

## CONCERNING THE SENSE OF LINKING THE LOCAL AND THE GLOBAL LEVEL FROM A PERSPECTIVE OF SOCIAL ECONOMY.

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### 1 - The dark thirties<sup>2</sup>: structural exclusion under the rule of global capitalism.

Thirty years of neoconservative governments (dictatorships or elected ones) and of neo-liberal politics have generated a new concentration not only of the growth of the annual income but also of the accumulated wealth and have offered to a very narrow group of rich owners a freedom for the disposal of their wealth whose magnitude is equivalent only to that lost by the workers. The level of the average wage fell approximately by 60 % from 1975 to 2002 and, according to available estimates, in the total income, the part granted to the workers fell to approximately half of what it used to be<sup>3</sup>. This indicates the changes that have occurred in the productive model and in the composition of the labour force, as well as in the relation between public property and private property of capital, and in the behaviours guided by a rationality of intensive productivity, by a rent-seeking and speculative rationality, as much as the transformations in the relations of power between capital and labour.

The structural character of the transformations that the economic system has known during the thirty years of neo-liberal dictatorship is accepted to-day by international organizations like the Economic Commission for Latin America (CEPAL), the United Nations Program for Development (UNDP) up to the point that the World Bank talks about growth without employment and shows itself favourable to a “governance” based on poverty relief. They all, no doubt, develop an analysis whose starting point is to maintain the system based on the predominance of capital (in the “real economy”), even if they may disagree about the definition of reforms that must be implemented so as to guarantee this continuity.

Given that any kind of structural tendency may allow occasional improvements without however modifying the long term trend, we may to-day observe, as it is notorious in the case of Argentina, high rates of growth for the GDP, an improvement in the distribution of the national income (but not in that of wealth), a diminishing rate of unemployment and of black market labour. This evolution is considered as a proof of good management for *this* economy.

Of course, in order to understand the limits of these indicators, it is sufficient to think about all the other indicators that the system does not produce: (the decline in the structures of ownership, the deterioration of the labour force, of the living conditions for the population, and of natural resources, the progress in mafia activities not regulated by any market force, the latent social consequences of the public debt whose effects depend on the erratic evolutions of world capital markets, etc.), and to imagine how would vary these indicators concerning the “real economy” if were revealed the plunders, the contraband activities and the hidden transfers which are still going on. But at an empirical level, it would be sufficient to travel around the country and to observe and to morally estimate what is obvious: one cannot consider oneself as virtuous by

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<sup>1</sup> This paper is based on the text of Introduction to his book by José Luis Coraggio : *Hay vida después del neoliberalismo*, Editorial CICCUS, Buenos Aires, 2007.

<sup>2</sup> To oppose to the golden thirties during which was built the social and welfare State.

<sup>3</sup> Pablo Vinocour et Leopoldo Alperin, “Pobreza y políticas sociales en Argentina de los años 90” (*Poverty and social policies in Argentina of the nineties*), in CEPAL, Serie Políticas Sociales, N° 85, Santiago, 2004. For a more up-dated analyses that help to go ahead despite difficulties in order to get an homogenous series calculated according to the rules of economic science, see: Javier Lindenboim, Damián Kennedy et Juan Martín Graña, “Distribución funcional del ingreso en Argentina. Ayer y hoy” (*Functional distribution of income in Argentina. Yesterday and to-day*). **Documento de Trabajo N°4, CEPED, Buenos Aires, 2005.**

*Concerning the sense of linking the local and the global level from a perspective of social economy* (Sobre el sentido de articular lo local con lo global desde una perspectiva de economía social)

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making the Argentina people suffer from so many inequalities whilst facing the display of ostentation in the consumption of luxury goods, so many injustices, so much destruction of identities, so much plunder exerted by monopoly capital (including those subsidized by the State) and by those who follow the same direction and multiply, by a mass effect, the destructive power of capital.

