, it is quite likely that the current wave of social entrepreneurship will in part lead to social issues being prioritised and selected according to whether or not they can be tackled by entrepreneurial and commercial means. Of course, some innovative solutions may result from what is termed as “social business”, but, from a societal point of view, we can only question the pertinence of organising social needs in this way.

Such questions are also increasingly relevant in Europe, particularly in countries where the privatisation and commercialisation of social

services have been taken the furthest. In Europe, however, many social enterprises are facing a different kind of challenge. Like their counterparts in eastern Asia (Defourny et Kim, 2011), social enterprises in Europe are increasingly supported by public policies aimed at reintegrating disadvantaged workers into the job market or ensuring the provision of services to vulnerable populations. The danger of such support is that, by institutionalising social innovation, it can prevent it from progressing beyond a certain stage. Social enterprises may also be used as tools to forward political agendas, which will rob them of their independence and creativity.

It is difficult for social enterprises to find a way forward under all these isomorphic pressures, so they would gain a lot from maintaining and strengthening their ties with the social and solidarity economy, which is the most frequent and most natural melting pot for social entrepreneurs. In fact, the SSE is very knowledgeable about the best way to preserve an identity while interacting with the market, the public authorities and civil society. ■

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THE FRENCH CONSULTATION ON A DRAFT SOCIAL AND SOLIDARITY ECONOMY BILL (2012-2013)

Article 1 of France's social and solidarity economy bill

by **Emmanuel Verny**

"The social and solidarity economy, with its principles of patience and temperance, constitutes a new and dynamic approach and offers a solution to the economic crisis that Europe is experiencing today."
Jean-François Draperi, debate organised by CIRIEC in Paris on 25 March 2013

In September 2012, the French Minister in charge of the social and solidarity economy (SSE) organised a consultation on a draft social and solidarity economy bill, in accordance with the French President's electoral commitments. Following a rather heated debate, the CEGES, which is responsible for the political representation of the SSE among the public authorities, put forward a number of proposals that have been discussed within France's official consultative bodies: The Economic, Social and Environmental Council (EESC) and the high council of the SSE.

Article 1 of the draft bill, which defines the social and solidarity economy and its scope, has been widely debated.

FRANCE/EU: DIFFERENT DEFINITIONS OF SOCIAL ENTERPRISE

Many stakeholders in the French social and solidarity economy feel uncomfortable with the definitions put forward by the European Commission in the Social Business Initiative and in the draft regulations for the European social entrepreneurship funds. Indeed, while some of the terms proposed by the European Commission suit the majority of stakeholders in France's social and solidarity economy (more democratic governance,

reinvestment of profits in social projects), two elements of the European approach are highly controversial: the indifference towards the statutes of social enterprises and the fact that their activities are limited to social initiatives aimed at disadvantaged or vulnerable people. Social impact measurement is often regarded in France as a *numbers-oriented policy* that distorts the action taken. Such criticism is not unanimous in France, but it is widely predominant.

The primary objective of the CEGES was to define the specific nature of the social and solidarity economy in a sufficiently detailed manner, and to establish a universal objective for it. "The social and solidarity economy is a kind of business organisation based on collective solidarity, which produces, distributes, trades and consumes goods and services. It contributes to and participates in economic, social and environmental development, and is involved in all areas of human activity." This definition aims to highlight a number of aspects:

- above all, the social and solidarity economy represents a different form of entrepreneurship, a fact that the CESE – including representatives of both the capital-intensive sector and the craft industry – has accepted;
- it is a collective enterprise, which cannot

- confine itself to individual (albeit social) entrepreneurship. Hence the importance of governance rules (see below);
- it is also based on collective solidarity, and therefore differs from individual charity organisations. It sees ownership as a thing that cannot be divided; and
 - lastly, its activities are not confined to repairing the damage done by society to the most disadvantaged.

The idea is that the social and solidarity economy develops the concept of an economy at the service of humans, of solidarity and of democracy, even though it does not have a monopoly of these good intentions. *Conducting business in the social and solidarity economy is a universal, enforceable right, exercised within the framework of current laws and regulations.* Why does this need to be pointed out? To do away with the idea that the social and solidarity economy might be something exceptional. The social and solidarity economy is not an exception to the norm, i.e. capital-intensive enterprise. It represents a different approach to entrepreneurship, which has a rightful place and should not have to constantly explain or make excuses for its existence. It is an important concept, including in former Soviet bloc countries where such organisations were often branches of the parties in power.

WHAT SHOULD BE THE STATUS OF A SOCIAL ENTERPRISE?

Since the social and solidarity economy is a singular form of organisation, it is important to formalise the organisations of which it is comprised. Since it is a joint adventure, based on solidarity and democracy, it is important to have a common set of rules that are freely accepted by all the stakeholders and that define the daily application of these principles: that is what statutes are for. Under this approach, statutes are not only a necessary administrative formality, needed to announce the existence of an economic structure. They are, above all, a common set of rules that will ensure the long-term integrity of the original (commendable) goals and keep them alive long after the charisma of the founder(s) has faded away. To justify lack of adherence to statutes, and to condemn the unethical behaviour of some managers of social and solidarity

economy enterprises (oversized compensation packages, uncontrolled risk-taking and so on), the following assertion has often been made: statutes do not guarantee virtue. The condemnation of such practices is understandable. But the target should be the lack of compliance with the statutory provisions. Such condemnation, when legitimate, often necessitates a strengthening of the internal rules. Statutes are the starting point of virtue...

It is true that southern Europe is more sympathetic to this approach. It would be interesting to study the impact of religion on the question. The list of corporations under private law that are automatically part of the social and solidarity economy on account of their status has been the topic of much lively debate. A consensus has been reached (maybe...) on a core group comprising associations, cooperatives, health and insurance mutuals, foundations and so on. But the list is controversial. For example, are associations part of the social and solidarity economy? For many, the answer to this question is clearly yes. But associations often fail to meet the dual quality criteria required of organisations operating in the social and solidarity economy, i.e. the organisation's members must also be its beneficiaries, as is the case with mutualist enterprises and cooperatives.

In social work, the members of the association and the beneficiaries of its activities can be completely different. Are foundations really governed democratically? And are cooperative banks still part of the social and solidarity economy when they operate without due care in the financial markets? These questions, which are often connected with current events, have not prevented a fairly broad consensus from being reached, confirming that "statute-based" enterprises of this kind are indeed an integral part of the social and solidarity economy – especially since they themselves claim to be such. As we will see later on, the "desire to belong", when sincere and true, can be regarded as being particularly meaningful.

Do institutions that are managed jointly by social partners – such as provident, supplementary pension and complementary health institutions – fall within the scope of the social and solidarity economy? The French Social Security Code defines them as non-profit corporations under private law.

Likewise, the joint institutions that collect corporate contributions for social housing all have association status.

But what of the *social enterprises* so dear to the European Commission, and the movement in favour of social entrepreneurship and «social business»? Some of these social enterprises and many of their supporters aim to renovate the capitalist system and/or promote a capital-intensive business model incorporating social objectives. They do not – or they no longer – feel concerned by this debate.

Conversely, some social enterprises operating under commercial statutes claim to be part of the social and solidarity economy. For example organisations operating in the areas of integration through work and fair trade. We suggest that such organisations incorporate a number of social and solidarity economy markers into their statutes, such as the use of profits, the creation of a reserve that cannot be shared between the associates, a democratic system of governance within their management bodies, etc. So the answer (also) lies in the statutes. Of course, the latter can be modified, but they provide a body of tangible, real and observable evidence.

THE VALUES INHERENT TO SOCIAL ENTERPRISES ARE UNDER DEBATE

The list of values and characteristics required is subject to debate. For example:

- The salary scale: should the gap be reduced? If so, by how much? 1 to 5, 1 to 10 or 1 to 20? How should size differences be taken into account (headcount, turnover, the impact of decisions, etc.)? The debate is not yet over.
- Profitability (i.e. the remuneration of shareholders and others treated as such) is forbidden for associations, mutuals and foundations. On the other hand it is permitted for cooperatives, albeit in a supervised and regulated manner.

The debate has also given rise to one last question: should a system of accreditation or authorisation be created, certifying to the authorities and/or to the general public that a given organisation is part of the social and solidarity economy (to ensure greater access to public investment banks or to public contracts for example)? This is a subject that deserves to have a full article devoted to it. Here we have covered just some of the debates arising from article 1. It remains to be seen how the government will respond. The bill must be adopted by the Council of Ministers in September 2013 then debated in Parliament. ■

Debates and standpoints

*The digital economy
and common goods*

DIGITAL TECHNOLOGY AND THE SSE: THE OBSTACLES AND PATHS TO PROGRESS

by *Jacques-François Marchandise*

“In fact, what we need to consider is that if we solve the problem of poverty, then we are solving a global problem on a more or less long-term basis”.

Digital technology impacts on the whole of society, producing changes in the way that we work and in the industries of tomorrow, opening up public data, generating new promises and risks, and affecting our very identities. The social and solidarity economy which, by definition, is based on communities of people, is fundamentally concerned.

THE RELATIONSHIP BETWEEN DIGITAL TECHNOLOGY AND THE SSE: THE OBSTACLES

It is possible to distinguish between two kinds of gratuitousness: “bottom-up” gratuitousness (economy of contribution, commons, inalienable resources) and “top-down” gratuitousness (economy of attention, which pays people to respond to advertising, Facebook, etc.). There is a conflict between the old model that protects copyright and the open model (for instance, the new models developed for the music business).

The concentration of distribution channels is gradually suffocating this distribution: whenever we go into a bookshop, we find the same old books! Fortunately, there are other channels and the Internet plays a very powerful role. According to an analysis by Philippe Aigrain, the unprecedented wave of privatisation of entire segments of our lives and of society is a strong incentive for standardisation. Therefore, some sort of counter-attack is needed, a “non-profit base” that will enable “new growth” in the same soil.

The leading players in the digital economy have understood this and are playing an increasingly

large role in urban change. They are the ones selling the “city of tomorrow” concept, through cooperation between the public and private sectors and the community. This approach, which reflects the significance of private partners who are making us prisoners of their plans and schedules, is worth challenging.

Some think that in the “knowledge society” of the future, everyone will have access to knowledge – but, ultimately, everything has a monetary value. Digital technology also allows us to copy/paste passages from our different works (the “patented acts”).

What does this have to do with the social and solidarity economy, which created popular education? The players in the digital economy know nothing about the SSE, and the SSE knows nothing about the digital economy. We need to clear up the misunderstanding over the digital divide, just as we are fighting against the social divide. Internet market players tend to think they have to “save the ignorant”. In fact, what we need to consider is that if we solve the problem of poverty, then we are solving a global problem on a more or less long-term basis. The European e-inclusion policy is not reversing this trend.

THREE SPRINGBOARDS FOR PROGRESS:

- **Goods:** The Internet’s barrier to innovation is much lower than in other areas, as the foundations are already there. The “base” is very fertile and the potential for growth is high. It remains to be seen who will appropriate the base and what will grow there.

- **Cooperative links and forms:** Digital technology has enabled a shift from vertical forms of society to more horizontal forms. Internet users place their trust in strangers (when choosing a wine or a holiday for example) and are on the whole satisfied (as demonstrated by Cécile Méadel's research into online medical forums: errors are corrected in less than 2 hours!). Forms of spontaneous cooperation develop – which could be described as “extra-marital” associations – prior to the creation of statutory forms. That is the “strength of weak links”.
- **Skills, ascending innovation:** Users are also a source of innovation (e.g. the correction of Wikipedia articles). OpenStreetMap, which is a map created cooperatively by people who are concerned by issues such as access for pushchairs and the disabled, ranks alongside the IGN and Google Map. But not everyone contributes. How does one become a contributor? How do we avoid creating an ultra-liberal version of empowerment, where it is everyone for himself? ■

PROTECTING DIGITAL COMMONS

by **Bastien Sibille**

“Digital commons are a source of emancipation and social justice, as the work carried out involves participation in a collective task; to quote Hannah Arendt, the production process resembles more a deed than salaried work”.

Digital commons can be defined in terms of their base material, which is information, and their owners, i.e. a community of users and producers. Two particularly popular examples are Firefox and Wikipedia. Firefox is a free web browser whose source code is protected by a licence, ensuring that it will remain the shared property of its users and developers. As for Wikipedia, the content of the encyclopaedia is protected by a Creative Commons licence, which prevents it from being privatised.

WHAT ARE THE SPECIFIC FEATURES OF DIGITAL COMMONS?

Their main characteristic is their volatility. They are copyable and “non-rivalrous” (for example, you can give away a software application without being deprived of it). Another characteristic: they play a central role in current productive models. They are taking an increasingly strong hold in the agricultural, computing, cultural and healthcare sectors, among others.

WHAT LINKS CAN BE ESTABLISHED WITH THE SOCIAL AND SOLIDARITY ECONOMY?

Solidarity-based economy companies must engage in markets with future potential, such as digital commons, especially since their economic models are similar: they provide work and services as well as goods.

Digital commons are a source of emancipation and social justice, as the work carried out involves

participation in a collective task; to quote Hannah Arendt, the production process resembles more a deed than salaried work.

Therefore, digital commons can be an important source of renewal for the social and solidarity economy.

WHAT ARE THE CHALLENGES?

Financing production

Investment is essential to the creation of digital commons (software programming, molecular research, etc.). The majority of funding comes from individual donations that result in a first version of the product, which is a risky process. There is in fact a danger that the product will be forked (forks being derivative versions of digital commons created from the source code of an existing software).

The investment carries a risk: in the event of failure, the funds – which are invested primarily in the form of wages – cannot be recovered. Investment funds find it difficult to manage this kind of risk, the evaluation of which is based essentially on the ability to build a community.

There are three possible solutions:

- Create a venture capital fund that specialises in this type of product;
- Introduce government subsidies for usage innovations (Oséo promoting technological innovation);
- Call for EU funding for international projects (the users of these products are not located in France alone).

The economic model

The software sector has proven that it has a reliable and profitable economic model, which is used in the service economy: sale of parameterisation, user training, maintenance, hosting, etc.

As far as the production of digital commons is concerned, most of the funds invested come from foundations (this is the case for Wikipedia). Crowdfunding is also becoming more widespread, but it accounts for only modest sums at present. In the area of genetic resource commons (seeds, medication, etc.), the model remains to be defined.

Protecting digital commons

In the digital sector, software is often protected by open licences that closely govern how it is used. This model is also used in image and video production.

However, there is a major problem concerning the structural links between producers (who are often business organisations) and user communities (of which there can be very many, and which are often associations).

It is therefore important to define adequate legal forms for the global governance of this sector. There are several options:

- Adapt software licences for the genetic resource sector;
- Provide the stakeholders with training in legal matters;
- Adapt licences for different uses. ■

SHARING MY EXPERIENCE AS A MEMBER OF THE COMMONS MOVEMENT

by **Frédéric Sultan**

“Commoning is based on the sharing of knowledge for the purpose of solving a problem, and also on collective action”.

According to Alain Ambrosi (2012, wiki.remixthecommons.org), the term “commons” applies where a community of people are driven by the same desire to take charge of a resource that they have inherited or created, and where they organise themselves in a democratic, friendly and responsible manner to control access to it and make sure that it is used and maintained in accordance with the general interest, to ensure harmonious coexistence and the comfort and happiness of future generations.

“Commoning” is not based on the utopian idea that everyone should get everything for free, but on a diversity of forms of cooperation.

THE DIVERSITY OF THE COMMONS

The commons are at the other end of the spectrum from the utopian argument that everything should be shared and freely accessible to all. The commons encompass a wide variety of forms of cooperation, as described for example in the wiki of Michel Bauwens’s P2P Foundation (<http://p2pfoundation.net/>). But the practice of commons is neither a miracle solution – as it does not work all the time – nor an anachronism belonging to the past.

If we consider the emancipating potential of commoning, we find ourselves at a crossroads between two important questions:

- How to manage commons in such a way that they become a lever for social and political change and for emancipation; and
- How to establish new rights to ensure that these changes are sustainable.

THE KEY POINTS

There are four key points that are worthy of consideration.

The first point: the relationship with knowledge

The concept of commons draws some of its emancipating powers from the synergy between the practical aspect of commons, which enables the resolution of a very concrete problem, and the common values of sharing, co-creating and preserving resources for future generations, as well as from democratic participation in the governance of commons.

But there is no problem without the knowledge and experience of those concerned. Commoning is based on the sharing of knowledge for the purpose of solving a problem, and also on collective action.

From free software user forums to the online exchange of information to bring down dictators, everything starts from the same precept: knowledge is shared so that every individual can progress from his or her own level, according to his or her own needs.

