
SOLIDARITY ECONOMY IN PERSPECTIVE: A LITERATURE REVIEW

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Abstract

The Solidarity Economy is a way to organize workers, especially those outside the labor market, so that they can get income or can handle with the lack of it. In this movement, the workers have ownership of the means of production and distribution, there is not, therefore, separation of ownership and labor. In addition, all members have the same power of decision and are responsible for managing the enterprise.

One way to help strengthen this movement is to increase the debate about it and, thereby, generate new knowledge. The debate and the generation of knowledge allow more people start to think of Solidarity Economy and thereby contribute to its development. The main objective of this paper is to present the Solidarity Economy from three perspectives: local development, entrepreneurship and public policy; and perform a systematic literature review.

Key words: Solidarity Economy; Local Development; Entrepreneurship; Public Policy

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1. Introduction

The Solidarity Economy is an "economy project" organized from labor, and not from capital. And the reality covered by it is diversified – includes different productive sectors and involves different social categories. It is possible to find from informal groups and economic popular organizations constituted by the most marginalized sectors of the periphery, up to prosperous enterprises and cooperatives of medium and small sized (Dal Ri & Vieitez, 2008; Arroyo & Schuch, 2006).

To Gaiger (2009) and Barbosa (2007), the term solidarity economy is used to denote the set of popular initiatives to generate jobs and income (of production, distribution, consumption, savings and loans) that are based on free association and principles of self-management and cooperation.

The Solidarity Economy is a movement that involves several actors: the solidarity economic enterprises, the supporting and fomentation entities to the enterprises and, the forms of self-organization. But, for it to develop it is necessary the existence of sources of financing, marketing networks, technical and scientific advice, continuous training of workers and institutional and legal support by governmental authorities (Singer, 2000; France Son, 2006).

According to Singer (2000), the typical unit of the solidarity economy is the production cooperative. This has as organizing principles: 1) the collective ownership of the means of production by the people who use them to produce; 2) the democratic management of the company or by direct participation (when the number of cooperators is not too) or by representation; 3) the distribution of net income between cooperators by criteria approved after discussions and negotiations among all; and 4) the allocation of the annual surplus (called "leftovers") also by criteria agreed upon by all cooperators.

Besides the production cooperatives, the economic enterprises can take other forms as labor cooperatives, associations, productive groups, exchange clubs, people's banks, cooperative networks, among other alternatives (Amorim, 2005).

The following will be present some of its forms (Amorim, 2005; France et al, 2008):

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- fair trade: has the ambition to build international solidarity, thus reflecting the concerns about the possibilities of an international regulation based on new economic and trade relations, establishing fairer trade relations between countries of the North (Northern consumers in particular) and South producers.
 - exchange clubs: consist of nonmonetary exchanges based on a logic of reciprocity. It is important note that the exchange clubs are places of economic exchanges, social, cultural and knowledge exchange.
 - solidarity finance: it has the generic name of popular banks. They consist of forms of democratization of the financial system to give opportunities to those excluded from traditional banking and financial system, creating conditions ensuring access to credit.
 - solidarity consumption: it consist of the awareness of the consumer population.
 - informal productive groups: are considered informal productive groups the experiences of people who organize themselves to collectively produce. These people are grouped into classes of activities in some cases, groups of seamstresses, of artisans, of material recyclers, of theater, of organic food production, among others, but do not yet have a legal support in the form of association or cooperative, for example.
 - self-managed enterprises: often arise in the context of unemployment and closure of businesses. The workers try to organize the activities of these companies giving them a new way of management.

The solidarity enterprise gives to the worker the condition of being co-owner and manager of the business, with the possibility to decide in favor of the collective; increases their self-esteem, intellectual ability and potential; distributes the results of the work fairly and according to the individual contribution; combining common interests and motivations (Carvalho, 2006).

In summary, we can say that for an organization to be considered an economic solidarity enterprise (ESE), the actions of the worker-members must be guided by three principles: solidarity, cooperation and self-management. The absence of one of these principles causes the enterprise undermine itself as belonging to the Solidarity Economy movement.