On the other hand, without new structural transformations, aiming for progress this time, those temporary statistical improvements may easily reverse themselves, because the politics is now to strengthen – using a more intelligent handling (a more instrumental one) of governance – this unjust peripheral capitalist system, itself dominated by the logic of the global rent-seeking capital. This means that the fundamental contradiction between the increase of productivity for capital and the continuously decreasing internal demand due to the unequal distribution of national income remains unchanged, and that there is no national society which is able to give more density to its social fabric and to improve its social relations without an alternative management of this contradiction. It must be recognised that (allowing for periodical crisis with high social costs) the international fractions of capital that are invested in the country (including capital of national origin, whether legal or illegal) may continue to reproduce themselves thanks to the country's competitiveness based on low fiscal costs, very low social expenses, extremely low wages, trade unions' docility, and also by the means of irresponsible external gains on non renewable natural resources and on human housing. Those economic mechanisms could not be lasting without a non politicized society, centred on individual struggles for everyday survival. In front of this so negative picture, concerning the possibility of having more justice in society, we observe as a contrast, the doubts of the ruling classes who are more conscious about the way that, in the middle term, will occur the loss of legitimacy of the system as a whole, about the vulnerability of their small model and of its governance, because of the volatility of the international price system and of capital, and about the threat of popular revolts (a real Damocles sword) against the impunity of plunder and of exploitation. Even the "organic intellectuals" of the system admit in the end, for "economic" reasons and not for moral ones, that without some amount of immediate redistribution there will be no growth in the future, but they do not call into question the underlying regime of production and of accumulation. Will the Argentina society have to barter such an analytical position against some progress of human rights thus narrowly defined?

In the field of representations, a small number of years of prosperity, according to the system's indicators, seem to have renewed the economics' illusion that the growth of the GNP accompanied by monetary stability (or its expectations) is the key for a good economy. However, we no longer hear the liberal promise that, in spite of being in a system based on inequality, the majority of the population will improve its situation (an average tendency) during its whole life and from one generation to the other. In order to keep the system afloat, will be now controlled what the State dares to recognise publicly as being the excesses of private capital (or of groups of power related to economic interests). But one must remain always weary and denounce that on which attention is strongly pointed out and disclose in full light the hidden movements by which one gives back to capital what had been levied in an apparent manner. In all cases, we have there political games but no true political direction, in fact there is no other direction followed except that which tends towards the continuity of present capitalist power.

What in fact must be admitted as definite, from one generation to the other, is the tendency to maintain the structural decline of the workers' share (employed or not, from middle or poorer classes, salaried or small entrepreneur) compared to that of owners of capital, becoming more and more international and less national, and to consider as given facts the internal contradictions of the working class, between those employed or unemployed, the better paid and the miserable ones, the under employed and the over employed, between the foreigners and the nationals, between rural and urban ones and so on.

## 2- The choices opened to the society

Facing these problems, partly in reaction, partly by political, ideological or theoretical choice, or by opportunity, two types of answer may appear:

1 – *Run for your life, if you can and as you can.* Each person, each group, each local or national community must feel himself responsible for his own situation, without pretending to overthrow the processes which strike, or exclude or pauperise them. Those who succeed and reach the *state of*

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*competitiveness* will accede, not for eternity but for some time and in a precarious manner, to the resources, capacities and possibilities of insertion, or will succeed at being in the first ranks of the queue for public assistance, not in a transitory manner but in a permanent one. Thus, each one is in rivalry against others for survival, indulging in small-scale actions: each one on his side, each ethnic group or region, towns on one side and the rural sector on the other. Every one competes with all, either for assistance or in the market place.

2 – ***Pooling for survival.*** If the economic system and society are fields of forces, many people think that they must be pragmatic, and this implies the recognition that in a field of forces: “united we stand, divide we fall”. We must add to the former scenario the necessity for associations in order to produce and to be competitive, or to claim for and receive what is necessary for survival, whether it is under the form of assistance or under the form of resources, so as to answer in a cooperative manner to the needs and unsatisfied hopes of groups of excluded persons who, though showing solidarity within the group, continue to compete among themselves. Solidarity appears here as a strategic resource, used as an instrument, and not as the anticipation for another wished quality of social links. In many cases, joint appeals for collective management and actions have been made, and this constitutes promising indicators but these actions are minimal ones and have no kind of public importance, nor have they benefited of any kind of amplification that such collective actions should lead to.