Differences become blurred:

- between producers and users: users are members of communities in just the same way as software developers, project owners, etc. This does nothing to change the balance of power;
- between non-expert knowledge and academic and technical knowledge: Wikipedia and other scientific publication channels are good examples of these phenomena; and

- there is a growing variety of cooperative work (Barcamp, Hackparty); set-ups can be different (from all to all rather than from one to all) and the focus is on action rather than on transmission.

The community is organised around the management of knowledge and the sharing of experience and creativity. The problem and the knowledge are part of the common in question. This does not mean that there is no balance of power. Quite the contrary.

The second point: the relationship between innovation and infrastructure

Managing resources as commons allows for innovations that neither the State nor the market can provide (which does not mean that the State and the market are incapable of innovating). Such innovation is facilitated by the freedom, the openness and the neutrality of commons infrastructures.

For example:

- the freedom of the computer source code;
- the openness of data;
- the neutrality of infrastructures such as the Internet.

But some innovations are more valuable than others. They are not all a good thing. They are indistinguishably social, technical and also political. It would be useful to have tools for analysing them in terms of their ability to improve quality of life, their social impact and their economic sustainability, on both a community and a global scale.

Third point: commoning as a movement

The majority of those involved in commoning adopt an approach based on horizontal experimentation, best practices and immanent innovation.

But societal and systemic change cannot be brought about simply by juxtaposing practices.

Thinkers and theoreticians who have broken with dominant ideology should be involved in describing/defining the commons.

More careful consideration is needed, along with the ability to put forward legitimate proposals and to overcome – both politically and in relation to the media – the obstacles in the dominant system that have an exclusion effect.

This means seeking new forms of interaction

with reformers, popularisers and others, in order to qualify as a movement. The *Occupy* and *Indignés* organisations are already engaged in this process.

The social appropriation of commons is linked to the type of popular education available: practical, research, training and politicisation.

Fourth point: the prospect of establishing new individual and collective rights

One way of legitimising commons is to establish new rights. The drive to develop such rights is gaining ground simultaneously in various parts of society. Communities establish their own rules, standards and rights. Think about the host of licences for which Creative Commons is an emblem.

They represent a set of individual and collective rights that can be divided into three categories:

- Access: equal rights of access to resources, i.e. water, energy, knowledge, communications, healthcare, education, etc., but also, for example, the right to gather information and to access information on the use of resources;

- Data protection and rights of use:

- the right to share, copy and reproduce
- the right to prohibit the use of a resource
- the right to enforce the precautionary principle
- the right to neutral platforms and infrastructures
- the right to plural forms of ownership
- the right and duty to protect global commons.

- Participation:

- the right to plural forms of collective community action
- the right to respectable work that does not infringe upon cultural diversity
- the right to transparency in the use and management of resources
- the right to take part in decisions about resources that affect the life and development of the community.

In the commons sector, there are multiple forms of resource production, preservation and sharing. Their coexistence implies:

- the recognition of interests that may be contradictory and the striking of a fair balance between parties; and
- the recognition of different types and sizes of institution: from the basic community to UN institutions.

WHAT NEXT?

The scope of commons-based law and this 'fair' balance are defined according to the balance of power that the commons movement is able to create. Once again, more careful consideration is needed, along with measures to organise the forces that are in a position to legitimately propose changes to the dominant system.

A number of initiatives are already coming together at international level, such as the proposals of La Quadrature du Net for "the reform of copyright and related cultural policies", of the Free Culture Forum in Barcelona for the reform of intellectual property laws in Spain and Europe, of Communia, and so on.

Commoning schools and universities are being created in various European countries and in Canada. And the Occupy and Indignés organisations are a sign of the level that the movement has reached.

Above all, there are results. For example the battles fought at the WIPO over intellectual property, the software patent in Brussels, the demonstrations in Quebec during 'Maple Spring' and the defeat of ACTA.

While the UN agenda (MDGs) is a source of new opportunities, it also poses a risk if the course and outcome of Rio+20 are anything to go by. The commons movement, popular education and the social and solidarity economy have everything to gain by working together. ■

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THE DIGITAL REVOLUTION DRIVING THE SSE: THE EXAMPLE OF SOCIAL PLANET

Social Planet is a collective intelligence platform dedicated to social and solidarity economy initiatives in Europe. The social network enables users to put themselves on the map, connect with others, discuss practices, sell services, learn, save time and branch out by pooling their skills and knowledge.

At present, Social Planet offers four types of service:

- free and open access to the social network;
- the sale of turnkey collaborative solutions: Social Premium;
- training on uses of Internet; and
- advice on participatory innovation.

2,100 companies in the SSE sector have joined us, 140 initiatives have been geo-located and 137 working groups have been launched: 31% on cooperation between networks, 16% on education and learning, 11% on the latest trends in collaborative consumption, 10% on employment issues (CAE-employment assistance contracts), 7% on advertising actions and 5% on sustainable development.

Social Planet meets the internal communication needs of large organisations (59%), the external communication needs of small associations (30%) and the remote project management needs of researchers and students (11%).

by **Nathalie Byent**

THE DIGITAL SECTOR, COMMONS, AND THE SOCIAL AND SOLIDARITY ECONOMY

*Debate at **Confrontations Europe**, 11 September 2012*

From open-source and free software to collective property and fab labs, a variety of new collective enterprises are emerging that seem to fit in well with how the social economy “traditionally” operates.

However, there is a great deal of confusion surrounding these new economic and political models. How do they operate? What role does the social and solidarity economy play in this new environment? Are we seeing a change of model? What are the links between real communities, which are a feature of the SSE, and virtual communities? For what private, collective, profit or non-profit purposes is information being used?

Digital technology is a digital commons that provides collective knowledge needed by the SSE and is itself produced by collectives. The “commons” concept is of a plural nature; it defines both common products AND the processes of sharing, and is linked with the concept of public service. Within the commons movement (commons referring to collective ownership and management systems), digital technology stands apart from natural resources and other tangible assets.

The market capitalism model is inadequate to describe the digital economy. Innovation is in need of new models alongside the capitalist model; there are bridges between them but they are not straightforward, especially when ecological considerations are added to the mix!

A number of questions must be addressed in regard to the SSE and the economy in general.

THE DEFINITION OF “COMMONS”

Whereby a distinction must be made between common products (goods), processes of sha-

ring and commons in the strongest sense of the term. This implies the ability to determine what falls into each category. The SSE is involved in the creation of commons, but not necessarily of goods.

THE “QUALITY” OF THE SOCIAL LINK

Commons belong to a community. Communities are the essence of the SSE. The strength and durability of the links created between members are therefore vital to its efficiency. But communities built around a product are less stable than those built upon decentralised solidarity, as in the SSE. They can break up more quickly as users turn towards other products (which is the case for the Internet). How do Web communities perceive solidarity? Is there a danger of community isolation? Is their perception compatible with that of the SSE? What about the danger of community segregation?

THE ECONOMIC MODEL

The core of the debate focuses on the role of different types of software, including commercial software, free software, open-source software (which the user can copy and change) and proprietary software (which only the author has the right to change). Just because software is open source does not mean that it is free; open-source software applications, which require a substantial investment, are more costly to produce. Proprietary software applications are more appropriate for mass consumption.

Some question whether the open-source approach can become universal. In fact, commercial companies are interested in “open source” because it comes with a large development

community. They therefore look for places where communities already exist, claiming that they will be putting money back into the community and that everyone will be a winner. So an open-source software market does indeed exist, but the private appropriation of some commons can come into conflict with the inalienable nature of collective property.

Moreover, different models are used within the digital economy. For example, smartphones are patented while the Internet is an open-access system. Large multinational companies are financing groups that are carving out an important place for themselves on the Internet. There are links and even alliances, be they temporary or long-term, between contributory models and the proprietary commercial model. However, when major companies decide to shift from products to services and therefore from ownership to use, access to services may be poached by a handful of large players. This explains the conflict over platforms in the digital economy, which exist alongside the barter economy that is also developing.

We need diversity, alternatives (rather than one alternative) and to create links between public, private and collective activities.

One of the things that this economy has in common with the SSE is its hybrid nature. In fact, the SSE is part of a plural economy and exercises a critical analysis of the notion of wealth. It questions the method of production and the role of hybrid forms.

In addition, the role of users is not the same everywhere: crowdfunding draws money towards the commons that we know (like Wikipedia), but it seems more agile in financing things we do not know!

DEMOCRACY

The SSE aims to democratise the economy. What sort of democracy can be expected from the kind of hypercapitalism that is at work in the digital economy alongside citizen co-creation collectives?

Users of digital technologies are engaged in an alienation/emancipation dialectic.

On the one hand, the availability of information, the accumulation of activities and dematerialisation promote sharing. They facilitate day-to-day

living and free initiative among contributors, thus fostering the creation of non-rivalrous, non-exclusive commons. As a result, they are playing a part in a new “economy of contribution”, which is much more rewarding for individuals.

On the other hand, digital technologies “eat up” time. They promote instantaneous decision-making rather than careful thought, which has been contaminated by hyperconnectivity. Broadcasting oneself on social networking sites tends to remove the boundary between private life and public life, which is more the goal of totalitarianism than the one of democracy.

Should we expect a revival of the capitalist platforms at work in the digital economy, or a democratisation of expression and creation? There is no clear-cut answer. ■

At 'La Nouvelle Fabrique', at 104, you find tools that can't be bought anywhere. For example, tools designed by a group of designers working on the theme of "how to make one's own tools". Micro-enterprises can thus be created for the purpose of designing, manufacturing and sharing, along with a common workshop for both professionals and amateurs using shared production tools. Only those who do the work get paid, not shareholders. An experiment worth watching!! Who attends? What impact does the choice of location have? Is it a place of transmission?

Vincent Guimas, La Nouvelle Fabrique, At 104, Paris

*“Generations”
and demographic changes*

ADAPTING SOCIETY TO THE AGEING OF THE POPULATION

by **Bruno Drevet**

“Besides the economic considerations, the ageing of the population inevitably leads to adjustments in social relationships and in the way we “live together””.

D IFFERENTIATING BETWEEN AGEING AND INCAPACITY

It would be a mistake to reduce the issue of the ageing of the population, and therefore of our society, to providing care for dependent elders and funding the pension system. Besides the economic considerations, the ageing of the population inevitably leads to adjustments in social relationships and in the way we “live together”.

The significant growth of the so-called elderly population is no longer news to anyone. Likewise, the totally foreseeable prospect that, within the next few decades, one French person out of three will be over 60 is no longer likely to surprise any of us. The real problem lies in the fact that – unlike other European countries – we have failed to prepare ourselves adequately for this challenge. Startled by the unexpected increase in the number of very elderly people, we have gone right off the track, focusing almost completely on a single solution which consists in medicalising old age¹³.

Yet the net decrease in disability-free life expectancy means *that we are living longer and healthier lives*. Many conditions can be treated, the onset of chronic illnesses is being delayed and far fewer lives are shortened by strenuous work. But the significant increase in the number of elderly people with degenerative diseases conceals the fact that more and more elderly people are in good health. 1,150,000 French people above

the age of 60 are recognised as being mentally or physically dependent, i.e. less than 9% of the age group, and it is not until the age of 85 that the proportion of dependent people exceeds 10%. Above the age of 90, one in four people are considered as being mentally or physically dependent. Which means that 3/4 suffer from normal, age-related disabilities only!

This short introduction does not aim to minimise the real, age-related difficulties experienced by growing numbers of people, but it attempts to clarify the vital challenges facing the most elderly so that action can be taken where required.

So, what practical steps should be taken?

First of all, as Professor Tubiana suggests, we need to set aside what could be termed as the purely “medical solution” and restore old age to its rightful place in human lives, i.e. in a society which, in many ways, regards it as insignificant and shameful because it is troublesome and costly. The medicalisation of old age – which has led to sly accusations of excessive health expenditure – and the growing attention paid to some conditions that are occurring more frequently simply because the number of elderly people is rising – despite the fact that they affect only a fraction of the most elderly – have played a significant role in the disparagement of old age in France. Old age is perceived as a shipwreck and a social disadvantage, to the extent that recent measures have fostered further confusion between age and disability.

¹³ Ageing is “a natural physiological process that all living beings must go through. It should be clearly presented and explained so that society does not have a distorted image of it based on preconceived ideas, and gives elderly people the place they deserve. [...] No progress can be made as long as the general public has an outdated attitude towards ageing” (quote from Professor Maurice Tubiana, in 2005, in his report to the National Academy of Medicine on maintaining social inclusion of the elderly [Le maintien de l’insertion sociale des personnes âgées]).

TAILORING INFRASTRUCTURE TO THE ELDERLY

The second major area of concern, which must be addressed if we are to successfully tackle the problem of the ageing population, is how to improve the living conditions of the most elderly in towns and cities of all sizes by:

- providing easily accessible, ground-floor accommodation that takes into account age-related disabilities and makes life easier for people with declining physical function;
- creating a living environment in which it is safe and easy to move around, from building lobbies to public places, and by taking age-related disabilities into consideration when designing towns and cities: appropriate street furniture, traffic separation, easy access, signs, pavement and road surfaces, protection of obstacles, etc.;
- setting up local shops and services; and
- providing on-demand public transport services.

The law of 11 February 2005 and its decrees lay down a number of obligations.

The majority of elderly people prefer to continue living in their own homes, since the desire not to rely on others – including children and grandchildren – remains very strong to an increasingly advanced age. Furthermore, while many people dread going into care, we know that only a few of the most elderly will actually do so, some of them by choice. However, one option should not exclude the other. It would be dangerous to focus single-mindedly on keeping people in their own homes, just as dangerous and illusory as believing that the medicalisation of residential care homes is the only way to meet the needs of the very elderly.

THE FINANCIAL COST OF AGEING

The third major area of concern – which must be addressed if we are to successfully tackle the problem of the ageing population – is how to finance the cost of caring for growing numbers of vulnerable and often dependent people, in a fragile state of health. 85% of so-called “dependent” elderly people are aged 75 or above. The expected rise in their numbers will generate much greater requirements in terms of funding and specialised accommodation and care facilities, although the proportion of dependent people will not change.

Another implicit debate: is old age a risk, like illness or unemployment for example, which implies that it can be avoided or that it is accidental; or is it a normal development in a person’s life, meaning that each individual person must prepare for it and deal with it as his or her means permit? Whatever our reply to this question, a solidarity mechanism must be set up to tackle an increasingly probable situation.

Bearing in mind the current crisis, is it fair to believe that public policy – regardless of the authorities concerned – is able to provide all the answers needed? To adapt our environment, and manage home services, accommodation, care, activities, transport, etc.? The needs are considerable and the profit-making private sector has quickly shown its limits in this area, quite simply because it targets only the small proportion of the population that can afford it or that is covered by the exclusive social protection system. The non-profit private sector, which is traditionally very involved and very active in the healthcare and medico-social sectors, is itself highly reliant on public policy.

However, the social and solidarity economy has considerable development potential insofar as responding to and tackling the ageing of the population is concerned. But to be credible, the SSE must prove not only that it is efficient, but also that it can be inventive in a highly regulated environment involving vertical decision-making processes.

The SSE is close to elected officials as it deals directly with the needs and expectations of the population; it is at its most valuable when it adopts a two-way approach that supports and respects the life paths chosen by different people. By inventing new solutions and exploring new avenues in respect of accommodation, support, urgent and non-urgent services, care, catering, organisation and responsibility sharing, the SSE represents an ideal knowledge-sharing opportunity for the authorities that work alongside it. ■

“JUBILACIÓN”, “TRANSITION TOWARDS A USEFUL RETIREMENT: PROMOTING A “DO-IT-TOGETHER” ATTITUDE IN THE NEW GENERATION OF 55 TO 75 YEAR OLDS

by *Philippe Chabasse*

“We have to stop thinking that drawing one’s pension means withdrawing from life”.

WORK OPPORTUNITIES FOR YOUNG PENSIONERS

The ongoing debates on the issue of retirement age often conceal a fundamental aspect of the present demographic revolution. The increase in the number of healthy years lived between the end of our professional life and the onset of dependence that awaits many elderly people has led to the emergence of a “new” generation. Do people between the ages of 55 and 75 really see themselves as belonging to the category of “non-active” persons into which they are catalogued by our administrative system? Should they be happy just to benefit passively from national solidarity, or could they play a full and active role in providing this solidarity?

The place and role of senior citizens in this new and increasingly grey world will be decisive in terms of preserving economic, social and societal balances. Senior citizens must realise that the end of their professional life is not an end in itself, and that retirement should be seen as a new beginning. We have to stop thinking that drawing one’s pension means withdrawing from life.