The solidarity in the Solidarity Economy is understood as an act of mutual aid and should not be mistaken as charity and philanthropy. Not that these are not important, but here the solidarity makes people unite to overcome common problems and dilemmas.

From the union is necessary for such persons act jointly, that is, it is necessary that they cooperate. The cooperation consists to establish goals in collective thinking, engage with them and act together so that they are achieved.

In addition to co-operate, it is necessary to manage all this process. In Solidarity Economy the worker-members must practice self-management, in other words, the workers themselves must manage the enterprise.

The first two principles are extremely important, but it is the latter which guarantees its uniqueness to the solidarity economic enterprises. Through self-management the workers become responsible for conceiving and executing the work, that is, no longer supporting the production process and become protagonists. All this change imposes them a new attitude in the society, transforming them into citizens more aware and critical.

In Brazil, the Solidarity Economy gained greater representation with the creation, in 2003, of the *Secretaria Nacional de Economia Solidária* – SENAES (National Bureau of Solidarity Economy). This bureau is headed by Professor Paul Singer and linked to the Ministry of Labour – showing the importance of this movement as an alternative source of employment and income in the country.

The SENAES develops several activities to stimulate the Solidarity Economy, one of them is the SIES – *Sistema Nacional de Informações em Economia Solidária* (National Information System on the Solidarity Economy) –, a survey on how the ESE are distributed between economic activities in Brazil.

From the data obtained with the SIES is possible to see that the Brazilian Solidarity Economy extends to several fields of economic activity, from agriculture to the garment industry, through the extraction and the provision of services.

2. Contextualization and Research Question

For about a year, I worked providing advice to solidarity economic enterprises and I realized that often there were differences between how the Solidarity Economy was seen by the worker-members of these groups, how it was conducted on a daily basis by one of the supporters agencies of these enterprises – the City Hall of San Carlos –, and how it was presented in the literature.

Most of the worker-members used to see the Solidarity Economy as a way to escape from the precarious situation in which they found themselves. The solidarity economic enterprises, in the form of cooperatives, allowed them to obtain an income and with this they could sustain themselves. Furthermore, by belonging to an enterprise, they earned "identity", that is, they stopped being just another number among the unemployed to be "owners" of an enterprise.

The workers initially had a vision totally focused for themselves. They decided to be part of an enterprise because of a personal need – a lack of income. In the course of time, these workers were transformed and became more aware, but still what motivated the permanence in the enterprise was the income that they get through the work there.

Another point to be noted is that they had difficulty dealing with the differences between the work they had done for much of their lives – the traditional job, where someone orders and sets out what must be done – and the work they should practice in these enterprises – the self-management work.

To assist these workers and their enterprises, the City Hall of São Carlos had a department focused on the Solidarity Economy. This was formed by professionals from several fields, that working together, seeking ways to strengthen the Solidarity Economy in the county.

Among the actions of the city hall, there were: the qualification of worker-members, the supporting to the creation of new solidarity economic enterprises, the advice to enterprises already established and the development of policies that would help these enterprises.

Despite the attention given to worker-members, the Solidarity Economy was treated from the collective and how, through solidarity, cooperation and self-management, the groups

could become sustainable, help each other and thus contribute to the development of the county.

That was one of the ways in which literature, which I had contact at that time, presented the Solidarity Economy, highlighting the importance of groups to organize themselves in order to strengthen the movement and, presenting solidarity, cooperation and self-management as its main features.

However, in the literature, the Solidarity Economy was presented in a more utopian form, as a way of being opposed to capitalism – where that could eventually replace the latter. Two definitions of Paul Singer on Solidarity Economy give evidence of this thought:

"The solidarity economy emerges as a mode of production and distribution alternative to capitalism, created and recreated periodically by those who are (or fear being) marginalized from the labor market." (Singer, 2000:13)

"The solidarity economy is a creation in continuous process of workers in struggle against capitalism." (Singer, 2000:13)

In this context I began to see this movement from three perspectives: entrepreneurship, local development and public policy. Because of the positioning of the worker-members, I started to see the solidarity economic enterprises from entrepreneurship. Prompted by the actions of the Department of Solidarity Economy I began to see the importance of public policies to strengthen this movement. And with the literature, I started to think the Solidarity Economy as a way to promote local development.