### **3 - Some variations of public policies: Social Economy?**

In many countries, whether from the Centre or from the Periphery, national or local governments have taken initiatives for transferring productive resources to unemployed female and male workers, not only to relieve hunger and to satisfy their primary needs with their own production, but so that they may also undertake individually or by associating themselves, sustainable economic activities, expecting that, according to the common sense of liberalism, they would soon no longer need this transfer of public resources (considered as initial subsidies). It is not always easy to discover whether such policies are the public version of the second type of solution that we have formerly described. Anyhow, in a political system where there is a hegemonic force and its counter-hegemony, one thing is the intention of the public decision-maker and another thing will be the content that it will be given in the socio-political game which implements them.

In Brazil, the government tries to fight hunger in a radical manner (“zero hunger”) and its Ministry of Solidarity Economy stimulates the birth of cooperatives of workers and answers partially to the claims for earth, credit, education and other public goods, accompanied in a critical manner by a large network of social organisations, trade unions, churches, universities and NGOs – all aiming to go beyond the compensatory intentions of such social policies by promoting the structural development of a sector of economic solidarity centred in cooperatives of workers.

In the case of the government of Venezuela, a part of the oil rent is recycled so as to produce public goods like health and basic education, encouraging massively and simultaneously the formation of tens of thousands of cooperatives working under the label of “popular economy”, which is bound to lead to problems of sustainability for an important number of these enterprises given that the conditions of support and that the solidity of the prior frameworks are lacking on such a massive scale for organizations of the civil society and of public sector without structures nor experimented networks.

In many countries in this Region, there exist programmes with the same intentions and which even receive the blessings of the International Bank: to permit that the more capable poor people may organize their own work and may reinsert themselves in the market system thanks to micro-credits in order to stimulate their micro-lives.

In Argentina, the Chieftains and Chiefs plan which appeared in 2002 as an improvised answer to the major crisis of governance, became in the end an institutional minimal allowance system (having no universal reach as announced at the start) which requires counterparts under the form of offers of community activities or of merchandised labour, and whose orientation has been drawn towards a new direction by the Plan for Social Economy and Local Development, “Hands at Work” – which offers subsidies at the start for equipments, tools, materials, micro-credit funds and technical assistance – with the aim of promoting small associative

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enterprises which, it is hoped, will quickly maintain themselves on the basis of their own gains. But the limited amounts of distributed funds and the conception itself of this “social economy” policy as a sectoral policy does not succeed in overcoming its character of a short-term attention to social urgency, which in fact is and will remain a structural one, as long as one does not engage struggle against the inherited economic model.

In spite of its title, this plan for Social Economy and Local Development has not been accompanied by any participatory programme in local development which could have given a superior level of rationality to the set of decisions and started a process of democratisation and social management of the whole economy, in particular of the Plan’s resources. This failure is attributed to the low institutional capacities of local governments and enterprises, but it is also the result of the lack of will for modifying the rules of an accumulation supported by political clientelism, where the local populations constitute an electoral mass of manoeuvre, the “political capital” of local governments. In fact, the decentralization at local level of technical decisions which is clearly justified by the impossibility to assess micro-projects concerning activities in highly heterogeneous contexts from an office in Buenos Aires, do not guarantee neither a greater rationality nor less arbitrary decisions. The researches on the social imagery show that these programmes are interpreted as forming part of one same matrix of public assistance policies ( which seems to be confirmed by the fact that they are mostly administrated from the Ministry for Social Development whose principal mission is precisely to relieve poverty). The Ministry of Economy (and many other ministries which exert control over the resources and political decisions that are necessary for an integrated policy in that direction) continues not to consider Popular Economy as belonging to the Economy and do not contemplate the possibility to contribute to the birth of a sector of Social Economy.

However, even under these conditions, a few experiments show the possibility to give again a signification to these programmes, experiments that must be systematised and valorised in case that what we will is really that shall be taken on another proposal, beyond the present one and closer to the Brazilian proposal: *to build consciously an organic sector of a social economy.*

#### **4- What is the meaning of Social Economy?**

In a recent work from the Canadian Centre for Social Economy, it is defined as follows:

*“Social Economy distinguishes itself from the private sector and from the public sector and it includes cooperatives, foundations, cooperatives for savings and loans, mutual organisations, non governmental associations, the voluntary sector, charity organisations and social enterprises.”*

This definition, validated by the authorities of this Canadian Centre, is used by us as a point of reference to differentiate, by comparison, our own concept of Social Economy.