Of course, most members of this “pivotal” generation already provide end-of-life care for their parents and help their children and grand-

children cope with everyday difficulties. But all pensioners want to remain active and useful, and to continue feeling part of the community. However most don’t, either through insufficient knowledge or fear. The level of involvement of senior citizens in providing services of general interest is only slightly higher than that of other generations.

A GOOD TIME FOR VOLUNTARY WORK

To preserve and develop our social, sports, cultural, solidarity and rights protection activities, we have no other choice but to mobilise senior citizens to get extensively involved in the voluntary work of associations. Associations for whom the 700,000 people who retire every year are an extraordinary pool of potential helpers, to assist them in continuously developing their activities.

At both the local and regional levels, we need to introduce policies to facilitate the transition from work to retirement and to encourage future and young pensioners to get involved in volunteer work. We must show them that retirement is a new beginning, and that they can dedicate some of their time and their skills to promoting social cohesion and creating a fairer, more inclusive and hopeful society. ■

THE ANTHROPOLOGICAL CRISIS AND THE SOCIAL AND SOLIDARITY ECONOMY: ITS CRYSTALLISATION IN THE AGEING POPULATION

Debate at *Confrontations Europe*, 12 June 2012

Societies in Europe are becoming societies of free individuals linked by contractual relationships; individualism and self-fulfilment are increasingly important compared with community ties. Consequently, as the population continues to grow older, it seems likely that the social and solidarity economy will need to play an ever more permanent, front-line and bigger role.

As a result of the growing increase in life expectancy during the 20th century, most French people will live for almost two decades after retirement age and many will live to be over ninety years of age. This demographic shift has resulted in two new phenomena:

- The emergence of a new, active generation comprised of young pensioners aged between 55 and 70, who are engaged in selected activities of general interest and, in that respect, participate in the social and solidarity economy; and
- An increase in the number of single people and couples who rely on others for their daily needs, and for whom housing is a fundamental concern and medical care an inappropriate response.

Has the situation of the elderly been worsened by the individuation of contemporary society, with “young” people placing their parents and grandparents in the care of society so as not to undermine their own personal development?

Of course, the irenic image of a family protecting its most aged and vulnerable members needs to be put into perspective: in the Middle Ages, urban working-class babies were entrusted to paid wet nurses who took little care of them, and 20th century literature recounts many tales of old people who were mistreated because they were taking too long to die.

Nowadays, the whole of society must come up with solutions to the difficulties encountered by the elderly in their everyday lives, in other words the State, the market and the social and solidarity economy – bearing in mind that the private business sector accounts for only 8 to 10% of the services on offer.

The issues that need to be addressed are not only technological in nature, but personal. It is therefore vital that we establish a climate of trust. One of the failings of the solutions proposed so far has been that they do not recognise this fact. When people have to relinquish their old way of life for a new one, solitude is a fundamental concern; they have to settle into new communities, with new patterns of consumption.

The response must come from organisations that not only participate in the economy but also create social ties. Therefore, the challenge consists in working with a “desectorised” social and solidarity economy that is regarded as a form of economy and a set of practices – rather than a “separate”, “external” sector – and provides its share of answers to questions facing the whole of society:

- *Demographic changes, the anthropological situation, care for vulnerable people, death, the individuation crisis and the skills and training needed to address these issues:* the parties involved must not only be competent economic entities, but also creators of social connections – although the growing distrust among the most elderly and their reticence to forge new connections should not be under-estimated. In Japan, the creation of new forms of employment has enabled the social integration of the elderly, thus improving their living conditions; an exchange system has been invented there, allowing elderly people to obtain home help.

- *The distribution of roles between the different players based on Polanyi's 3 principles of exchange (market / redistribution / reciprocity), the issue of competition between them and the existence of captive markets:* reciprocity is at the heart of all relationships in the social and solidarity economy. It occurs within a non-trading context, in at least two forms: with a time delay, i.e. those who provide help today hope that they will be given help when they become dependent; through the positive self-image that the helper gains, i.e. to establish reciprocity there must be trust. But it is still unclear what drives reciprocity among people, argues Philippe Herzog. Boltanski talks about love as a skill. What sort of love? Intense? Christian? While reciprocity is a pillar of the social and solidarity economy, it is also a lever in the other forms of coordination (redistribution, market): if the SSE is not specialised, what sort of global governance system should be envisaged with respect to the 3 principles?

- *The gender question.* The people who work with the elderly are mostly women who have entered the job market late, and whose "life" experience carries more weight than their professional skills.

Therefore, a statute should be established to ensure that they are treated in the same way as those working in other sectors.

- *The question of trust, notably with regard to the welfare reform strategy in Europe.* Is the term "social contract" still appropriate to define the relationship between the State and society, when the income gap between the average pensioner and young people is growing? Since pensions are a socially-accepted right, which fall within the scope of insurance rather than welfare, how can the contract be changed along the way, for example to reform pay-as-you-go pension schemes that must be both guaranteed and adaptive? Breaching the social contract would undermine trust, emphasises Philippe Herzog.

Any reform of European welfare systems must take invisible welfare into consideration: helpers and family members have not set aside their willingness to help. The new social contract must help the helpers.

- *The urban issue, encompassing transport and space.* The question of urbanisation must be addressed from an intergenerational perspective. ■

RECIPROCITY/INDIVIDUATION: THE ROLE OF THE SSE

According to Alain Lipietz¹⁴ the solution to the current crisis does not lie in a New Deal modelled on that of the 1920s. The economic and financial crisis is in fact coupled with an ecological and an "individuation" crisis.

"Individuation" results from the disintegration – particularly marked in Europe – of the family and the church which, traditionally, were havens of solidarity in the form of "holism" (each individual is part of a whole). At the end of Antiquity, an aspiration to self-fulfilment emerged, as shown by Louis Dumont.

Of course, the holistic way of life could be oppressive, trapping women in family communities, but the irreversible process of individuation has gradually prevailed over reciprocity. The SSE embodies both a feeling of revolt against this process and the recognition that there are other forms of relationship between individuals besides the State/market relationship: caregiving cannot be bound by commercial considerations. Alain Lipietz refers to:

- Polanyi, who identifies three types of coordination relationship in society: market, redistribution and reciprocity. The latter is the essence of the social and solidarity economy; and
- Foucault's notion of care: "care" is related not only to self-sacrifice but also to self-governance, which fits in perfectly with an economy of trust.

In reciprocity, the "contract" is based on the general idea that people help others because they believe that, one day, someone, the community, will give them help when they need it. These issues are crystallised in the population ageing process. The current situation raises some fundamental problems:

- The continuing existence of the traditional right to care and of the family, when feminism is partly based on the rejection of "self-sacrifice" within the patriarchy; and
- The search for a pseudo form of communitarianism generated by an uneasiness with individualism, which is reflected in the different forms of fascism, in the populism that is particularly active in eastern Europe today, in the growth of Pentecostal movements and in a certain type of Islam. It is worth noting that the countries hit hardest by the crisis in Europe are those that have only recently discovered the market.

The SSE provides a positive response to individuation, notably in regard to:

- elderly people for whom reciprocity is lacking;
- accommodation, as attitudes towards parent/child reciprocity have changed;
- extra-curricular activities.

Large companies and public service delegations cannot be relied upon to solve these problems, the responsibility for which always "falls" on the shoulders of women: while self-enterprise is making a strong comeback, associations are the best way of avoiding domesticity.

¹⁴ Speech made to the social economy working group of Confrontations Europe on 12 June 2012.

*New forms of employment
and of social protection*

MUTUALS: INNOVATIVE SOCIAL ENTERPRISES IN FRANCE AND IN EUROPE

by **Arielle Pieroni-Garcia**

“Mutuals are able to fulfil social needs and to make the public interest the primary focus of their activities. They strive to achieve greater social inclusion and cohesion by providing high quality services for everyone, regardless of their circumstances”.

SUMMARY OF THE FRENCH MUTUAL SOCIETY'S POSITION ON SOCIAL ENTREPRENEURSHIP

Mutuals play a key role in ensuring social cohesion in the European Union, particularly in the welfare, health, social, medico-social and health insurance sectors. They founded the European and French social protection systems and are still essential pillars of these systems today.

Mutuals are able to fulfil social needs and to make the public interest the primary focus of their activities. They strive to achieve greater social inclusion and cohesion by providing high quality services for everyone, regardless of their circumstances.

Mutuals descend directly from mutual aid societies, which, in the 19th century, asserted themselves as the constituent force of a united and inclusive model of society. Because of their social objective, mutuals play an innovative role in the health, social and medico-social sectors; they offer a comprehensive service package and innovate to meet the needs of their members¹⁵.

Mutuals employ an approach based on the non-selection of risks and are organised on a long-term basis in order to meet the needs of their members. They operate through a system of intergenerational solidarity.

They do not pay dividends to shareholders and any profits either go into the reserves required by law or are assigned to projects for the benefit of their members.

Mutualism is recognised as a representative social movement and takes part in discussions on healthcare reform. Hence its members sit, in an official capacity, on national and regional healthcare and health insurance bodies. Mutuals play an active role in medical and social democracy.

They have a very strong local presence, as they create strong local links through their healthcare and social services and promote jobs that cannot be relocated.

Mutuals also implement *strict principles of governance*:

- 1 person = 1 vote; each member has one vote in the General Assembly;
- As far as their insurance activities are concerned, they differ from their private-sector, profit-making counterparts in that, in the event of their dissolution, their profits go to other mutuals or non-profit organisations; and
- Mutuals are run by an administrator, who is elected among and acts in the interests of the members. The administrator is not paid and receives only compensation.

¹⁵For example, the public showers built in the Hérault region in 1906 and 1907, and the healthcare helpline *Priorité Santé Mutualiste* that is in operation today.

MUTUALS ARE SOCIAL ENTERPRISES IN THE EUROPEAN SENSE OF THE TERM

Mutuals are fully-fledged social enterprises that meet the three criteria laid down in the Initiative for Social Entrepreneurship; they are also key players in the Europe 2020 Strategy¹⁶ and are able to address a number of challenges in terms of social inclusion, employment, social innovation and healthcare. They even go further than that, as their structure and organisation enable them to fulfil the social interest objectives that characterise them.

In addition, these social enterprises employ a universal approach that is largely ignored in European texts: they operate through an intergenerational system of solidarity that is intended to benefit all of their members and not just those in a vulnerable position.

Mutuals are enterprises in the economic sense of the term. They create jobs and social value, and provide services to almost 230 million European citizens. Therefore, they are a powerful factor of economic regulation and cohesion at a time when the economic and financial crisis is depriving States of the means to implement solidarity policies. As they are relatively unexposed to the ups and downs of the financial markets and to speculation, mutuals are proven to be more crisis resistant¹⁷. Hence the promotion of the mutualist model is regarded as an important task at European level. *Mutuals, as social enterprises, believe that social entrepreneurship must expand its activities to include more than just social repair if it is to meet the inclusion and economic growth targets set by the Commission.*

SOCIAL INNOVATION AT THE HEART OF MUTUALIST ACTIVITY

Since 2009, the European Commission has been promoting social innovation as a means of tackling current social challenges together. It now also recognises that social enterprises have a key role to play in social innovation, which it believes consists in:

“tapping into the ingenuity of charities, associations and social entrepreneurs to find new ways of meeting social needs which are not adequately met by the market or the public sector. [...] As well as meeting social needs and tackling societal challenges, social innovations empower people and create new social relationships and models of collaboration” (European Commission, 2020 Flagship Initiative, 2010, p. 24).

Mutuals pioneer social innovation in order to meet the needs of their members. They play a key societal role, firstly because they provide a network of high-quality services and organisations that are accessible to everyone and, secondly, because their governance model and their network of activists help to promote democracy and citizenship. A document will be produced on the subject of social innovation in mutuals, which will highlight the best practices adopted by mutuals and thus illustrate their involvement in innovation. The plan is to distribute this document widely, and in particular to European decision makers.

Lastly, mutuals play a *general interest role* and are called upon to innovate in this respect too. Hence they have started to develop tools for *measuring the social service rendered* by their services and their activities, in order to demonstrate their societal added value and stimulate discussion on the responsibilities that mutuals have besides refunding healthcare costs. ■

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¹⁶ In March 2010, the European Commission presented its new ten-year strategy, designed to get Europe's economy back on track. The strategy is called Europe 2020, and it reforms and extends the previous Lisbon Strategy by enforcing tighter governance within the Union. It aims to develop “intelligent, sustainable and inclusive” growth based on greater coordination between national and European policies.

¹⁷ Study on the current situation and prospects of mutuals in Europe, 12 November 2012. European Added Value Assessment (EAVA), European Parliament, PE 494.461 EAVA 1/2013.

THE PROPOSALS PUT FORWARD BY MUTUALS

Mutuals ask that the specific features of this different form of entrepreneurship adopted by social economy enterprises – and particularly the mutualist model – be taken into account in European policies designed to promote growth within the Single market.

They welcome the measures taken by French and European bodies to foster the development of social enterprises. Within this context, they also draw attention to a number of points:

- the work undertaken to establish a definition of social enterprise is of the utmost importance. In this respect, mutuals invite the public authorities to delve deeper into the notions of participative governance and controlled profitability which, in their opinion, are key to the sustainability of projects conducted by social enterprises and of the societal service that they deliver, thus contributing to the long-term perspective that is crucial to European society;
- the work undertaken on the visibility of social enterprises is vital. Mutuals invite the public authorities to include all forms of social enterprise, including mutuals, in their communication campaigns; and
- The work undertaken on the financing of social enterprises is extremely interesting. Mutuals invite the public authorities to facilitate access to funding for all partnerships, in particular those with asset locks. They also invite them to open up access to funding for social enterprises of all sizes in order to encourage both small and large-scale on-the-ground projects having a positive societal impact.

EUROPE AND THE SOCIAL RESPONSIBILITY OF EMPLOYERS IN THE SOCIAL AND SOLIDARITY ECONOMY

by *Sébastien Darrigrand*

“UDES aspires to a social economy that acts as an economic agent rather than a reparative economy, capable of acting on the market and developing a model that is not alternative but inclusive”.

A T THE BEGINNING: THE CREATION OF AN EMPLOYERS' UNION

The French union of employers of the social and solidarity economy, UDES, was born on 24 June 2013 from the transformation of USGERES (union of trade unions and employer groups representing the social economy), which the SSE movements had created in 1994 so that Uniformation – the organism in charge of collecting contributions for vocational training in the sector – could set up an ad hoc committee able to conduct talks with trade unions.

In 2001, USGERES took on the task of representing employers in the sector and, in 2004, established a negotiating capacity commensurate with the multi-professional nature of the SSE. At present, UDES' members comprise 25 associations, cooperatives and mutuals representing 14 professional sectors across 20 regions. UDES is a well-established employer representative focusing in particular on dialogue practices and employment quality.

It is the only organisation of its kind in Europe. There is nothing like it in either Spain or Belgium, whose models are the most similar to ours, or in Anglo-Saxon countries, whose models are based on a reparative rather than economic charity-based approach.

There are some sector-based networks, but there is *no other multi-professional social entre-*

preneurship organisation in Europe that is able to participate in cross-industry and cross-sector social dialogue on a European scale.

In European cross-industry social dialogue, UDES is not represented by either Business Europe, or UEAPME, or any public-sector companies. In the case of cross-sector social dialogue, how can the social economy be equated with the metallurgy and hospitality sectors, our approach being essentially cross-disciplinary.

Hence there is room for a multi-professional social entrepreneurship organisation at the European level, but with whom? What stance would it take on behalf of employers, and what social responsibilities would it encourage?

UDES aspires to a social economy that acts as an economic agent rather than a reparative economy, capable of acting on the market and developing a model that is *not alternative but inclusive*. Hence the need for a Ministry of Social and Solidarity Economy, accountable to Bercy.

This raises the question of how to protect the model and the economic and financial development levers accessible to SMEs:

- access to structural funds; and
- access to loans for innovation, to the development of equity capital (Oséo and CDC in France).

This in turn raises the issue of scope, which is different from country to country and is the subject of debate even in France.

LINKS BETWEEN EMPLOYER ETHICS AND PRACTICES IN THE SOCIAL ECONOMY... WHAT DO WE MEAN?

What are the specific characteristics of the management approach adopted by employers in the social economy? In other words, are employers in the social economy more ethical than other employers simply *because of their status*? Should they behave differently, bearing in mind that the problems encountered by employers are the same whatever their company's status? *Do they apply the principles that define the social and solidarity economy, i.e. solidarity, democracy and responsibility, within their organisations, in their collective and individual working relationships?*

We must establish, internally, our own definition of employer social responsibility, and not just use it as a marketing tool to buy ourselves a clear conscience.