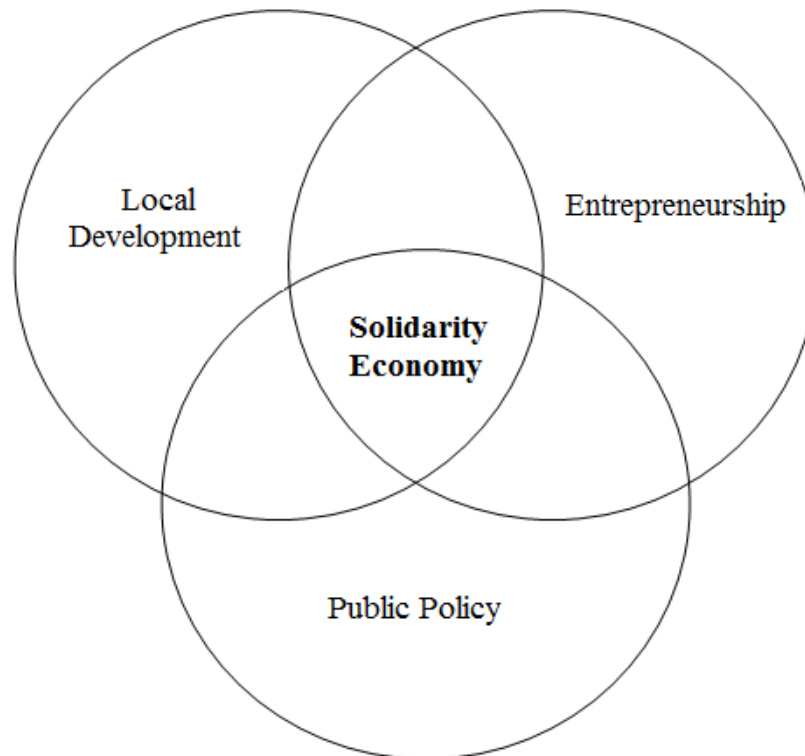


Figure: Solidarity Economy in Perspective

According to Jesus (2003:72), *"local development is understood as a process that mobilizes people and institutions seeking to transform the local economy and society, creating job opportunities and income, overcoming difficulties to facilitate the improvement of living conditions of the local population."*

Generally, “local” is interpreted as synonymous to place, which term that covers a variety of meanings, may contemplate at least three dimensions: 1) economic, by the location of economic and social activities, 2) sociological, by the everyday space of social interaction, 3) anthropological and cultural, by the subject's identification with the living space (Eid & Pimentel. 2005:125).

For Amartya Sen, Nobel Prize in Economics, the development must be seen as freedom, that is, it is not enough that people of a particular place have a satisfactory income in order that this place is considered to be developed, is needed to have freedom. It can be categorized into five types: political freedom, ease economic, social opportunities, guarantees of transparency and protective security (Sen, 2000).

Barbosa (2007), featuring some of the thoughts of Schumpeter, says that development requires new combinations (of materials and forces), causing discontinuities in the current cycle. In this concept, include five innovative situations: 1) introduction of a new product or service, 2) a new method of production, 3) the opening of a new market, 4) access to a new source of raw materials and 5) establishing a new industrial organization. The new combinations are enterprises and, the individuals who perform them are the entrepreneurs, key parts of the entrepreneurship.

To Dolabela (2008:154), *"more than creating new products, services, processes, undertake means modify reality offering new positive values to the community. Means engendering ways to generate and distribute wealth through tangible and intangible ideas, knowledge, theories, arts, philosophy. The unpublished poetry not produce esthesis or cause revolutions, except perhaps for those who created it (which may be much). Undertake, in this case, means communicating poetry and get it to transport hearts and minds to other states. Both are entrepreneurs, poet and musician who realize their dreams of communicating beautiful as software producers who realize their vision and willingness to facilitate communication."*