First, there is really one point in this definition which coincides with ours: it does not refer to poor people, it does not self-define itself either as an economy of poor people or as an economy for them and, consequently, it does not make any equivalence between “social” and “assistance”. The definition, constructed by enumeration, offers a collection of formal types of economic organisations (Cooperatives etc.). Theoretically and empirically, many sectors benefiting from very varied knowledge and social conditions may participate in those organisations. In fact, foundations and NGO’s are usually constituted by professionals from sectors of middle classes citizens. Of course, even poor persons may participate, either as actors or assisted persons, to charitable organizations, but this definition does not propose itself to include as constitutive parts of these organisations (and the more so of Social Economy) the addressees of their activities (customers, beneficiaries etc...). On the other hand, it includes cooperatives which may be seeking market revenues – not necessarily low ones – for their associates and, maybe, for their communities.

In the end, this above definition expressly excludes profit-making enterprises aiming at accumulation of revenues for a group (private sector) but excludes also the State (public sector) which by hypothesis should be a representative of “the common good”, and acting accordingly in the economic system.

So as to clarify our differences with this definition of “Social Economy” we must beforehand adopt a larger

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comprehension of the concept of ECONOMY: any economy is, de facto, a social one. It is so as a material sphere relatively autonomous from the social structures which co-determines what type of society it promotes and contributes to reproduce. It is social also because society co-determines the economy directly and via many political processes which confer to it a social determination. From a more complex angle, taking the market economy as a point of reference, an omnipresent modern one, any existing economy is also “social” because a significant part of itself operates outside the markets’ mechanisms and, consequently, is not able to constitute itself into a separate sphere having a tendency towards auto-regulation. Consequently, the real economy, even in the cases of societies having reached the highest capitalist development, does not succeed in discarding completely those kinship relations and institutions and other social links, ethnical and community ones, political life and the systems of personal status. These considerations back up the hypothesis that a high degree of combinations and hybrid relations exist – with their contradictions – between the methods of organizing the material basis and the historical matrix concerning the construction of the structures of each society.

Thus, it seems redundant to talk about Social Economy (as each economy is in fact social). But the definition of the Canadian Centre limits this adjective to a sub-set of economic organisations by using apparently simple criterions. The knowledge that we have concerning the “ideal-types” of the considered organisations make it appear clearly that priority is given in this classification to the free and voluntary constitution, as well as to the quality of the relations within those organisations, whether they are merchant ones (producing for market sales) or not; they must be neither organised like capital-making enterprises, nor there must be separation between owners and workers; there must exist inter-subjective relations, with non objective targets, giving the priority to values and practices of interpersonal solidarity, to democratic management and to internal cooperation, admitting varied combinations of voluntary, salaried or associate work. Its’ structures of relations combine equally the principles of exchange, of redistribution and of reciprocity. We must add two types of organisations which distinguish themselves by their mission of social solidarity (though it goes in one direction, towards external beneficiaries): foundations and charitable organizations.

Grey zones always appear when we apply these definitions based on enumeration to real situations: cooperatives that have lost their ideal of cooperation and function like equity corporations as much towards the external world as towards the internal one, cooperatives of labour which become appendices of equity corporations, instruments for hiding the forms of over-exploited, alienated labour and for escaping the principle of fiscal redistribution, foundations having a vertical management and used as a screen with an equity corporation behind, and so on. But those who propose quite honestly this definition are conscious of all the above mentioned problems, and they try to separate the good grain from straw by distinguishing between the legal forms and the social contents, between the discourses and the practices.

As a summary, following this definition, one part of the economy would be “social” – given the quality of the components that it incorporates – and the other not (all type of enterprise directed, openly or in an occult manner, by capital or by owners of capital, and all types of State organizations). But, as this definition (which is a micro-economic one) makes it appear, this set of organizations which consider themselves as “social”, does not seem to require a different mode of relations between its particular components, and with the rest of the economy, allowing for instance to give priority to competition in market exchanges between cooperatives which practice internal solidarity. Moreover, the Economy, in a narrow sense (the non social part of economic activity) and the “social” economy would be related by the means of market exchanges or by the means of centralized redistribution from the State. The real problem would then be the terms of exchange and not exchange itself or its rules.