This definition could *become a marker of our credibility and of the complementarity and differences* between us and commercial companies. It would involve two challenges:

- *A challenge of identity* and education: a social economy employer identity based on the link between SSE values and practices must be evidence-based, otherwise all action is vain since it is purely declaratory and based on the statement of values alone. We do not believe in the presumption of virtue, that SSE employers are genetically programmed to be morally good! The main thing is to act responsibly!
- *A challenge of legitimacy* for social economy employers' unions, within the employer function. itself.

The *actual situation of SSE employers* must also be taken into consideration:

- There are a majority of SMEs and very small enterprises, in which the human resources function generally lacks structure;
- There are *cyclical and structural vulnerabilities* (decline in development resources, systematic invitations to tender vs. multiannual subsidies, etc.), which prevent long-term job security.

Before anything else, it is important to ensure that employers comply with labour law and with collective bargaining agreements. Here are our own core principles for better reconciling ethics and daily practices in labour relations:

- Activity as part of a *deeply rooted local economy*;
- *Voluntary* employer commitment;
- The integration of social responsibility into the management of human resources to *promote and develop employment quality*;
- *A reasonable gap between the highest and lowest salaries* in the company (from 1 to 10); and
- Consideration of the constraints faced by managers of small and medium-sized companies.

In 2007, USGERES adopted a declaration to promote employment quality and develop corporate social responsibility in the social economy through four strategic objectives:

- The development of long-term employment (measures to promote social and professional integration, social advancement and vocational training);
- Non-discrimination and promotion of diversity;
- Social democracy; and
- Corporate social responsibility through 30 indicators allowing both the quantitative and qualitative assessment of trends.

SOME CONCRETE EXAMPLES

Here are some concrete examples:

- *Thresholds for the appointment of employee representatives* have been lowered in several small associative sectors;
- Occupational health in the integration workshops and projects branch and in social centres, with the creation of a *healthcare and working conditions body (ISCT)* in companies having less than 50 employees;
- An agreement on *lifelong vocational learning* in 2006 ensuring that all companies, whatever their size, contribute 1.6% of their gross payroll to training; and
- The 2011 agreement on professional career paths ensuring among others that the individual training rights of all employees – including those who resign – are transferred between different branches and sectors of the social economy, which is an improvement on law.

Our approach to social dialogue is thus aimed at gradually improving employment quality. ■

SOCIAL AND SOLIDARITY ECONOMY, NEW FORMS OF EMPLOYMENT, NEW FORMS OF SOCIAL PROTECTION

Debate at Confrontations Europe, 26 October 2013

The discussion of these subjects was particularly productive: is the SSE a force for social change that will ultimately result in a new form of economic democracy, or is it a means of social repair through the activities of integration enterprises and the maintaining of services in disadvantaged areas?

There is no *European legislation on SSE companies* for several reasons:

- Firstly, the Member States have different definitions of the SSE: for some, the SSE is a set of people-centred companies, defined as such by their articles of association; for others, the SSE includes social enterprises in the form of 'conventional' stock corporations;
- Secondly, in European law, business and individual rights take precedence over collective rights. At present, the question of social rights and legislation relating to SSE companies is addressed at national level rather than Community level.

Should we:

- create another breach in the *production of collective legislation*, for collective enterprises, that is separate from social legislation?
- transform every law originally designed for stock corporations into a 'mirror law' for the SSE, and create rules with the help of voluntary legal experts? Think about including the SSE in the activity segments listed in administrative documents and used for the purposes of statistics?

The debates on the possibility or the necessity of creating European legislation raise questions regarding the *ideological foundations* of the SSE.

Is the SSE – as a set of heterodox practices with a social repair objective – part of the capitalist system through the workers it employs and the vulnerable people it helps? By redistributing revenue and helping the most underprivileged, it has earned a place in a system that combines fundamental rights with liberal economic development. But isn't the SSE identified by its desire to bring about a social transformation of the capitalist system?

Whether the SSE is a vehicle of social transformation or not, some would like to see the introduction of indicators. Generally speaking, however, the 'Community' of European countries produces rules; going too far in this direction could snuff out the forces of change. It would make sense to step up cooperation between a handful of countries.

SSE companies have to deal with the issue of *democracy* on two levels:

- Firstly, with regard to users. User participation must be one of the specific characteristics of associations. People should be encouraged to join management boards again;
- Secondly, do labour relations in the SSE comply with a particular set of ethics? In fact, SSE companies employ people enjoying the same rights as everyone else. Their strengths lie in the long-term nature of the jobs they provide and in the employment of women. But they largely consist of very small and medium-sized enterprises, which are structurally fragile; some of them do not have a social dialogue system or a specific approach to restructuring, and they have difficulties in maintaining a democratic culture.

So there is a great deal of controversy and conflict within the SSE, but the fact that it accepts its position as a constant challenge makes it stronger. There is perhaps no reason why the SSE should behave noticeably better than others when it comes to social dialogue: the latter is healthy nonetheless, including in the public services and the SSE, and should be considered separately from the “social” objectives of such services and organisations. No organisation has a monopoly of ethics; it is simply more shocking to be a victim of social conflict in this sector. The goal of the SSE is a form of ethics in itself. SSE employers are expected to produce a set of fundamental principles for changing the social relationships in their companies; they need to work on the very form of labour relations. The professionalisation of administrators should also be considered: how do we escape from the democracy of experts? The SSE should refuse to just churn out standard answers.

And, last but not least, we come to the question of the ‘*economisation*’ of activities without commodification. Some are able to address the subject in a relatively positive manner. SSE practices reflect the existence of citizen-driven activities that resemble business activities, hence “economisation without commodification”. The appropriate legislation for a non-market economy remains to be created. How can we prevent the SSE from gradually replacing public services?

In short, should the SSE be a “social movement”?

- If the answer is yes, then it would be a real collective force that would brush off the third sector label for good. However, the drawback is that such an approach runs contrary to the idea of transforming capitalism «from within» and underestimates the importance of forming alliances with other economic agents, which are needed to weave the ESS into the economic fabric;

- If the answer is no, then the specific features of the SSE – as a set of economic practices capable of meeting new needs in a service economy – would be reaffirmed. But such an approach could destroy part of the SSE’s identity and further encourage rationalisation in a sector that is not prepared for it.

We must therefore address the broader question of the SSE’s contribution to the *democratisation of the economy* (by counting on relations with users, the modes of governance implied by the grouping together of people, etc.), without forgetting the “traditional” issue of *industrial democracy*, centred around employee representation and collective bargaining. The two approaches to democracy have to be reconciled; isolated one from the other, the first could lead to a distancing from the work environment, the second to a movement running counter to the cooperative tradition.

In any case, we have to stop trying to define an ideal form at all costs – contradiction and reflection can be fruitful. ■

*Funding methods
and solidarity-based finance*

SOCIAL INFRASTRUCTURE AND THE INTERNAL MARKET

by *Claire Roumet*

“Consumer citizens are coming together and joining forces, wiping out intermediaries and boosting their purchasing power by grouping their needs and sharing their goods. Producer citizens are becoming energy independent, sharing their know-how and creating free software”.

Social infrastructure, which is often thought to consist of educational and healthcare facilities only, is an integral part of the public goods needed to make a region economically competitive, and is hence a top investment priority in regional policy (Article 3 of the ERDF proposal for 2014-2020¹⁸). But it is also because social infrastructure is regarded as having a “local” focus and little cross-border impact that it was not taken into consideration in the construction of the single market.

“The Union shall establish an internal market. It shall work for the sustainable development of Europe based on balanced economic growth...” (Art 3.3 TEU). Social (and other) infrastructures are all equally essential to the generation of growth and innovation and, above all, promote the development of human capital.

BETTER UNDERSTANDING THE COMPLEXITY OF THE STAKEHOLDERS AND THEIR ROLES: THE FIRST STEP

These infrastructures often have a hybrid status that does not fit in with any of the already very

numerous types of contract that exist between government bodies and public, private (or other) service providers or lessors/owners. Public Private Partnerships, concessions, delegations, partnerships, voluntary work... where does the commodity end and the service begin? There are so many questions to which the answers, after years of debate, are all the more unclear because of the porous and shifting nature of the boundaries between different forms of enterprise or products/services.

For 20 years, and since the Single Market Act came into force, European Directives have been trying to establish a common language that will enable companies in all the Member States to understand each other, to work together and to trade, citizens to exercise their rights as consumers and workers, and investors to distribute their capital. The rules and standards that govern products, contracts and transactions are “universally” applied to all players, regardless of form. They do not take specifics into consideration, which is why social enterprises have struggled to find their place. But these rules and standards have not stopped them from developing;

¹⁸ One of the legislative proposals adopted by the European Commission on 6 October 2011, aiming to define the EU cohesion policy for the period 2014-2020, was the possibility of using the ERDF to support investments in social infrastructure, healthcare and education (http://ec.europa.eu/regional_policy/what_future/proposals_2014-2020). The purpose of the European Regional Development Fund (ERDF) is to increase economic, social and territorial cohesion in the European Union by rectifying regional imbalances. The ERDF supports regional and local development in order to ensure that all thematic objectives are met; to do this, it defines detailed priorities that put the accent firmly on:

- research, development and innovation;
- facilitating access to and improving the quality of information and communication technologies;
- climate change and the shift to a low-carbon economy;
- supporting SMEs;
- general economic interest services;
- telecommunications, energy and transport infrastructures;
- enhancing institutional capacity and the efficiency of public bodies;
- social, healthcare and education infrastructures;
- sustainable development in urban areas.

neither have they caused them to collapse. Public procurement rules have made partnerships less flexible, but they have also clarified them.

The common language that it has taken 20 years of discussion to develop is still very rudimentary. It is not neutral; the system it promotes for managing public goods and services mirrors the management methods used by large companies. It needs to be completed, improved, adjusted and updated.

This will perhaps require specific legislation (positive law on SGEIs), or a relaxing of existing rules governing social goods and services. No doubt the notion of “effect on trade”, which is rather out-dated in a world where everyone is communicating, trading and cooperating with the entire planet, will have to be revised.

In addition to having to adopt a more effective approach to diversity and no longer viewing the world as split into different camps (public/private, economic/non-economic), the common language needed for corporate growth and to increase human mobility is today developing in new areas, which are no doubt complementary but should be better integrated into the deepening of our European Economic Area. Consumer citizens are coming together and joining forces, wiping out intermediaries and boosting their purchasing power by grouping their needs and sharing their goods. Producer citizens are becoming energy independent, sharing their know-how and creating free software. These new trends must be developed; exchange and cooperation between peers are a source of innovation and social vitality. They should not be supported using the instruments of the past – such as codification – but perhaps by creating common areas of exchange, the transparency and secure access of which would enable rapid expansion.

BETTER DEFINING SOCIAL ENTERPRISES

The European “Social Business Initiative” Communication of 25 October 2011 is a long-awaited and significant step towards the recognition of diversity in business initiatives. The proposed definition refers not only to the business and services/goods produced, but also allows for the fact that the two may be connected.

“OECD Better life index, social impact assessment, whole-life cycle evaluation”: it is widely

acknowledged today that standard accounting systems are inadequate, particularly when it comes to public spending, and that long-term costs and benefits must be reassessed, taking into consideration social and environmental factors. But, as yet, no common language has been developed regarding sustainable development measures, which remain optional. Yet the current budget crisis provides an ideal opportunity to implement an ambitious public spending reform project, to reduce spending in the future by supporting social investment today.

LOCAL, REGIONAL AND NATIONAL SOCIAL INFRASTRUCTURES: EUROPEAN PUBLIC GOODS SEEK INVESTORS

It is difficult to put a figure on overall social infrastructure investment across all 27 Member States, but it is affected by similar trends in the Union’s member countries: scarcity of loans and government spending restrictions (cuts in education, healthcare and welfare budgets in particular). Moreover, the social needs of an ageing population with a high rate of unemployment and increasing poverty are rising dramatically.

What European instruments (and policies) are available today and remain untapped?

- The European Investment Bank does not have any priorities in terms of social infrastructure, but it is, by definition, the most appropriate instrument;
- The cohesion policy and the structural funds allow for social infrastructure investment;
- The “Social Business Investment Funds” are indeed aimed at investment in social enterprises, but not necessarily in social infrastructures; and
- EU project bonds: for social infrastructures, “thematic” EU bonds could be developed alongside “project bonds”. Financing social housing in several countries at once increases volume, and mass, which makes sense for investors, and ensures the periodicity of issues.

The bigger the system, the less costly it is. At a time of budget restrictions, it would be a shame not to create a level playing field across Europe and to guide investors who, following the application of necessary prudential rules, are looking for new sectors in which to invest. ■

FOR A SOCIAL AND SOLIDARITY ECONOMY CONSORTIUM IN PRISONS, IN FAVOUR OF REINTEGRATION

by **Hervé Bombyd-Eidelman**

The project aims to ensure that the SSE is able to play its rightful role in establishments managed by the prison service, so that:

- *social enterprises are able to provide prisons with the services they need to operate on a daily basis: catering, laundry, maintenance of equipment, upkeep of buildings; and*
- *they are also able to supervise the paid work of prison inmates, whether this be in production workshops or remote employment. The ethical, social and environmental focus of social and solidarity undertakings facilitates the reintegration of prisoners upon their release.*

The gradual commodification of prisons seemed to us an excellent foundation on which to base talks about a new approach to the relations between the State, the social and solidarity economy and the popular education sector.

Public-Private Partnerships make no sense at all in economic, social, administrative or human terms, and many Members of Parliament in both sectors agree. One UMP Senator has even described PPPs – which are expected to cost the State some €60 billion by 2020 – as an “atomic bomb”. For this reason, we must establish a partnership relationship with the prison administration system, rather than a service provider relationship. But nothing can be done without the input of prison officers, executives, probation officers and court office officials, who could be described as “specialists in human management” and without whom nothing would be possible in terms of reintegration.

The French public, far from being ignorant, is pushing us to introduce fresh initiatives, establish new models and define new values that

reflect their daily lives and enable them to live in a dignified and self-respecting manner. They want to return to a non-aggressive justice system, in order to live in a non-aggressive society. Solidarity-based economy companies must now rise to the challenge and take over the economic management of prisons, especially since many of the structures are already extensively involved in the reintegration and aftercare of offenders, and in making sure they have access to jobs, training, housing and healthcare, etc.

There is no reason why the social and solidarity economy should not set up a sort of “SSE Consortium” to respond to tenders in these areas. On the contrary, the values and principles of the social and solidarity economy should provide us with an incentive to be more organised: invest money in helping people rather than the opposite, stop thinking that we can make money out of everything and in every situation, and restore humanism to its rightful place alongside purely monetary considerations. ■

COMPLEMENTARY LOCAL CURRENCIES AND THE SOCIAL AND SOLIDARITY ECONOMY

by *Pascale Delille*

Complementary currencies, which are developing quickly in regions of various sizes from north to south, are powerful economic relocation tools. Their circulation can be socially and economically conditioned (by a charter or even a certification procedure) to support production of goods and services that respects both people and the environment, is democratically governed and involves all stakeholders. They are therefore particularly suited to the goods and services produced by the SSE.

By absorbing some of the excess costs associated with local production, they trigger a dynamic that gives value-in-use to non-profitable services to meet non-solvent needs (if the

trading unit is guaranteed by time or by a natural resource for example). Giving value to local production based on short distribution circuits, as well as to the time saved through cooperation and the pooled/shared use of equipment, vehicles, premises, etc., encourages more responsible consumption practices for the benefit of engaged consumers.

Many local currencies that are developing in Europe today, like the «Chiemgauer» in southern Germany, are Euro-backed to reassure participating companies and businesses. Several studies have shown that they have a positive effect on consumption and on sustainable local development, which strengthens SMEs and local distribution. ■

ASSOCIATIONS: HOW TO MEASURE THE VALUE OF INTANGIBLE ASSETS?

by Bernard Bazillon,

“It is a huge project, in which the players in the social and solidarity economy can all get involved in order to develop and share methods and indicators that truly reflect their activities”.

The report published in 2012 by the CPCA and France Active¹⁹ has enabled associations to quantify the downward trend in the allocation of State and regional subsidies. According to the report, 45% of associations claim to have cash-flow problems. Therefore, they must be able to demonstrate their ability to generate (social) benefits and to effectively reconcile economic, social and environmental profitability.

Following on from work on the measurement of economic performance and social progress²⁰, new methods are emerging for valuing the specific assets of associations. This includes the valuation of intangible assets.

Under the *Thesaurus-Bercy* method, the term ‘intangible assets refers to a company’s intangible capital, which has very specific characteristics²¹ :

- Companies retain these assets for long periods of time; and
- They are intrinsically linked with the future creation of value: customer capital, human capital, societal capital, organisational capital, etc.