"Undertake is a process essentially human, with all the burden it represents: actions dominated by emotion, by desires, by the dreams, by the values, by the impossibility of eliminating uncertainty, by the need to build from the ambiguous and undefined, by the inevitability of error before paths not taken, by the daring, rebellion, nonconformity, belief in ability to change the world and the indignation of social inequities. Undertake is, primarily, a process of building the future." (Dolabela, 2008:154)

Entrepreneurship is typically described as the action of a visionary and courageous person who identifies an opportunity in the market and that takes a "calculated" risk to open a business to take advantage of this opportunity. However, this is only one type of entrepreneurship – the opportunity entrepreneurship – and there is also one of necessity. In this case, the person, due to a need, for example, lack of income, opens a business, often, informally.

According to Degen (2008), a greater emphasis on entrepreneurship by opportunity due to the impact it creates on sustainable development and on poverty reduction. That is because, for the author, are the enterprises designed to exploit opportunities that generally promote creative destruction through innovation, create new jobs and thus contribute to economic development. However, this does not mean that entrepreneurship by necessity not also have an important role in reducing poverty and, especially, in social inclusion, because when there are no jobs or people do not have the necessary training for entrepreneurship by opportunity, entrepreneurship by necessity and self-employment are the only solution for survival.

The latter perspective is the public policy. They are actions of governments that aim to benefit the space that govern and the citizens who inhabit this space. An important aspect of public policy is that it should be a State policy and not a Government policy, thus, even with the alternation of power, it would remain.

Public policies to support the Solidarity Economy possess four characteristics: are policies under construction (large heterogeneity across the country); these are policies founded on partnerships (close relationship with civil society); are policies with a strong inductive vocation (vocation to cause local development); and are policies of society organization (the focus is not the individual) (França Filho, 2006a and França Filho, 2006b).

"The process of elaboration and implementation of public policies for the solidarity economy and for the social economy allows for the enlargement of the interaction between the State and the organized society, beyond the limits of performance of the state sphere, by building partnerships between government institutions and civil organizations – nongovernmental organizations, churches, universities, research institutes, unions (ball state)." (Kapron & Fialho, 2003:215)

To Kapron & Fialho (2003), one of the great merits of public policies for the economy of the popular and solidarity sectors is to address the economic and social as two sides of the same coin.

Thinking the Solidarity Economy through these three perspectives shows how important it is or could be for the development of a country and, instigates the search for new knowledge that can help to strengthen this movement.

But is this way of understanding the Solidarity Economy is also addressed in current scholarly work? Seeking to address this issue, will be held in this paper, a systematic review on the topic. The review will be guided by the three perspectives already presented, and will be done in two bases of academic journals, the "Google Scholar" and "Web of Science". Therewith, it is believed that we can present what is being currently debated and, build paths for further discussions on the Solidarity Economy.

3. Methods

"A systematic review, as well as other types of review study, is a form of research that uses the literature as source data on a particular topic. This type of research provides a summary of evidence related to a specific intervention strategy, by applying methods explicit and systematic search, critical appraisal and synthesis of information selected." (Sampaio & Mancini, 2007:84)

Rother (2007) presents the implementation of a systematic review through seven steps:

- a) Formulation of the question: definition of question that will guide the research;
- b) Location of study: choice of search bases to be used – they should be chosen thinking about the subject of research;
- c) Critical evaluation of the results: determination of criteria for the validation of the selected studies;
- d) Data collection: selection of papers that meet the criteria defined above;
- e) Analysis and presentation of data: the results should be grouped based on similarities between them. When, at this stage, are applied statistical methods of analysis, the review is called a systematic review with meta-analysis;
- f) Interpretation of the data: it is determined the strength of the evidence found and the applicability of the results, and
- g) Improvement and update of this review: it is a work in constant improvement and, whenever new studies emerge, we should perform updates.

A systematic literature review was performed from the databases online, "Google Scholar" and "Web of Science". In the searches, the following keywords were used: local development, entrepreneurship, public policy and solidarity economy. In Portuguese, the keywords were: *desenvolvimento local, empreendedorismo, política pública e economia solidária*. These keywords were chosen because they represent the perspectives of analysis pursued in this paper.