The problem with those micro-economic definitions (methodological individualism) is their tendency to focus on the units organizing production of goods and services whether it be for transactions on markets or for unilateral transfer of products in favour of sectors where the basic needs are not covered. Their central point is therefore production and relations of production and not the problem of social reproduction and nor the larger frame of division of labour, of the relations of ownership and of the reproduction, with the necessary attention being paid to production, distribution and use of a material surplus. Consequently, though one studies a posteriori the relations and the terms of exchange or the processes of redistribution with the definition of Social Economy, the totality of the system which contributes to make sense and to reformulate the pretended signification of its constituents is lacking.

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Having attempted to present it in the most equitable manner, we must say that we have two fundamental disagreements with this definition.

A) As we said, the organizations that are included, are selected on the basis of their internal relations. But each of these organisations cannot exist without relations with others: organisations from social economy itself, with equity corporations, State organisations and most of all they exist in a system dominated by capital what tends to introduce in those organisations an ethics of market capitalism and generate a field of forces, as would say Bourdieu, which cannot be seen as an “outside” given that it crosses them and co-constitutes them in concrete forms. It is a fact that economic systems with a dominating or hegemonic force tend to reformulate the signification of its economic organisations, diversified in an apparent or intentional manner: it is not the same thing to have an economic system constituted on the basis of cooperatives of workers which have succeeded in influencing it with other practices, common sense and political ideologies projecting their ideals, or to have another one in which a few number or even numerous cooperatives share the practices of a capitalist market system. It is sure that the Quebec society demonstrates that it is possible to progress in this direction, but the historical and cultural matrix that makes this possible is not easy to reproduce elsewhere, though it is possible to learn much about the importance of a cultural project largely embracing the nation so as to consider the possibility for long term transformations of the economic system. In the real life of our societies, at the periphery of the capitalist world-system, the possibility to mobilize the energies in the hegemonic system and to modify the social representations and the common sense, requires a permanent struggle, one of multiple dimensions (cultural, economic and political) which cannot be led only inside these economic organisations.

B) As an intellectual action, such a definition does not put any tension on the social system, does not offer by itself and by the practices that it initiates any project of social, economic and political transformation. It places its differences inside the system, differences that may be compensating and even furnish some help for the functioning of the system (either since its initial purpose or after a redefinition by the environment) and at least does not question it in a political manner. By collecting butterflies we may obtain useful knowledge and even create satisfaction, but it will not produce any kind of proposal for collective action, neither any conviction for the necessity of changing the biological system, nor the necessary strength for transforming it. The “economy” as a whole continues to be considered as “natural” and the boundless process of commodification is not refused by the creation of one or many organisations of this type.

Let us displace the point of study into Argentina where the term of “social economy” has been recently tinted with a “public assistance” tonality by the public policies carried on in the aftermath of the 2001’s crisis, because of the underlying conceptions of these policies and of their obsessive determination to mobilize and associate potential entrepreneurs promoted from among the poorest of the poor people. For instance, among the authorities who have launched such policies, it is difficult to admit that the enterprises taken over by workers form part of “social economy” (because of the government’s definition given to “social economy”, it does not seem relevant either for workers to be classified there because, firstly, they claim their identity as workers and, secondly, as self-governed actors, but not in any case as “poor people assisted to become entrepreneurs”). One must not be surprised either that the registered cooperative movement (cooperatives, mutual organisations and formally constituted associations and their corresponding State’s administrations) continue to maintain that they represent the “true” social economy, which is not the case of all those micro-activities promoted from a Ministry of Social Development. We must not be surprised either that the trade-union movement and the labour force favourable to self-management feel themselves as strangers in this approach.

Finally, from our point of view, we define Social Economy not so much as an existing reality that reproduces itself on its own basis or in a relatively autonomous structural articulation with the rest of the economic system, but as a plan for a transition in economic practices for transformation actions, conscious of the kind of society that it wants to generate from within the mixed economy existing at present, in the direction of another economy, of another socio-economic system, organised on the principle of the enlarged reproduction of life for all the citizen-workers, in opposition to the principle of capital accumulation (which has mobilized and instituted as “natural” such institutions like private property, the reification or commodification of the labour force, of land and money, processes which should at least be redefined).