Intangible assets account for over 80% of the value of companies, and at least 66% of investments are made for the purpose of preserving or improving them.

Associations may, subject to a few changes, use this method, which establishes the book value of such assets. The Director of the *Observatoire de l’Immatériel* has explained the differences that must be taken into consideration when adjusting assessment indicators for the associative sector²², preferring to talk about beneficiaries rather than customers, members rather than shareholders, and adding investors to the mix.

Measuring the value of intangible assets allows for the development of precise and relevant tools for managing processes and people and ensuring the satisfaction of beneficiaries. This measurement may also serve to ensure the financial sustainability of the associative project. Intangible assets increase the net worth of the balance sheet, thus reassuring investors and making it easier to obtain loans.

However, the method will mainly be of benefit to large associations, which must nevertheless be wary of the potential tax impact. Also, there are limits to the monetary valuation of assets whose effects can only be quantified through the application of substitution methods involving the analysis of criteria other than profitability. This is the logic underlying methods such as Social Return On Investment (SROI).

These methods of valuation are based on different principles, but they have similar objectives: to get potential or existing investors on board by demonstrating the benefits of the associative project and by quantifying the positive externalities resulting from the activities of an association. Almost obligatory at a time when public subsidies are becoming increasingly scarce and competition for private investment is heightening. It is a huge project, in which the players in the social and solidarity economy can all get involved in order to develop and share methods and indicators that truly reflect their activities. ■

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THE EXPECTATIONS OF SOCIAL AND SOLIDARITY ECONOMY ENTERPRISES IN A CONTEXT OF FINANCIAL CRISIS.

by *Jean-Louis Bancel*

“Social and solidarity economy enterprises, through the externalities that they create, generate value for society as well as for their stakeholders”.

Often described as “daughters of necessity”, social and solidarity economy enterprises (cooperatives, mutuals and associations) emerged in the 19th century amidst an economic and social crisis caused by the inadequacies of a nascent capitalism. Their objective was to meet the economic and social needs of civil society. Their creation highlighted, rather than useful and efficient action, the limits of an unregulated market. Well beyond being a reparative form of economy comparable to charity or solidarity, this vivid expression shows how those who had been left by the wayside by economic liberalism attempted to take control of their daily lives²³.

Of course, the current financial crisis, which has degenerated into an economic and social crisis, has revived the appeal of a new form of entrepreneurship, in the shape of social and solidarity enterprises, as a means of regaining control of one’s daily life.

However, there are some who doubt that such enterprises can meet the expectations placed in them, due to their alleged difficulties in covering their long-term financial needs through traditional lending mechanisms. A popular misconception such as this deserves to be looked at more closely.

Social and solidarity economy enterprises are characterised by a “non-capitalist” statutory organisation. In other words, either there is no subscribed share capital or there is no specula-

tive remuneration in the form of dividends and/or the receipt of capital gains. In many cases, organisations such as mutuals and associations do not have in their accounts any provision for the restitution of contributions made by their members. However, this does not prevent them from meeting their economic and financial obligations and financing a sometimes multi-annual, or even very long-term, operating cycle.

A priori assumptions that the services provided by social and solidarity economy enterprises require little medium or long-term investment must be strongly denied. The running of hospitals and of specialist facilities for the disabled and the elderly requires substantial long-term investment. Economically speaking, such activities are both labour and capital intensive. Experience shows that foundations, associations and mutuals know how to manage these activities in a socially and also economically satisfactory manner.

Given the current crisis in Europe, which is marked by debt reduction programmes in both the public and private sectors while the need for different businesses is set to grow, aren’t social enterprises likely to be placed in difficulty by a lack of long-term investment? Won’t their “non-capitalist” structure finally show its limitations? Aren’t these companies, which have their roots in the 19th century, going to be affected by the emergence of the idea of re-engineering that is resulting from the need for companies to change their paradigm?

²³ See the “empowerment” concept.

First of all, we should remind all those who believe that good «storytelling» is key to a successful capital transaction on the stock market that social economy enterprises do not just tell stories. Given their role in the emancipation of civil society players, they offer a prospect of real human adventure. In economic jargon, social and solidarity economy enterprises, through the externalities that they create, generate value for society as well as for their stakeholders. Therefore, it is legitimate that the community should create a legal, fiscal and financial environment that will ensure the continuity of these externalities.

It then rests with the social and solidarity economy enterprises themselves to cultivate their statutory characteristics, enabling them to engage in long-term projects. The most important aspect is the limitation of payments to contributors of capital in order to be able to accumulate business profits in non-shareable reserves. These reserves offset any losses and improve the balance sheet so that the enterprise is in a position to approach long-term lenders such as banks.

They allow social and solidarity economy enterprises to fall fully within the scope of “patient” investment, which is so different to “casino-style” investment.

Bearing in mind that “bad money drives out good”, the progress currently being made in regulating the financial sector and filling the “black holes” in our chaotic financial system should highlight the good sense of investing in companies in the real economy and, in particular, in social and solidarity economy enterprises.

In addition, actions should be taken to promote “patient” investment. In France, “solidarity-based finance” has developed over the past few years. While it puts relatively little pressure on the public purse, it acts as a kind of quality certification, ensuring traceability between household savings and investments. However, this mechanism, which is good for new and innovative companies in the social and solidarity economy, cannot meet all requirements, particularly those of medium-sized companies in the social and solidarity economy. For bigger social and solidarity economy enterprises, it is important to be able

to adjust public lending structures: Public Investment Bank or European Investment Bank.

Lastly, it is also important to ensure that current measures in Europe concerning financial operators (banks, insurance companies, fund managers, etc.) are not designed on the basis of a theoretical prudential approach. They must “bridge the gap” between the finance sector and the real economy. With this in mind, it is crucial to promote diversity in the legal statuses of financial operators, while ensuring the presence of financial operators having a mutual or cooperative status.

By doing this, the regulators will show that they have understood the stabilising function of such financial operators²⁴. It is important that the regulators strike a balance between the removal of financial operators that do not offer sufficient guarantees of financial security and the cartelisation of the financial sector, which would be damaging to the real economy and especially to social and solidarity economy enterprises. ■

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²⁴ See the study by the International Labour Organisation on the resilience of financial cooperatives to the economic crisis.

Anthropological perspectives

THE ANTHROPOLOGICAL CRISIS AND THE SOCIAL AND SOLIDARITY ECONOMY ²⁵

by **Alain Lipietz**

“Taking care of body and soul is not a task for either governments or for profit-driven commercial organisations”.

A LONG PROCESS UNDERWAY IN THE WESTERN WORLD: INDIVIDUATION

There is one crisis that we have not talked about yet, as it does not play a direct role in the great crisis of the late 2000s. It is sometimes referred to as the “anthropological crisis” because it concerns the most fundamental aspects of human life in society. It can be summed up by the following two most obvious factors: solitude and ageing. Countries in the “old” Europe are particularly affected by both.

If we take a closer look at the situation, we can see that they both derive from a process that has marked human progress in the western world: individuation. In other words, the individual and self-fulfilment are increasingly taking precedence over community ties. From a historical point of view, this progress, accelerated by the Ancient City and Christianity, may even lie at the origin of Europe’s success. Societies of free individuals, who are linked by contractual relationships, have progressively replaced the old order, which was organised on the basis of community rules and in which everyone had a place. These contractual relationships have gradually evolved into two forms: either a relationship with the State – which itself is conceived as resulting from a social pact – or a market relationship between producers, employees and consumers who exchange goods and services for money. Connected in this way by the State and the market, free individuals, or at least some of them,

became free entrepreneurs. It is the 18th century philosophy (the Age of Enlightenment) that systematised this representation of society. The materialist sociologists (in particular Marxists) on the contrary argued that this ideology was generated by the development of a class of urban entrepreneurs (the bourgeois). We will not enter into this chicken and egg debate. The fact remains that in the early 19th century the lower classes began to protest against the perverse effects that this glorification of individual freedom was having on them. Some called for a return of the old organisation and community-based solidarity of *Ancien Régime* society. But little by little, whether from disgust or necessity, most turned their backs on the ancestral ties created by the family and the church²⁶.

Rejecting State, market, family and church, these new urban activists – who were members of the wage earning classes – invented a concrete Utopia: voluntary free association. This was manifested in several forms: trade unions for protesting, mutuals for daily living, cooperatives for producing and consuming, and associations for debating and taking action. Throughout the 19th century and in the early 20th century, the main social issue was paid employment, and “worker associationism” was part of the “working class struggle” to find its own forms of production and social life.

Nowadays, excessive individuation combined with the disappearance of this socialisation through work

²⁵ This text is an excerpt from the book by Lipietz (A.). 2012. *Green Deal, The Liberal-Productivism Crisis and the Environmental Answer*, Paris: La Découverte, reproduced with the kind permission of the author.

²⁶ The same communitarian – indeed clerical – reaction to the excesses of bourgeois modernism is now being seen again with the same vigour in countries that have long held on to their traditions but are now being turned upside down by rapid urbanisation, proletarianisation and individuation. This identity-driven reaction is particularly present in Muslim countries and in India. Naturally, the return of religious fervour among urban political Muslims (and of Pentecostalism in the rest of the world) has little to do with community ties within families and traditional villages. It is more like an extra soul sought by a group of individuals in need of a collective meaning. Fascism in 1930s Europe was also a pseudo-communitarian reaction (volksisch) by individuals who had lost their bearings.

(the company environment having become “intolerable” as a direct result of excessive liberalism) is driving many people to recreate this associationism in mostly urban-based citizen movements, but this time without any links to business. But such movements – both today and in the early 20th century – are aimed at providing the absent community with the services it needs, and which neither the State nor the market is able to provide. The new associationist movement, like the old one, represents both a productive alternative and brings new forms of social ties, operating on a voluntary basis.

Individuals need to establish these new ties to overcome their solitude. A solitude that is not just psychological but is a real feeling of bewilderment and isolation in the face of a deteriorating situation, of “problems that just pile up while nobody does anything about them.” By “nobody” is meant the State or any of the companies in the market. Plus of course the family and the church. The very success of secularism in driving back the church and entrusting children, sick people and the elderly to the care of the State, and of feminist movements in liberating women from the “natural” obligations imposed by the patriarchy (caring for children, the elderly and convalescents, and looking after hearth and home) is now therefore working against individuals, damaging their material situation and undermining their feelings of safety and belonging. The Fordist welfare state did what it could to “take care of it”, but was criticised for its bureaucratic behaviour and subsequently destroyed by liberal-productivism²⁷.

MOVING AWAY FROM ISOLATION WITHOUT LOSING FREEDOM

Even if the temptation to react in a communitarian manner is strong (as illustrated in particular by the social groups that have most recently engaged in the individuation process), it is likely that most people in the 21st century will try to hold on to their individual freedoms through self-fulfilment, while recreating, through voluntary work, the warmth of a freely consenting community.

One of the sectors most fought over by the family, the church, associations and the State is undoubte-

dly the provision of care for the most vulnerable: the sick, children and the elderly. In France, the distribution of responsibilities has led to the introduction of several founding laws: recognition of associations, separation between the church and State, removal of religious congregations from hospitals and schools, debate as to who should replace them, competition between associationism and the growth of the public service. The post-1945 reconstruction period saw the institutionalisation of a complex compromise, in which the State entrusted the implementation of its social policy to associations and mutuals, while taking care of the purely redistributive aspects itself through a tripartite agreement with trade unions and employers. Associationism was thus sidelined by the State. The handful of cooperative sectors that survived the turmoil of the early 20th century gradually became standardised under a rather particular corporate status.

However, with the Fordism crisis and the concomitant withdrawal of the State, associationism regained its strength, both in the creative domain (small cooperatives of skilled professionals) and in that of survival (integration enterprises, etc.). In the midst of all this upheaval, marked by a rather burdensome rivalry between the established associationist movement (large mutuals and social policy management associations on the one hand and young organisations in the independent alternative economy on the other), a sort of marriage of reason came about in the late 1990s: the social and solidarity economy²⁸. “Social” here refers to a certain form of organisation of the economy into units governed by two principles: “one person, one vote” on management boards; and limited profitability (most operating profits, if they exist, must be used for the same social purpose). “Solidarity” is an adjective added to define the objective, the goal of the activity: community service.

In France – as in Quebec and Argentina – the “young solidarity economy” was able to rely to some extent on institutional and even financial support from the powerful mutual movement and century-long established associations, which could boast about the “inclusive and activist” nature of the former, using it to justify the special status they had inherited (parti-

²⁷ This destruction of the welfare state occurred sooner in the third-world countries that had followed Latin America’s import substitution model. In Muslim countries (Turkey after Atatürk, Egypt after Nasser, etc.), Islamic activists were experts in taking over from social action and hence very quickly acquired a large working-class following. In Latin America, the church no longer knew what to do and working-class associationism took over. But in the early 2000s, when social cooperatives in Argentina were faced with the task of ensuring the survival of an entire nation among the ruins of the shattered economy, they had to call a particularly reactionary church to the rescue.

²⁸ For information on the history and principles of the social and solidarity economy and on the means of developing it, see my report to the Minister of Solidarity of 2001.

cularly as regards tax) from their distant youth.

But are the subsidies and tax cuts enjoyed in so many countries by economic organisations such as associations and cooperatives justified? There would appear to be no real justification on the basis of their internal organisation. Employee well-being is strongly affected by corporate governance, be it charismatic, paternalistic, democratic or bureaucratic. It may therefore be legitimate to use the fiscal instrument to encourage companies to adopt the best organisational structure possible for the people who are going to spend a large part of their lives within their walls. However, regulations and experience sharing are much more appropriate in terms of ensuring the transition towards an industrious economy, based on the negotiated mobilisation of the knowledge of skilled workers.

RECIPROCITY AT THE SERVICE OF THE COMMUNITY AS A WHOLE

On the other hand, “solidarity” enterprises provide a range of services that is not restricted to individual users and customers who can afford to pay. For example, the integration of unemployed people into the labour market benefits all potential national employers. Writing and rehearsing plays and music does not only benefit spectators who are willing to buy tickets for the first performances, but also others who might perform these plays or watch them in public places. Working for the community creates a “social halo” effect that cannot be rewarded through straightforward commercial exchanges. It is therefore logical and socially justifiable that the community that benefits from such services (in addition to individual users) should compensate the association that provides them²⁹. This compensation may take the form of tax cuts, subsidies, public procurement contracts, etc.

However, one aspect of social life, i.e. taking care of physically vulnerable people, is regarded as an inevitable development due to the ageing of the population. An ageing process that itself results from individuation. The drop in the birth rate coupled with medical advancements, as well as social progress that reduced the workload first of those over 65 then of those over 60, have led to a significant increase in life expectancy that has not been offset by growth in the young population (except through immigration). And this increasingly elderly population is developing a craving not only for bodily care, but also for intellectual, leisure and cultural activities.

Even though the corporate sector is trying to cream off the more lucrative segments of these markets, it is extremely likely that reviving associationism will be the only way to meet the dual challenge of isolation and ageing in the future. Taking care of body and soul is not a task for either governments or for profit-driven commercial organisations. If we are to fulfil such demands, we will need active people who are able to incorporate a real desire to help others into the practical tasks assigned to them: a combination that can only be achieved through what Karl Polanyi (him again) called *reciprocity*. Reciprocity, the oldest value in human society (that of family), means neither redistribution through a central agency (the State) nor commercial exchanges between producers who are indifferent to each other. It is based on the following principle: “I am doing this for you because I hope that when I need it, someone will do it for me.” The social and solidarity economy is therefore destined to play a permanent rather than integrating role in the business economy, and a growing rather than residual role in future development. It is already adding a concern for common goods, notably the environment, to its core areas of interest (personal services, care and culture). There is nothing to prevent it from adopting the original aspirations of the 19th century cooperative movement, i.e. the provision of local public services (such as lighting and transport), and why not on a wider scale? The criticism often aimed at the technocratically-run public service could be avoided by introducing new forms of organisation incorporating employees, users, lenders and perhaps voluntary workers into their management structures. A much more interesting prospect than simply renationalising that which was privatised under liberal-productivism: nobody wants to go back to the 1960s, when large, nationalised and technocratic organisations, such as transport and energy networks and even banks, acted like States within a State.