The criterion for selection of the paper was the combination of at least two keywords in its title. In the database "Google Scholar" this was done using first only the keywords in English, and then in Portuguese. Already in the database "Web of Science" it was unable to apply research in Portuguese, since this only accepts searches in English.

Initially, we have intended to use the number of citations and publication period as ways to select the articles, however, as most of them were recently published, this criterion became unviable because considerably decreased the number of articles available.

4. Results

We found 29 articles based on "Web of Science", 152 in "Google Scholar" with keywords in English and 71 in the base "Google Scholar" with keywords in Portuguese. Unfortunately it was not possible to have access to all the full texts, but through resumes was possible to make some inferences.

In the articles of the "Web of Science", when it comes to entrepreneurship, there is a predominance of essays about entrepreneurship by opportunity, with emphasis on how public policy can help the development of entrepreneurship.

Yet in this database is noted the large number of case presentations. That is because the articles that are related to local development and/or public policy, besides presenting the theoretical aspect, demand that show how this happens in practice.

In "Web of Science" we did not find any article that addressed the Solidarity Economy relating it to the other keywords. This may indicate no interest in addressing this issue under these perspectives or a poor choice of keywords.

Using in "Google Scholar" keywords in English, we can realize the importance of entrepreneurship theme. By relating this keyword with public policy, were found 98 articles

and, with local development were 39 articles. Here, as in the previous database, there is a predominance of articles covering entrepreneurship by opportunity. Also we observed several articles highlighting the economic issue of entrepreneurship and presenting cases.

With the search in this database (with keywords in English), unlike previous, were found articles that related Solidarity Economy to other keywords, but yet in small quantity. It is worth noting that almost all the jobs obtained in this case were written in Portuguese addressing the Brazilian reality.

With the use of keywords in Portuguese in the database "Google Scholar" there is the predominance of articles that discuss the Solidarity Economy: from the 71 articles selected crossing the keywords, about 70% are related to this keyword.

Most of the articles found by following this criterion has a strong social approach – emphasizing the reintegration of workers and obtaining income for them. There is also the case presentations that illustrate how this practice occurs.

Another highlight is the amount of articles found through the search for papers related to the keywords "entrepreneurship" and "local development". In general, these articles addressed as entrepreneurship, in its various forms and not just the one by opportunity, promotes local development.

The following table summarizes the results obtained.

	Web of Science	Google Scholar (keywords in English)	Google Scholar (keywords in Portuguese)
Local Development X Entrepreneurship	4	39	17
Local Development X Public Policy	3	9	4
Local Development X Solidarity Economy	0	3	29
Entrepreneurship X Public Policy	22	98	0
Entrepreneurship X Solidarity Economy	0	1	4
Public Policy X Solidarity Economy	0	2	17

Table: Data of systematic review

5. Final Thoughts

The results of the systematic review shows that still there are few studies that address the Solidarity Economy from these three perspectives. Crossing, in pairs, the four keywords – local development, public policy, entrepreneurship and solidarity economy – were found 252 papers, of which only 56 (slightly more than 22%) addressed the Solidarity Economy and, of these, 89% were related to keywords in Portuguese.

Perhaps the Solidarity Economy seen in this way is just a Brazilian reality and can not be reapplied in other cases. Another point is that if there are many more papers in Portuguese than in English, this could indicate a bad dissemination of scholarly Brazilians articles, being one of the causes, the language.

From what was raised here, several issues can be addressed in future studies, even those that are not directly linked to the Solidarity Economy. For example, a question that deserves mention is: why we did not find any article relate to "Entrepreneurship" and "Public Policy" in "Google Scholar" (keywords in Portuguese), being that the largest number of articles obtained by the systematic review was through the use of these same keywords in English (75.8% of the articles were found in "Web of Science" and 64.4% of those in the "Google Scholar" – with keywords in English)?

With this paper, it is expected to have contributed to the construction of a debate that will help the development of the Solidarity Economy and, that there is incentive for the development of new studies considering the Solidarity Economy from these three perspectives presented here – local development, entrepreneurship and public policy.

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