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This new system of institutions towards which we would tend – which is de facto a logical anticipation but most of all a construction and a decanting which is going on – (other efficient forms for organizing and harmonizing the behaviours related to the social management of needs and of their solutions, of labour, of the social, technical and natural metabolism, of the rules of exchange and the forms of appropriation, of public management in general and of the production of public goods in particular, among other things), this vision which should guide our practices with its elements of utopia and the demonstrating effects of its anticipations already present in our reality, we shall call it Economy of Labour, thus named so as to be opposed to the Economy of Capital (something that the expression “Social Economy” does not succeed in doing). With this conception we try to approach an economic system dominated by the will to reproduce the lives of every one, and it implies an ethic which goes further than the subordinated and commodified forms of labour. In its concrete historical configurations such an economy will have to include the organisations of residual private capital or of public resources, but they will be subordinated to this new logics, be under its hegemony, subject to evaluation by criterions of rationality which are nowadays only starting to emerge on the margins of the system and to reinforce themselves against the dramatic results of the limitless irrationality of capitalism.

In an economy dominated by the founding principles of the full development of the capacities and the fulfilment of every person in society, the State’s institutions and even the equity corporations should have to redefine their social signification and their legitimate space of action, because of this existing new totality and field of forces.

These practices will not put themselves in place in a vacuum of power. It was not either in a vacuum of power that, since the seventies, a renovated freedom for capital has been obtained by the conservative bloc, supported by dictatorships in countries of the periphery and directed by the strategic command of the World-Economy (of which the Washington Consensus is a rare example in regard to its explicit and shameful expression). This new correlation of forces has founded itself on the reduction of the liberty and rights of workers in front of the dictatorship of capital, as it is shown in the conflicting problems concerning the limitations imposed upon the international migrations of people by the pretended globalization, itself obtained by a complete suppression of barriers to global private ownership. Private property and the rights of use that it implies convert themselves into cultural conflicts whose mode of solution may have heavy consequences on the perspectives of reproducing life under its community forms, as it is shown by the consequences of the new laws on intellectual property based on the possibility to get patents for knowledge which was formerly a public good for human society.

## **5- The practises of social economy: a transition towards an economy of work.**

From the point of view of workers, going towards social economy is, from inside the real capitalist societies, to nourish the development of multi-facet experiences of another economy, which are emergent and articulate themselves (or not), motivated by the necessity of survival in a system based on exclusion and by the learning and the diffusion of practices which are not directed by the agents of capitals. Those experiences are marked by the unavoidable contradiction of being born in a society whose hegemonic values must differentiate themselves continuously as conflicts develop themselves with the capital and the class domination, but whose initial stages need them (as well as they need “its” resources, giving life to something equivalent to the primitive accumulation of capital). The capitalist society is like a sticky take-off path for the new society. Attempting this take-off is socially and economically necessary and politically possible because we are going beyond the limits of survival for the whole of humanity on the planet. And the starting point is sticky because the society though in crisis continues to be one in which predominates a predatory individualism, combining structures of power always more concentrated and hegemonic practices which continue to work for legitimating it though it offers conditions which are more and more unjust for the majority of workers.

Consequently, making the “Social Economy” is a concept for a transition as from the periphery, which implies that we consciously contribute to disarticulate the structures of the reproduction of capital and to construct an organic sector which satisfies the needs of all on the basis of other values, to institutionalize new practices by the means of an anti-hegemonic struggle against capitalist civilization, which asserts another

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concept of social justice, which combines the regulated market with other mechanisms for coordinating initiatives, which fights to give new directions to public policies, and in particular the production of public goods, but which – apart from a few punctual exceptions – cannot for a certain time (which seems very long for immediate survival but short in the long historical period) cease to operate within the existing society. (One enlightening experience of such contradictions is that of the “Business is business” expression, used by the managers of Mondragon, who justify it because they must accumulate surpluses so as to redistribute them among their workers and their particular communities).