The social and solidarity economy offers several models. It also creates a few problems: bureaucracy among its elites, favouritism among associates, etc. But considering the solutions that it provides to flagrant wrongs and despite the inevitable perverse effects it will generate and that we will have to learn to control, the overall outcome will be largely positive. ■

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CRISIS OF CAPITALISM AND PLURAL ECONOMY: AN ANTHROPOLOGICAL PERSPECTIVE

by **Matthieu de Nanteuil** and **Jean-Louis Laville**

“Rebuilding a socially and ecologically sustainable economy means rethinking the ways in which the economy works, redefining the conditions of public action and establishing a new relationship with consumption. We believe that this is not feasible unless a set of non-capitalist economic practices, in which a different system of social relationships is very firmly established, is recognised. Through their very heterogeneity, SSE practices introduce real alternatives in both the north and the south ... It is important not to functionally confine them to one ‘sector’ of the economy... Therefore, the creation of legislation on this subject is essential. Some countries are ahead of the game in adopting such legislation, but a European framework still needs to be developed”.

The economic crisis – which picked up pace brutally in 2008 but has in fact much older roots – has sparked a desire for re-industrialisation: seen from this point of view, the social and solidarity economy (SSE) is interesting but does not really have that much to offer. It is viewed from a sector-based perspective, in which it completes the fabric of small and medium-sized enterprises (SMEs) with specific ownership-related features.

But the crisis can also be considered from the perspective of the relationship between the capitalist economy and society as a whole, the latter being regarded as a set of experiences, social relationships and institutions: in this case, the social and solidarity economy – and the avenues that it opens up – have an important role to play in ensuring a democratic outcome to the crisis. This is the approach that we will be pursuing here. Our argument is split into two parts: the first aims to redefine the crisis of capitalism by adopting an anthropological perspective; the second aims to underline the specific features of

the social and solidarity economy in relation to these difficulties³⁰.

The key to economic recovery lies not only in developing a large-scale industrial strategy, but also in defining measures to prevent a rift between economy and society, essential to preserving and deepening democracy. This is where the social and solidarity economy can play a pivotal role, far surpassing the quantitative importance of its component associations, cooperatives and mutuals.

FINANCIAL CAPITALISM, REDISTRIBUTION, CONSUMERISM: THE CONTOURS OF A SYSTEMIC CRISIS

It is important to make sure that the layers of meaning that have marked the history of capitalism are neither caricatured nor underestimated. We will follow in the footsteps of Max Weber, pointing out that accumulation is in itself a product of a specific ethos, combining cultural behaviours with religious dispositions (Weber, 2004 [1904]). However, this matrix has gradually

³⁰ This final chapter is more than just a conclusion. It is an invitation to extend the contributions in this special edition of L'Option. The decision to use the term 'anthropological' was driven by a desire to create a link between economy and society, which are usually considered separately.

disappeared under the effects of secularisation, individualism and, above all, the progressive empowerment of the market.

On this subject, the theory propounded by Karl Polanyi is the most well known. Polanyi argues that the capitalist economy has been disembedded from society, due to the progressive commodification of three fundamental things: labour, land and money (Polanyi, 1983 [1944]). This theory may be completed in two ways: firstly, by pointing out that the post-war growth period gave rise to national forms of re-embedding; secondly, by considering that we have now entered a new phase of disembedding, based on different mechanisms to those identified by Polanyi.

From the anthropological point of view, on which we are focusing here, Polanyi argues that the originality of the market economy lies in its autoreferentiality; it no longer aims to satisfy fundamental needs defined externally to itself, but to establish a world order according to its own logic. This school of thought has also changed considerably, bearing in mind that its forerunners were moral philosophers who aimed to combine the individualisation of social ties – to which their theories directly contributed – with ethical prerequisites such as sympathy or compassion. But unlike the social republicans and, subsequently, the promoters of Christian social thought, whether socialist or communist, these ethical ambitions were conceived on the periphery of the economy. Therefore, they are still linked with the selfish logic of material gain, generating an economic system that places individuals in opposition with each other and teaching them to work on the basis of principles – regarded as ‘natural laws’ – that are increasingly detached from the way people actually live. In the 1930s, the excesses of this system led to the consequences that we are all too familiar with.

The emergence of patrimonial capitalism

It should also be pointed out that the Second World War was followed by a period of re-embedding. Industrial capitalism was regulated on a national scale by Keynesian policies, social systems and collective bargaining procedures, as well as by regimes of particular significance to industrial work (professional values, class identity, etc.). In other words, this capitalism formed the backbone of an economic system in which

commodification was restricted by a set of socio-political factors.

Nicolas Postel and Richard Sobel show that these restrictions began to fall in the 1970s with the widespread floating of currencies, and in the 1980s with the growing flexibility of the labour market. “The commodification of credit money led to a significant rise in return. [...] With the revitalisation of the financial system, the goods, services and raw materials markets were once again constrained by competitiveness/price considerations” and, as a result, the Fordist social contract based on the de-commodification of labour and universal access to social rights was brought into question (Postel and Sobel, 2013, pp. 116-118).

It is in this context that we should understand the rupture initiated by the appearance of ‘financial’ or ‘patrimonial’ capitalism in the 1980s and 1990s (Aglietta and Berrebi, 2007; Aglietta and Orléan, 2002). This phase was characterised by the separation of financial activities from other sectors of the economy: constantly growing risk aversion and liquidity requirements, the use of full fair value accounting and a scarcity of bank loans for SMEs in favour of widespread intermediation by the financial markets. The above factors progressively pushed European economies towards becoming rentier economies, generating an unprecedented imbalance in the distribution of added value and creating a culture of ‘short-termism’ capable of threatening the entire economy.

The trend towards separation is not restricted to the financial sector. At the same time, competition policies have encouraged non-cooperative strategies and increased inequality between European countries. Philippe Herzog says: “The EU has given priority to market finance, thus leaving it up to the latter to drive the selection of investments. Some investments, for example in new information technologies, have been overvalued [...] while others have been neglected.” He adds that: “The competition policy has prevailed in the absence of an industrial strategy. [...]. Its doctrine has not changed, although technological changes and the emergence of new markets are upsetting its application” (Herzog, 2012, p. 3).

These various trends have fostered the development of extremely selective wealth creation processes and prevented the overall redefinition of

the productive system³¹. More broadly speaking, they have undermined the endogenous regulations that characterised the social market economy during the ‘thirty glorious years’ from 1945 to 1975. Having failed to effectively organise the transition, the European Union demanded that these internal regulations be dismantled, but did not propose any possible alternatives. Cooperation agreements, which were no doubt too limited but could have provided a basis for large-scale European regulations, broke down.

However, such an elementary analysis does not take into consideration the anthropological gravity of the crisis: to do this, an additional, critical analysis must be performed of the exogenous regulations that were at the origin of post-war re-embedding. These regulations encompassed both the philosophy behind public policy – which focused on redistribution – and the cultural matrix of industrial societies, which were marked by the emergence of virtually unlimited consumerism.

The inadequacy of redistribution

The essentially redistributive conception of the welfare state has two inherent weaknesses:

- *Firstly, public service users are treated as subjugates.* Most arbitration occurs through the channels of representative democracy (governing officials, employer and trade union representatives) and the voice of ordinary citizens is largely ignored. When Fordism prevailed in companies, excluding workers from decision-making while rewarding them with higher wages, ‘providentialism’ – to use a term coined by Paul R. Bélanger and Benoît Lévesque (1990) – increased within the welfare state: those who use social services have no say in their formulation, but their exclusion is offset by the fact that access to such services is virtually free.
- The second weakness lies in the fact that *redistributive solidarity is still dependent on economic growth*: imperceptible until the 1960s, this dependency became more and more significant with the slump in economic growth, which deprived social democracy of some of its means of action. This trend brought Keynesian methods and social transfers into question. In this context, the monetarist option struck a chord

with governments because it promised to bring back growth. Further to the application of these monetarist principles, the national framework of action – within which social democracy had been exercised – was deeply perturbed by de-regulation and the increased international circulation of capital.

The sustainability of the redistributive states was undermined by their lack of democracy in terms of the expression of users and citizens (Jaeger, 2011) and by their endorsement of the idea that only the market can create wealth (Cassiers, 2011; de Nanteuil and Pourtois, 2005). Such states were consolidated at the end of the Second World War, but they confused protection with redistribution and were unable to adapt the social practices acquired to a different economic culture: definition of new public goods, ‘patient’ finance, long-term investment and the linking of training with innovation, as well as the plurality of economic forms, support for associations, etc.

The consumerism trap

At the same time, public policy played along with growing material demand, encouraging consumption behaviours that would very quickly exacerbate spiralling private debt.

Consumerism fast became the cornerstone of the Fordist model. Consumerism can be defined as “a type of individualistic consumption that is intrusive, hedonistic and focused on novelty, and that uses signs as well as objects and is very costly in terms of natural resources and human labour. [...] Having literally exploded after the Second World War, with the Keynesian state, oriented completely towards what, at the time, was called demand-side policy.” (De Munck, 2011). When it emerged after the Second World War, its inherent dangers were underestimated, because it helped to regulate capitalism as a whole: access to material possessions is a breeding ground for temporary rebellion faced with the constraints of industrial activity, which is itself linked to a chain of meanings associating the production of objects with a progress-oriented market, in highly-redistributive contexts.

This consumerism was exacerbated by flexible and global capitalism, whereas the market was

³¹ In a recent interview, Aglietta pointed out that EU policy should encourage the development of a European industrial project by reshaping public spending rather than by imposing widespread austerity (Aglietta, 2013).

freeing itself from society. It then became a trap, threatening to close around post-industrial societies. Its contribution to the ecological crisis has been proven: while the creation of a low-carbon economy is crucial, it does not seem feasible to organise the ecological transition (Juan, 2011) without redirecting consumption towards sustainable goods (Dupuy, 2002, 2005) and, more profoundly, without changing our subjective relationship with materiality (Arnsperger, 2005, 2009). The consumption standards imposed through media-diffused behaviour modules should be examined from a critical perspective.

This new challenge should not consign the question of work to oblivion: given the failure to combine consumption with meaningful professional activity, it is difficult to see how the conditions can be created for a mode of consumption capable of preventing compulsive behaviour adopted to compensate for existential disquiet. Critical consumption (Pleyers, 2011) means reinserting the act of purchasing into a set of anthropological signifiers, thanks to which economic agents can reconstruct a certain existential consistency faced with a feeling of anomie or dispossession generated by an economic regime devoid of any social ties. In this area, work still plays an irreplaceable role.

While an increasing amount of market share is being allocated to human activities, the disembedding phase that we are currently witnessing combines the disassociation of capitalist activities from one another – in the dual form of the empowerment of the financial sector and the widespread adoption of non-cooperative strategies –, an inability to renew public policy, and a consumer culture in which the ownership of goods and material wealth has acquired an importance out of all proportion. Added to this is the fact that the national framework itself is riddled with systemic contradictions. The opening up to competition of social systems in the EU combined with increasingly volatile movements of capital call for a complete redefinition of the notion of the ‘political community’, with the pro-

motion of the action potential of civil societies. In this respect, the SSE could have a valuable role to play.

THREE ANTHROPOLOGICAL PRINCIPLES: RECIPROCITY, PROXIMITY, RECOGNITION

The importance of the SSE has been emphasised many times³². Capable of responding to needs arising on the periphery of both the State system and the market, the SSE fulfils a function in the general economy of demand – a function that is magnified in a service economy, in which productivity stagnates and quality of life demands increase³³.

However, we would be sidestepping the majority of the debate if we were to reduce the huge array of activities within the SSE to a strictly functional problem. The anthropological renewal driven by the SSE – which derives from the associationist tradition of the 19th century in countries experiencing profound changes in their industrial fabric – consists in changing the very rudiments of productive activity by reconciling a calculating rationality *with a solidarity or citizenship objective*. In other words, the SSE encompasses a set of practices that aim to build on the achievements of modern rationality, by combining the rules of calculation with objectives of a different kind and bearing in mind that this combination is not only shaped by public policy but must also be worked on at the *roots of social behaviour*. It is this dual task of combination and prevention that makes it different. How should it be interpreted?

In answer to this question, it should be pointed out that the crisis of capitalism is indissociable from the crisis of social democracy. The latter has linked social welfare to redistribution and regards users as mere receptacles of public action. “Social democracy is running out of steam because it has failed to effectively tackle economic and political reductionisms: a confinement of the market through redistribution, forgetting the diversity of real markets and the potential for reciprocity in the economic sphere, and a focus

³² See the figures provided in the introduction.

³³ It can be said that the SSE is particularly active in the following areas, although the list is not exhaustive: cooperative banking and mutual insurance, childcare and care of the elderly, support for young people in difficulty, integration, social housing, artistic and cultural creativity and various digital activities, not to mention attempts to re-embed economic activity in a regional social context (Systèmes d'échange local (SEL) [local trading exchange systems], Associations pour le maintien d'une agriculture paysanne (AMAP) [associations for the maintenance of family farming], local currencies, fair trade, etc.).

on the methods available within the framework of representative democracy that prevent citizen participation in the political sphere” (Laville, 2011, p. 49).

Moreover, this approach has increased spiralling consumerism, which has contributed significantly to the current ecological imbalances. However, the same applies to social democracy as to the market: the main objective is not to get rid of it altogether, but to radically reorient its fundamental principles. The strength of the SSE lies in its ability to raise this issue and to provide solutions to it on the basis of experiences in the *solidarity* economy, taking care not to restrict itself to promoting the kind of collective enterprise specific to the traditional social economy. It is characterised by three objectives.

Reciprocity

The first objective is reciprocity, which is often addressed through the ‘gift paradigm’ (Mauss, 1999 [1923], Caillé, 2000). This paradigm is based on the triple obligation of giving, receiving and reciprocating, and also on the combination of interest and disinterest involved in giving. Nevertheless, despite the many situations in which “the link is more important than the thing”, the risk of “giving without reciprocity” remains (Ranci, 1990). This is particularly apparent in philanthropy, where the giver can trap the receiver in a dependent position, thus creating a form of plutocracy.

However, this general objective makes it possible to go beyond the ‘formalist’ approach to economics and to adopt, according to Polanyi, a ‘substantive’ approach that takes into account the plurality of economic integration principles. The similarities with Weber are obvious, who contrasts ‘formal rationality’ and ‘material rationality’ of calculation or law. For both authors, the exchange is not identified in terms of its formal structure, as in Walrasian theory: it embraces the social links that it brings into play. But in what sense?

In this respect, the response of the SSE is precise: the non-distribution of dividends constraint opens the way to a much broader objective, which consists in *making a non-monetary contribution to social cohesion*. In the SSE activities mentioned above, this contribution has reference to the fundamental standards of democra-

tic life, particularly equality. Performing an act of solidarity or citizenship is equivalent to introducing the equality ideal into concrete economic practices. This has a decisive political meaning: democracy is not guaranteed by statutes, it relies upon the application of egalitarian reciprocity in the everyday relationships between those participating in service provision.

Hence reciprocity can be considered ‘a principle of integration’: the goal is not only to change the sequences of exchange, but to enable a redefinition and a re-appropriation of needs by the users themselves, thus opening the door to other productive procedures (Servet, 2013). Solidarity and citizenship should not be regarded as a mere palliative to redistribution or to representative democracy, but as a fulfilment of the requirements that go hand in hand with the principle of equality in civil society. Indeed, equality is indissociable from the creation of a social cohesion ethic, based on ‘equal dignity’ (Kis, 1989) and ‘participation parity’ (Fraser, 2005). This transformation has significant implications in terms of the democratisation of SSE organisations, although they should not be idealised. In practice, they come up against a number of obstacles.

Moreover, recourse to reciprocity does not provide a hermetic barrier to other economic practices, as various schools of socioeconomic thought across the world have shown. For example, market sociology – known as new economic sociology – stresses the importance of cooperation practices in the development of efficiency (Granovetter, 2008), as does the ‘economy of conventions’ (Eymard Duvernay, 2006) and the analysis of ‘conventions & management’ (Amblard, 2003; Gomez and Korine, 2009).

The same applies to organisations: innovation implies the development of relational dynamics that suspend the pursuit of immediate gain (Alter, 2013). As for the financialisation of capitalism, it can be seen as the reflection of a break in the link between the different sequences of economic and financial engineering responsible for generating profit. The ‘violence of money’ (Aglietta and Orléan, 2002), which is indissociable from the process of financialisation, appears as a consequence of the movement of separation that is running through the capitalist economy itself.

The importance of reciprocity as a distinctive feature of the solidarity economy is therefore in-

dissociable from the effects it produces: it makes it possible to go beyond state-market dualism and to hybridise the market with redistribution, as emphasised in various theoretical writings (Gardin, 2006; Dacheux and Goujon, 2011). The example that it provides is also applicable in a wider context: it facilitates the consideration of reciprocity-related requirements throughout the entire economy.

Proximity

The notion of proximity does not imply a drift towards localism by any means, it is a reflection on the development of an economy of proximity, capable of considering the economic exchange partner as a *socius* and not as a distant figure or, indeed, a stranger. Here, the focus is more on the structure of the interaction than on its purpose.

This aspect has also been underlined by some researchers. In regard to social services, Jean-Louis Laville and Marthe Nyssens distinguish between “objective proximity (defined by tangible space and time criteria)” and “subjective proximity (when the relationship between service provider and user is decisive in determining the quality of the service)” (Laville and Nyssens, 2013, p. 15). There is also a third definition of proximity, which we will refer to here as symbolic proximity. *Symbolic proximity* relates to the kind of social imagery manifested in economic exchanges, in terms of the (real or imagined) relationship of proximity between the exchange partners.

From this point of view, modernity can be considered a historic period of destabilisation of the local economy. With the abolition of corporations, followed by the repression of the associationist movement in the 19th century, liberal individualism definitively broke the links of proximity that structured Ancien Régime societies, within contexts of inherited inequality. This trend was prolonged by the class dynamic that accompanied the industrial revolution, particularly when this dynamic was theorised as a form of class antagonism.

However, by promoting the widespread growth of the middle class and, above all, the development of post-war social pacts – particularly redistributive policies – at national level, Fordism

helped to reverse the trend. Moreover, this explains why a large-scale collective bargaining movement – forming the basis of social democracy – was able to develop. The extent to which this movement required a specific anthropological foundation, based on the idea of a ‘continuum’ between the different players in the capitalist system, has not been stressed enough (Castel, 1995). Although though this continuum could be overtly conflictual, it nonetheless indicated the creation of a common imagery, against a backdrop of national identity³⁴.

The globalisation of exchanges has however taken apart the idea that social links develop essentially within national boundaries. At the same time, market capitalism has profoundly altered the forms of social cohesion continuity in the economic sphere. These changes have taken place subtly. Besides the fragmentation of the wage-earning classes, they are notably also reflected in the development of ‘emotional capitalism’ (Illouz, 2006), which aims to organise worker mobilisation on the basis of ‘emotional intelligence’ (Goleman, 2007), while keeping this dimension separate from actual conditions under which work is carried out and subjecting it to extremely powerful constraints of conformity (Hochschild, 2012, 1983).

However, the SSE could play a decisive role with respect to this issue of the practical, embodied, dimension of economic exchange. As pointed out by Mauss, a theoretician on gift exchange as well as a shrewd observer of ‘body techniques’, economic exchange involves corporeality with its learning, its technical features and its relationship with the question of ‘yield’ (Mauss, 1999 [1934]). In the new capitalism, this dimension is largely exploited. The SSE can reintroduce it by ensuring that inter-comprehension is based on face-to-face relationships, for example through the co-construction of services based on the expression of users, such as workers and volunteers.

Polanyi adopts another approach to proximity, based on the concept of householding, which Isabelle Hillenkamp suggests translating into French as *partage domestique* [domestic sharing] (Hillenkamp, 2013, p. 222). Loyal to Aristotelian tradition – which contrasts economics “based

³⁴ Belgium is a particularly good example of this trend. Although historically it is a federal country that has been divided since its creation by language, it has made social security a pillar of national unity.

on the self-sufficiency of a community united by a form of goodwill” [*ibid*] with chrematistics, in which there are no limits to commercial activity –, Polanyi addresses the issue of the self-determination of economic ends. Such self-determination implies a *community of links*, for which the ‘household’ (*oikos*) metaphor is mostly used.

Again, there is a degree of ambivalence. Either householding is a vehicle of submission that ratifies gender inequality, or it keeps commercial activity at a distance by setting the strength of a living community against it. This ambivalence has been clearly demonstrated in popular economic practices, particularly in Southern countries.

In any case, in view of the various successive phases of market capitalism, redistribution is a necessary but inadequate principle, particularly when it has a bureaucratic element. Like the market, the State is an instrument of rationalisation of daily life, which establishes physical and symbolic distance as the foundations of progress. No-one has understood this major innovation in modernity better than Émile Durkheim. Nevertheless, when the State – particularly in its progressive form of a welfare state – is content to compensate for the market-induced rupture of social links by the bureaucratic management of ‘social affairs’, then it loses sight of its *raison d’être*, which is to re-establish conditions enabling the collective ‘inhabitation’ of the world (Lévinas, 1961).

This has repercussions in terms of the relationship between human beings and nature: the industrial regulation of capitalism, which derives from a harmful alliance between productivism and statism, has fostered spiralling consumerism and the over-exploitation of natural resources. However, it also impacts the relationship between human beings themselves: in the workplace, where competitive individualism has gradually taken over from other relational standards, at the risk of dangerously undermining the conditions of civility (Dejours, 2010); at the boundary between production and consumption, where service sector workers find themselves subjected to a commoditisation constraint in their relationships with

clients and users, i.e. an obligation to treat those around them like strangers, in order to maintain flows (de Nanteuil, 2012) . It therefore seems urgent to rebuild a link economy. However, this immediately begs the question of how far such action would be compatible with globalisation?

Recognition

This is where a third principle comes into play, that of *recognition*. Axel Honneth (2002, 2007) argues that recognition is not limited to interactions between individuals or groups governed by a principle of equality: it also encompasses the intersubjective conditions of access to the public space, above and beyond the physical and symbolic boundaries associated with the principle of proximity. The latter remains an important issue. They must nonetheless be supported by a grammar of social exchanges able to provide a *general framework* for the analysis of social relationships.

According to Honneth, the term ‘recognition’ has a triple meaning: a) there is a preliminary to the strictly cognitive understanding of social problems (“recognition precedes knowledge”); b) social relationships are characterised primarily by a lack of recognition (which he refers to as “contempt or disrespect”); and c) the construction of an undistorted social relationships is based on conflicted dynamics, in societies where demand for recognition is high (“struggles for recognition”).

In his early works, Honneth upholds the idea that recognition can be broken down into three separate spheres: love, rights and solidarity. Inadequacies experienced in these three different spheres lead to the development of conflicts with a view to establishing a “positive self-relation”³⁶. However, the strength of Honneth’s theory is that it emphasises the links of *continuity* between the three spheres, which are also fundamental elements of human experience. The recognition theme forms the basis of a grammar: it provides a criterion for *comprehending* social relationships and *evaluating* their leanings.

The strongest criticism levelled at Honneth is that he tends to underestimate the way in

³⁵ The concept of ‘competitive individualism’ can be used to describe the various dominant forms of individualism that have developed within the framework of market capitalism. It aims to highlight the effects of widespread competition associated with the promotion of individual interests. It is a similar concept to that of ‘negative individualism’, as described by Robert Castel (Castel, 1995). It does not cover the entire individuation process, which also includes an aspect of emancipation from the oppressive figures of the community tie (Lipietz, here).

³⁶ In regard to the three spheres mentioned, Honneth describes this positive self-relation as “self-confidence”, “self-respect” and “self-esteem” respectively.

which economic anthropology structures social relationships, independently of the recognition theme. Two authors in particular have reproached him for this: Nancy Fraser, who argues in favour of a two-dimensional model of social justice, distinguishing between recognition and redistribution (Fraser, 2005); and Christophe Dejours, for whom the issue of the practical conditions of recognition in the workplace is not adequately addressed (Dejours, 2010).

This criticism is important. However, we believe that Honneth's efforts to redefine standards can be reconciled with issues specific to economics, this becoming particularly important in the context of globalisation. When applied to the SSE, Honneth's work has two implications:

- Firstly, it promotes the idea that economic relationships (not only between producers, but also between producers and consumers) cannot be limited to the indifferentiation towards which the development of the global market is pushing them. Such social links not only need regulatory bodies capable of balancing the relationship between capital and work, they also need relational standards aimed at increasing the social visibility of economic players who have been ignored or abandoned by the international division of labour. Thus recognition is a fundamental requirement in the social relationships brought into play by economic globalisation, without which no institutional changes are viable. From this point of view, the multiple different links between the popular economy in Southern countries and international productive sectors may be regarded as the expression of a movement to ensure that economic relationships satisfy other normative prerequisites than the pure balance of power, especially when it comes to organising consumption according to the recognition of working conditions and to local producer quality criteria. In other words, the goal is to *position the question of trust on the global economic stage*. As Honneth explains, this means conducting a critical study and updating distorted social relationships with a view to their practical transformation.
- The second implication concerns the status of the SSE within the general dynamic of economic practices. At a time when market capitalism has become a global system while disembedding itself from previous regulations, the challenge is

also to *recognise these practices as legitimate practices on the global economic stage*. It is not so much the intrinsic benefits of the SSE that should be borne in mind when addressing these questions – researchers identified its limitations a long time ago – as the process of pluralisation of economic forms that is taking place through the SSE. Rebuilding a socially and ecologically sustainable economy means rethinking the ways in which the economy works, redefining the conditions of public action and establishing a new relationship with consumption. We believe that this is not feasible unless a set of non-capitalist economic practices, in which a different system of social relationships is very firmly established, is recognised. Through their very heterogeneity, SSE practices introduce real alternatives in both the north and the south (Sousa Santos, 2013). It is important not to functionally confine them to one 'sector' of the economy: economic anthropology is a means of defining the premises necessary to establishing a post-Fordist regulation strategy, with the aim of re-embedding the economy in society in today's globalised world.

Therefore, *the creation of legislation on this subject is essential*. Some countries (such as Belgium, Spain, France and Italy) are ahead of the game in adopting such legislation, but a *European framework* still needs to be developed. Creating a European framework necessarily means addressing the practical procedures of democratic functioning: promoting the plurality of economic forms, which are themselves underpinned by global SSE practices, requires an approach to democracy that is based on citizen participation and mobilisation – in other words, a *plural democracy*. It is on this last point that we wish to conclude.

PLURAL ECONOMY, PLURAL DEMOCRACY

Evidently, it is not only an internal transformation of capitalism that is required, but also a pluralisation of economic forms. However, how can opening up economic action be compatible with maintaining an oligarchic approach to policy, based exclusively on a combination of elective mechanisms and enlightened expertise?

As we pointed out earlier, making the most of the potential for change embodied in SSE practices

means understanding the relationship between the crisis of capitalism and the crisis of social democracy. Social democracy not only underestimated the upheaval caused by the economic crisis, but they also helped to propagate a limited view of democracy. Besides relying excessively on the redistributive paradigm, their approach to economic challenges was based on two recurring themes: *delegation* (the majority of the responsibility for society is placed in the hands of the State), and *representation* (this responsibility is regularly sanctioned by electoral processes).

This approach to public action played an important role in the previous phase, but it failed to integrate citizen-driven initiatives into public action to anticipate or overcome the crisis at the local level. Above all, it failed to see that substantive work was required to tackle the causes of the disembedding of capitalism, and to create new meanings of economic action. It increased mutual ignorance of citizen initiatives and public policy.

This practical drama is underpinned by a theoretical difficulty: the partition between politics and economics. The options put forward by Jürgen Habermas – that of a deliberative democracy and constitutional patriotism – are promising in that they free the public space from its dependency on parties and power games (Habermas, 1983, 2003). But they underestimate the challenges involved in democratising the economy, a process needed to transform both the economy and society. As Nancy Fraser shows (Fraser, 2005), Habermas fails to grasp the importance of “popular public spaces”, where political and economic issues are closely linked. More broadly speaking, he does not take into consideration the work required to redefine the very concept of public space, which involves different forms of associative commitment on the periphery of the market.

Yet SSE practices constantly emphasise this point: the revitalisation of local public spaces calls for the development of non-capitalist economic strategies managed by the middle and working classes, as a counterpoint to dominant economic practices. The goal is to integrate economic action into a *solidarity or citizenship-based approach* and to build a *community of links* based on concrete problems while, at the same time, tackling the problems arising from a cost-benefit rationale. Reciprocally, the action of

these players in an alternative economic sphere helps to revitalise local public spaces and, consequently, to restore citizen participation – which is something that representative democracy is unable to achieve.

This pluralisation of the forms and locations of political democracy is therefore linked to the ability to re-embed the economy in society. More broadly speaking, this movement appears as an economy democratisation process, by enabling economic issues to be addressed through citizen action and mobilisation. It is the kind of development that could generate large-scale political change, which is essential to creating the democratic societies that Europe so cruelly lacks. ■

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By way of conclusion

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CREATING A EUROPEAN ENABLING FRAMEWORK FOR SOCIAL AND SOLIDARITY ECONOMY SOLUTIONS ³⁷

by **Nicole Alix**

“Malevitch’s White on White forced painters to reconsider the essence of their art... We need to change our glasses and decor, and head upstream to avoid systemic failings”.

The effects of the crisis-resolution strategies adopted by the European Union and the Member States in the coming months, whatever they may be, will not be felt immediately. The next 20 years will be tough. The theme of the 2012 Entretiens économiques européens (European Economic Debates) is *Better appropriation of the European market for a more united social market economy*. Bearing this in mind, Confrontations Europe has taken a closer look at ‘social economy’-specific contributions.

For the last 40 years, we have continually used the term crisis to describe the endless periods of adjustment endured by our economy, whatever their cause, consequence, shape, or form. The social economy occupies a special role. And in the absence of a universal solution, it merits greater consideration.

Of course, there can be no single and permanent definition of the social economy. What’s more, it has its weak points and must accept criticism. However:

- The social economy has always provided answers in times of crisis;
- It provides specific solutions, not only over the short term in response to emergencies but also over the long term to pave the way for the economy of tomorrow;

- Although not a panacea, it should be encouraged on a European level.

WHAT SOCIAL ECONOMY CAN BRING TO EUROPE: A DIFFERENT, DECENTRALIZED, LONG-TERM VISION

The social economy can provide solutions, not just in terms of emergency measures and by rectifying the social exclusions created by the crisis, but also by acting as a lever for new development and social transformation. It can help reconcile citizens with Europe, which is beginning to be seen more as a threat than a promise.

The social economy is in line with the development model of the future, i.e. renewed recognition of the value of local actions in globalisation, high-quality relationships (tangible and intangible), CSR and renewed concern for ethical behaviour (seeking the just AND the good, principles articulated and shared by social groups).

A specific role in social cohesion, beyond that of a repair function

Impoverished and debt-ridden States are no longer only seeking to pass on some of their former prerogatives to private parties, but are also encouraging private investors to become involved in a *social investments market*; *capitalism* is attempting to overcome the obstacles to its development

³⁷ Text summarising a presentation made at the “Brussels Think Tank Dialogue – Solidarity and Austerity: The 2012 State of the European Union”, at “Workshop 2. Beyond European Economic Governance: How to assess and to address the social impact of the crisis”.

through *corporate social responsibility* (viewing practices from an ethical perspective) and by attacking the market of the most underprivileged (so-called *Bottom of the Pyramid* strategy).

The failure of socialist countries and bureaucratic administrations is leading to the adoption of *corporate management methods* in an attempt more effectively to solve *social issues*. Public goods and 'general interest' services, in particular social services, are now regulated within a competitive system controlled by national and European authorities and in the context of a global services market. Which raises the following issues, in order of priority:

- We need *social diversity* to avoid market exclusion;
- We need a *public, private and volunteer-based resource mix* to achieve fairness and "quality"; and
- We need to establish the place of *public and private freedom of initiative* (including not-for-profit) in terms of 'general interest' services, besides services *mandated* by public authorities. This means that there should be proper consultation by agencies in Europe and Member States when making choices regarding ownership and management models.

Europe is about to face austerity measures, and it will lose out if it looks only at the social economy's repair capacity.

Of course, as a "child of necessity", the social economy implements emergency (food banks, maintenance of services in depopulated areas, etc.) and repair solutions (academic support, business integration, etc.).

But it is also constantly inventing new forms of voluntary social protection, in the form of cooperatives (including in banking), mutual health insurance schemes, etc. It is important that we assess the pertinence of solutions (privatisation, public, social economy) whenever necessary. Complementary levels of economic development and development management exist (local, regional, national and international), which neither the States nor the market can do without. The social economy need not necessarily replace other systems in the fields of agriculture, savings and credit, health, and education. Instead, it must be given greater prominence alongside them, and the rules of the game must be changed to

give these collectively run and owned companies their place.

New paths made available by innovations in energy production and the digital revolution

A *New Mix* is taking shape here too thanks to digital technologies and new forms of energy production, one that is both centralised and decentralised: we will be both local consumers and producers of energy, as well as connected to the main networks: a renewed *double qualité coopérative* [dual-capacity cooperative] and potential partnerships between the businesses managing the grid and the social economy.

Open source and the management of collective and public goods (free software, free seeds, collective housing, local currencies, etc.) are leading to the emergence of new collective enterprises. The internet has made it possible for local entrepreneurs grouped into cooperative or associative networks to share equipment "at home".