## **6- The struggle for an economy centred on life has already started.**

This economic transition includes, no doubt with contradictions and conflicts that are inherent to any complex social process, all cooperatives whether big, medium or small, and we place great hope in their ideal of solidarity which is renovated by the present debate concerning their historical mission as an anti-capitalist project for workers. But most of all it is an economy system including largely many ancient and new forms, not recognised as “economic” by the common sense legitimating our society (and by the formalized cooperative ideology). Thus it integrates the domestic units with their economy of production and of reproduction (the *oikos*) and its extensions, which follow the same logic of reproduction *of their members* than that of the domestic unit – such as family or associations’ initiatives, or the “collective groups” of all sorts which are formed so as to redefine and satisfy their shared needs, as it is the case of the MTD Solano of Buenos Aires or formerly in that of the Ciudad Moscon; it includes networks of mutual assistance, both for purchase and sale, the periodic fairs with multiple aims (trade, culture, education...) and the territorial communities self-organized in order to coordinate the productive activities and the collective actions of their members (as it is with the PUNA network), collective canteens articulated with communities’ gardens, district associations, mutual associations for joint productions of urban houses which may sometimes become self-governed urban zones like the Villa El Salvador in Lima which groups 800 000 persons, private or public enterprises taken over by members and their organisations for support, and, of recent importance in Argentina and in Venezuela, the types of solidarity banks in struggle against the simple micro-credit, the democratic instances of government administration (like the participative budgets initiated by Porto Alegre under the P T government, or the case of associated government of the Avellaneda Parc in Buenos Aires), self governed food supply systems at different territorial levels like the ethnic communities of the Maya nation, who have quite an original conception of life and of nature, the global network of production of free software programs which groups 30 000 programmers in the whole world and rivals with the big Microsoft monopoly, solidarity markets using their own social money, and many other forms of organizations for joint actions which appear suddenly in the course of struggle for survival.

For all these practices – which already exist and succeed more and more in neutralizing the propaganda of mass medias (which try permanently to reformulate their meaning by considering them as punctual “quests” and not as permanent choices of sociability) - to become an ECONOMY IN TRANSITION we must add a political will, and a fundamental meaning: that they allow by the most varied means the enlarged reproduction of the life *of all*, when the life of each one is closely related to the possibility of a dignified life for the others who make the framework for the communities or for society. This dimension of solidarity and of social justice constitutes the critical core of the struggle against the common sense legitimating the individualistic and particularistic nature of the present system.

As we advance towards an over-taking of the belief that the economy built up by the neoconservative power with its neo liberal programme is now the economy for ever, and that from the social basis being demonstrated two things, first the will and, second, the possibility of building up other economic forms by beginning to consolidate new identities (like that of the associate worker who does not look for work with an employer, which has been recently revealed in an inquiry made by the Institute of Conurbano of the UNGS), social economy appears then as a political proposition which takes support on a critical theory, putting forward other values and expounding another rationality for guiding the practices of transformation starting from the Latin American periphery. This proposition explores, puts to test and promotes forms which include but do not limit themselves to the enumeration with which we have started this text.

In former paragraphs we have mentioned two paths for action: “Run for your life, if you can as you can” and “Pooling for survival”. Now we may add a third one: “**Let us transform ourselves by transforming the**

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**context**”. In a prophetic manner, in the better critical sense of the expression and in asserting the right for an achievable utopia, we may announce that the subject is back, considering the possibility of modifying, slowly and from its roots, as from the economy itself, as from the local level, this world in which a few are included in a sea of excluded ones. Having lost the hope that the capitalist system may produce any significant tendency for integrating individuals in society, the idea that the economy is a social construction in which we live, gains in plausibility, and it reanimates the pretension of developing other forms of production for exchange and for self-consumption, directed towards the reproduction of life and guaranteeing the dignity of *every one*.

This supposes that the immediate subsistence of every one is guaranteed not only by grabbing the opportunities of the market system as they are and at the conditions in which they are offered, but also to dare, as political subjects, to assert the possibility of gaining autonomy in front of the dictatorship of capital and of a political class that has drifted apart from its people, to win the right for a dignity of life for every one which opposes itself to the irrationality of the global market and to domination conceived as the sole form of political power. The solidarity meetings of the different forms of existence of the world’s workers, whether excluded or not, will not happen in one unique foundering act, but by sporadic and convergent acts of rebellion, efficient as symbols, and by the slow process of constructing material organic structures from local bases.

The possible articulation between local practices of asserting the capacities to make the economy and the democratisation of organisational and of State’s forms, with the practices of constituting omnipresent global actors who confront themselves to capital in its meta-space, is a network of fertile initiatives which not only interconnect in the network but are also a productive basis even if there is a risk of loss of competitive efficiency in the short-term<sup>4</sup>.

In the GO’s game, one speaks about territory. When Capital places a black pawn it aspires to control a territory: resources, capacities, markets, and to give a support to other positions, knowing that it is in their combinations that resides the key of its unlimited accumulation up to the point of gaining control over the world (up to the point of ending with life, that is, with all the players). Each pawn is important not only for its results as an enterprise or particular affiliate, but also because it contributes to the global result of territorial domination. Some of them may acquire strategic importance in circumstances that are difficult to anticipate, others may be abandoned without any risk for Capital. If a black pawn is surrounded by our white pawns: claims over wages, tax payments, limitations to capital’s freedom of decision concerning processes of production, conditions of work, defence of environment, of the quality of life in society, of identities, of citizen’s control over public goods, then the black pawn disappears, gets out of the draughtboard, but its equivalent will reappear somewhere else in a corner of the world’s draughtboard. Our problem is to believe or to allow that the exit of the black pawn constitutes really a loss for us, one which we shall not be able to endure, that the factory takes away with it our job, income and access to means of living. “We have gained some territory, but now what will be our means of living, how shall we connect ourselves to the rest of the world?”<sup>5</sup>

So, it is fundamental to develop the vision that economy is not limited to the economy of capital and that we have the possibility not only to resist but also to gain in quality by constructing forms of local life using

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<sup>4</sup> See : Franz Hinkelammert, *El sujeto y la ley. El retorno del sujeto reprimido*, EUNA, Heredia, 2003.

<sup>5</sup> In this respect it is important to take into account although Capital has already a principal of global action, that is of omnipresence, the State has a principle of territorial organisation (hierarchical, cellular and inclusive): for this reason when the social economy gains territory, occupying the space that has been left by or from where has been displaced the Capital, then it faces the State, the political system and the agents of politics (less or more clientelism). The principal conflict with Capital must not lead to forget that the State may be the rearguard of Capital in the territory and may get a logic of domination-power with a relative autonomy, opposite of the autonomisation of the workers or, a democratised State may be a form subordinated to the political will of the community that it represents or it claims that it represents ( the “to command while obeying” of the Zapatistas).

simple<sup>6</sup> technologies, thrifty in energy use but rich in relations and knowledge and being aware that there is a global strategy for the formation and for inter-connecting great cooperative units of production which has started and will bring us the *complexity without domination* that we need, something which implies that work, science and nature cease to be simple productive forces for capital. In this process, will be decisive the role of organisations or of collective spaces and of networks of thinking which are able to link the immediate local level to the vectors of forces in the global system, and to combine attention to urgencies with strategic analysis.

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<sup>6</sup> We are not making a vow of “simplicity”. First because we do not assert that local is simple and global is complex. The fields of realisation of work and of the reproduction of life in contemporaneous societies cannot exclude either the global or the goods produced by complex technologies, however they may be maintained within relations of cooperation, solidarity and personal recognition without domination of profit ends; but outside the space under the control of capital and of forces motivated by the private accumulation and competition in a system where objectivation is the rule. One example that it is possible is the network of open software production. We do not try anymore to promote an economy of simple reproduction, repetitive and without any innovation in production and consumption. The quality of life must be a dynamic concept and we will need new practical, scientific, technological knowledge and systems of interpretation of the world as well in order to make life easier. Simplicity (which implies among other things to ease the pleasure and to evade the useless degrading complexity of sociability and stressing for persons) is a construction which has national and symbolic conditions for its realisation. This is not a minor problem to know how to consider the motivation and the social valorisation of invention and innovation when the production forces are not reified and when the target is neither the growth nor the enlarged reproduction of capital but those of the life of everyone.