Multinationals are seeking innovative *partnerships* with *local actors*, NGOs, social enterprises and SMEs. *Local authorities* are seeking to encourage these new activities so that citizens can live in their catchment areas and avoid exclusion.

Citizens who have become "consumers" want to take action for a more sustainable world. Short distribution channels are being set up (fair trade, ethical finance and co-operative banking, local currencies, online project co-financing platforms, etc.).

These new avenues in the social economy, in which technology and economic and social challenges meet, are essential to *prepare our economy and society for tomorrow*.

WHILE NOT A PANACEA, SOCIAL ECONOMY SHOULD BE ENCOURAGED AT EUROPEAN LEVEL

Europe must take the social economy seriously. It is an integral part of the "social market economy", a Lisbon Treaty objective. In the Declaration made at the 2012 European Conference of Bishops, it is presented as being one of their four pillars, an arena for exchange and reciprocity, alongside their other pillars of sustainable development, which are the market economy, social policy and environmental policy.

A positive trend within the Commission

The positive trend initiated by the European Commission and championed by Commissioner Barnier must be seen as an opportunity. The Single Market Act aims to make the EU more effective in terms of competitiveness and necessary social cohesion. One of the 12 levers relates to social entrepreneurship and, on 25 October 2011, three types of action were announced:

- *The Communication on corporate social responsibility*, raising the fundamental question of the role of corporations within society, in particular given the externalities they produce;
- *The Social Business Initiative*, aimed at companies whose objective is to produce added social value, which serves the 'general interest'; and
- *An approach focusing more on the statutes for a social economy* (associations, foundations, cooperatives and mutuals). These statutes must be reviewed so that the companies operating under such structures can function to their fullest.

The European Commission's 2011 Social Business Initiative proposes:

- easier access to *funding, private and EU funds*;
- greater visibility; and
- an *improved legal environment*, particularly regarding:
 - *public procurements*: inclusion of social and environmental clauses, criteria other than the lowest price;
 - *general economic interest services*: improvements for local and social services; and
 - *statutes*: discussions are underway to improve the European Cooperative Statute, which is currently relatively little-used. Regarding the statute for mutuals, given that expectations vary from country to country, the Commission will refer back to the Parliament's report on the subject. Finally, a European Foundation Statute is currently being prepared.

Visibility. Defining the role and place of the social economy in a regulated market economy.

The social economy should be promoted not as a niche "third sector", but as a form of market economy in which added value is distributed before benefit is calculated, and not only through

tax redistribution and philanthropy. This raises the issues of how added value should be distributed, benefits to "communities" and public goods contributions.

Beyond *social enterprises*, whose contours are still ill defined, the specific role of legal groups of individuals, who have for decades provoked the economic mobilization of stakeholders, should be promoted. There can be no results without a process. The specific processes of non-capitalist forms of enterprise, including those in the social and solidarity economy, should be recognised and encouraged.

Social innovation, encouraged by President Barroso, should not be limited to innovation in social services, to fight poverty, but should also be placed at the service of investment – including in the workplace, in industries and services, and in the social economy. Social economy should be considered in terms of the exchange of ideas and projects as a source of future innovation. This is an almost alien land and one in contradiction with the single market approach, which is aimed at product standardisation whereas here we are talking about co-production, collaboration, and cooperation.

Legal environment.

Member States must be encouraged to adopt legislation that promotes socio-economic models to create new growth. There are obstacles that prevent cooperatives, associations and mutuals from existing and developing in some Member States, and these *obstacles must be removed.* The hybrid forms of social enterprise must be recognised, along with their right to hybrid funding. Our *European Competition Law*, which is supposed to protect consumers, but which sometimes does so at the expense of workers or citizens, should be reviewed to serve a long term vision.

Until now, Community law has been based on a fundamental principle, i.e. that the way to create a strong market ensuring peace and prosperity in Europe is to limit the role of States. The EU may only intervene in the rules of society when Competition Law, which is the exclusive remit of the EU, is at stake. In certain Member States if a collective organisation is acting in the 'general interest' it can take part in community life, whatever its scope of powers.

This is why a *European positive law for 'general*

interest' services must be nurtured and public goods and common promoted. A European definition of the term "general interest" would facilitate the distinction between competitive and non-competitive business activities (which the Commission invites the Member States to treat differently), the establishment of standards for assessing quality and prices (based on long-term criteria) and - why not? - the recognition of citizens' general-interest initiatives, thereby incorporating the principle of subsidiarity into EU fundamental rights.

Funding.

We need to develop funding mechanisms for long-term social investment.

The special investment funds for entrepreneurship (EuSEF) promoted by the Internal Market and Services DG constitute a first step but are a partial answer. On the one hand, we need to see things from a wider perspective, one that meets the needs of social enterprises having greater capital requirements, such as hospitals, social housing bodies, and homes for the elderly and the disabled. On the other, we must not content ourselves with invested capital, as if public funding or social protection were no longer needed, neither for investment nor for functioning. The change represented by the possibility of using the ERDF for social infrastructure should be encouraged: European funds financing not only investment in economic growth but also public goods will be a breeding ground for more sustainable growth.

Assessment and regulation methods:

We need a range of solutions to protect investors and consumers, in particular the most vulnerable (e.g. services for people, social protection, access to banking services) and according to the type of company or organisation: ad hoc statutes (legal, national or European regulations defining the place of different investors) and/or labels (regulated by the market, a brand trusted by consumers and attractive to investors).

At a time when remote control by experts is becoming more common, we must also remain attentive to the actors on the ground, who know their business, their customers, their shareholders, their strengths and their weaknesses, the conditions under which "real projects with real people" have a chance to work. Although useful,

we must put an end to the systematic substitution of field expertise with indicator tables.

Financial assistance for SSE players: changing scale in a realistic manner.

The social and solidarity economy has been invited to move on to a bigger scale. There is a huge pool of local funding and savings to help it achieve this, which is just asking to be poured into local projects because the fund holders believe in projects they can relate to and in which they are willing to invest their family's money.

Yet there are complaints that it is hard to "find new project leaders". Why? Because we cannot oblige people to act like wholesalers in order to boost the development of new business projects. We need to work upwards from the stakeholders on the ground, rather than through institutional bodies.

Local entrepreneurs' clubs, clusters that facilitate cooperation and competitiveness clusters dedicated to cooperation between different types of players work the best. We need to set up workshops to identify new opportunities; instead of just waiting for new entrepreneurs to turn up, we should bring together different players, entrepreneurs, local authorities, local banks, etc. Initiatives that have their roots in the local community but would benefit from competing, networking and cooperating with each other. For example, we have come to realise that what works for a company is not meeting its counterpart in another country, but meeting players of "a different kind" in other countries. Innovation is driven by difference; that's when development occurs.

Monopolising strategies should also be avoided. To this end, objectives and values should be identified right from the start, on the basis of a common approach to the collaborative project. Entrepreneurs need to see what they stand to gain from taking part in a collaborative project; local authorities need to learn how to help people without holding their hands all the time. Right now, such practices are marginal. We should move away from development aid to the creation of partnerships. We need intelligent financing organisations that really understand what is needed and help to set up projects. The SSE should pay less attention to its articles of association and its models and more attention to citizens. It should try to step outside of its traditional boundaries. It has an appointment with history.

PROPOSITION FOR 6 PRIORITIES ³⁸

TOWARDS A EUROPEAN FRAMEWORK IN FAVOUR OF THE SOCIAL AND SOLIDARITY ECONOMY

1. **Research and social innovation:** we should promote the study of public and common goods as productive capital, which, when used by people, creates new social capital; we should also promote research into the governance and association of stakeholders, and remember that processes play an important role in producing results.
2. **Promotion of various forms of enterprise,** social enterprises “of all kinds”, to groups of people sharing a collective heritage and with asset locks.
3. **Funding for social investments having greater capital requirements:** we need to raise European funds and private funding for social enterprises that have greater capital requirements, such as hospitals, social housing, and homes for the elderly and the disabled, and education.
4. **‘Services of general interest’, European public goods, common goods:** we need to recognise the right of the social economy to initiate and govern projects that should be unconstrained by ‘public procurement’ rules. And recognise the need to hybridise resources, through simpler State aid systems.
5. **Introduction of new long-term and ‘commons’ criteria into investment rating and selection processes and investor compensation systems:** we have to promote systems which enable the emergence and the spreading of collective knowledge, in the industry and services sectors, be they economic, social or cultural.
6. **Collective voluntary social protection:** we need to promote the mutual sector to empower groups of people who want to organise collective life insurance schemes, in addition to State run social protection and private sector.
7. **Promote a change of scale on the ground, not through institutions:** for example, create local entrepreneurs’ clubs, organise international meetings between people from different backgrounds, encourage difference-driven innovation and avoid monopolising strategies; and bear in mind that local knowledge is a vital factor in social and economic decision-making.

In conclusion, some questions for the short and medium term: Who will take action? Who will implement the policies? Where are the allies for this policy? Can this lead to some States or regions taking a stance? Could think-tank make joint proposals?

Malevitch’s White on White forced painters to reconsider the essence of their art, and Stravinsky drew inspiration from Russian folk songs to find a second wind after receiving a bashing from critics.

We need to change our glasses and decor, and to head upstream to avoid systemic failings. There is no point separating economic from non-economic, economic from social, and economic from political since these aspects of our social lives are far too closely intertwined and

their definitions evolve over time.

For several decades, market expansion has destroyed free and local solidarity without being able to compensate with long-term “social protection” systems. There is no obvious consensus on the diagnosis of the recent crises. “Real liberalism” is proving its limits just as “real” communism has done in the past. The economy is inherently unstable, and we need to give consideration to its economic AND social AND environmental AND cultural AND political dimensions.

In political terms, transforming the European internal market into an arena for both market and non-market transactions is both risky and difficult, since the stakeholders have little faith in the idea. The social economy with its

³⁸ For a series of detailed proposals, see also (Laville, 2012).

specific logic has a role to play here, not only in terms of its ability to repair (a generally acknowledged attribute), but also in terms of developing another form of production, based on the organisation of collective efforts. Local distribution networks between producers and consumers, free software and seeds, collective housing, local currencies, decentralised energy: these new “social economy markets” are linking major technological innovations (the internet, energy) with actual needs to prepare our economy and society for tomorrow. Far from being fringe phenomena, they are also attracting interest from local authorities, who are looking to “re-localise” their industrial and service economy.

The time has come to show that *diversity in company types*, be they private, public, or collective, stabilises and regulates the economic system. Mutuals, cooperatives, and associations mobilising collective action and generosity are not temporary solutions, or if they are, they will last at least between 20 and 100 years.

The time has come to show that *public goods and voluntary community actions* are useful and do not run counter to the market economy; that they contribute to setting fair prices.

The time has come to show that there are *other ways of valuing transactions than fixing prices*, be it in health or in finance. (“Whether in transparent or opaque markets [...] financial prices are not good indicators. There are no opposing forces to limit excesses, unlike in ordinary goods markets” (Orléan, 2011).

Our strategy has much in common with the ideas of K. Polanyi; we need to re-embed the economy in the society from which it has been severed. The self-regulating market utopia carries ruinous social and environmental costs, liable to fuel the rise of protectionism and extremism. The realms of production and distribution must be reappropriated, under the political and social control of citizens and not merely in the hands of private interests.

This also ties in with Nobel Prize winner in Economics Elinor Ostrom’s theory on common goods. “Non-cooperative models tell us what individuals do when they are in a situation that they cannot alter, not when they are sufficiently independent to create their own institutions and influence practices and profits.” By repeatedly

communicating and acting together to manage the resources upon which they depend, collectives can act more efficiently than the market or central government. “Applying models outside of their scope can do more harm than good.” ■

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Bernard Bazillon is a chartered accountant, consultant and auditor. He is Associate Director at KPMG S.A and, since 2010, has coordinated the network of KPMG experts assigned specifically to the social and solidarity economy. For 20 years, he was in charge of a team of 50 people working in the SSE. In this capacity, he served as national technical coordinator for companies governed

by the Mutual Societies Code and specialised in helping organisations in the "Social and Medico-Social" sector, as well as charities reliant on public generosity. He is also treasurer of the KPMG France Foundation, which aims to facilitate the social and professional integration and reintegration of young people in difficulty by promoting and supporting education and training initiatives.

Hervé Bompard-Eidelman is in charge of the project to establish a network of management and reintegration support cooperatives in prisons (*Groupement coopératif SGI* - solidarity, management, integration cooperative); he is also leader of the project to create a National Cooperative for Associations and Prisons (*Espace National Coopératif Associations Prisons - ENCAP*).

Philippe Chabasse is Associate Director of Jubilation. A doctor, he was Co-Director of Handicap International from 1984 to 2004. He has also been Vice-Chairman of the French NGO support organisation Coordination SUD and a member of the French National Advisory Committee on Human Rights. He co-founded the International Campaign to Ban Land Mines, which won the Nobel Peace Prize in 1997 with Jody Williams.

Jacques Defourny is a professor of economics at HEC-ULG (University of Liège) where he runs the Centre for Social Economy, which he set up in the early 1990s. He was one of the founding members of the EMES network, which comprises 13 university research centres working on social entrepreneurship and the third sector. He was Chairman of the network from 2002 to 2010. He is currently conducting a comparative study of social enterprise models in Europe, the United States and eastern Asia. He has contributed to numerous joint publications in English and in French.

Pascal Delille has been a researcher at the Laboratory of Communication and Solidarity at Blaise Pascal University (Clermont-Ferrand) since 2009. She is particularly interested in complementary currencies and SELs (Systems of Local Exchange).

Bruno Drevet, a gerontologist, specialises in social housing for the elderly. Previously, he has been director of ANRESPA (association for the development of new residential buildings with services for

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Hugues Feltesse has been in charge of the children's rights department at *Le Défenseur des Droits* since 2012. He is a former Managing Director of UNIOPSS, a federation of 6,000 French associations operating in the healthcare and social action sectors, and a co-founder of the European Anti Poverty Network. In March 2003, he joined the European Commission's Directorate General for Employment, Social Affairs and Inclusion.

Benoît Hamon has been Minister for the Social and Solidarity Economy and Consumption since June 2012. He is also the Member of Parliament for the 11th constituency of Les Yvelines. In 2004, he was elected to the European Parliament, where he held positions of responsibility within the Committees on economic and monetary affairs, the internal market and consumer protection, and within the delegations for relations with the United States and Israel. From 2008 to 2012, he was the spokesman for the socialist party.

Jean-Louis Laville, a sociologist and economist, is a professor at the *Conservatoire National des Arts et Métiers* (CNAM), where he holds the Chair in Service Relations. He is a researcher at the interdisciplinary laboratory for economic sociology (LISE, CNRS-Cnam) and at the GIS-Ifris. He is involved in numerous research networks, both European (co-founder of EMES) and international (coordinator of RILESS). He has written or co-written about 15 books on the social and solidarity economy.

Alain Lipietz is a member of *Europe Ecologie-Les Verts*. He has led a dual career as a researcher and a politician. He has held various positions in economic research and teaches in several universities. He has twice been elected to the European Parliament, in 1999 and 2004, and sits on several committees. His economic research includes *Green Deal: The Liberal-Productivism Crisis and the Environmental Answer*, published in 2012.

Jacques-François Marchandise is co-founder and Director of Research and Forecasting at FING (*Fondation Internet Nouvelle Génération - New Generation Internet Foundation*). He also teaches at the ENSCI (University of Toulouse Le Mirail), the University of Rennes 2 and Telecom ParisTech, and is a visiting researcher at the ENST (a French engineering school in the field of telecommunica-

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Marthe Nyssens is a professor of economics at the Catholic University of Leuven and runs a research programme on the social and solidarity economy at the CIRTES. She is a founding member of the EMES (European research network). She specialises in the labour market and social innovation.

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Claire Roumet has been Secretary General of CE-CODHAS Housing Europe – a network of national and regional social, public and cooperative housing federations – since October 2000.

Bastien Sibille ran the *Association Internationale du Logiciel Libre* (International Association for Free Software) from 2008 to 2013. He founded and manages the social enterprise TALCOD (open-source agency).

Frédéric Sultan founded Gazibo (a consulting cooperative specialising in collaborative projects based on the use of digital tools) in 2008. He is also a member of Vecam, which actively calls for the democratisation of information and communication technologies. He created *Remix the Commons*, a collaborative platform for creating multimedia content on the commons.

Emmanuel Verny has been Director General of the CEGES since February 2012. Prior to that, he held several positions in the social economy sector, for example he was Director of UNA – the French national home care union – from 1997 to 2011.

