

From Crisis to Job Creation: Labor and the Solidarity Economy

Julie Matthaei and Jenna Allard

Introduction

It seems that everywhere you turn in the U.S., ordinary working Americans are faced by economic crisis. Higher food and fuel prices and a tidal wave of home foreclosures is compounding the already difficult situation of stagnating real wages, falling benefits, spiraling credit card debt, and the continual threat of losing one's job to offshoring. Meanwhile the looming specter of climate change threatens the fragile ecological balance which we need to survive as a species.

The good news is that, in response to these threats to their survival, people all over the world are using their ingenuity and collective power to innovate new, more people-centered economics. In particular, new forms of job creation, and of work itself, are springing up in response to global capitalism's inability to provide the employment people need to fill their basic needs. These new economic practices, which move beyond traditional capitalist employment relations and profit-only-motivated business, are beginning to be seen by those involved in and advocating for them as part of an emergent "solidarity economy."

Defining the Solidarity Economy

The ultimate aim of the solidarity economy is fulfillment of human needs, the breakdown of oppressive economic hierarchies of all types, the development of human potential, and the preservation of our communities and environment. At its core is a transformation of the values which motivate and organize economic activity. The solidarity economy rejects the currently, individualistic, money- and profit-centered values of the neoliberal economy. It recognizes that economics is about our relationships to other people and to our environment, and strives to insert values of cooperation, equality, democracy, local community control, and sustainability into these relationships. It advocates the expression of solidaritous values in the myriad of decisions which permeate our economic lives, from a person's decisions about what to buy or where to work, to a business' choice of technology or treatment of its workers, to public policy about how to respond to climate change.

There are four distinct aspects to the interconnected and organic whole that is the solidarity economy. It is a collection of existing solidaritous economic practices; a network of people and organizations engaged in these practices; a developing local and global movement that informs and advocates for these practices; and a theoretical framework for understanding and analyzing these practices. It can be a way of scaling up initiatives that work, of transcending political boundaries, and even of challenging neoliberalism.

Examples from Abroad

The failures of neoliberal globalization have inspired a wealth of solidarity economy initiatives around the world. In particular, solidarity economy organizing has been able to create employment opportunities for the poorest of the poor in economic crisis, especially in Latin America.

In Argentina, for example, opportunities for transformative employment grew out of the depths of a crisis. After the dramatic 2001 economic collapse caused by the failure of neoliberal policies, factories closed and capital fled. Over 20% of the population was unemployed, and over half the population was living in poverty. Workers took control over the unused means of production out of militant necessity. To date, over 180 recuperated factories have reopened under worker-control, providing jobs for over 10,000 workers. In addition, the Unemployed Workers' Movement, also called Piqueteros, organized to collectively make demands on the government for locally-administered state-funded jobs, food parcels, and public infrastructure investments. They use tactics like blockading highways, and often use benefits jointly to develop their local communities through projects such as bakeries, soup kitchens, and health centers.

In Brazil, the three social movements at the core of the opposition to the military dictatorship have also led the development of solidarity economy. In the 1980's, Brazil experienced a currency crisis and hyperinflation as it transitioned from dictatorship to democracy. This, along with the vastly unequal distribution of income and land, and a huge informal sector, spurred these movements to pursue an alternative model of employment and economic development. The Landless Workers Movement (MST), the largest social movement in Latin America, uses a clause in the new 1988 Constitution to seize land not being used for its social purpose, and to create communities of cooperative farms. The Central Union of Workers (CUT), the largest labor federation in Brazil, partnered with the solidarity economy movement to create new cooperatives by starting the Agência de Desenvolvimento Solidário (ADS) in 1999. Since the Worker's Party (PT) has come to power politically, they have also promoted creating employment through the solidarity economy. In June 2003, Lula created the Solidarity Economy National Secretariat (SENAES) in the Ministry of Work and Employment to work with, study, and support national, regional, and local solidarity economy organizations.

In Brazil, worker self-management is an important characteristic of solidarity economy initiatives. Many of the solidarity economy initiatives in the country are popular cooperatives – cooperatives that employ, serve, and empower the poor and the socially excluded, and are geared towards the common good. There are also networks of incubators – often connected to state universities – that help start and provide ongoing assistance to these cooperatives. As of 2005, almost fifteen thousand solidarity economy enterprises (most of them popular cooperatives) existed in Brazil, employing over 1,250,000 workers, as well as 1,120 support organizations, such as incubators and financing institutions.

On another continent, much closer to our own U.S. context, the social and solidarity economy became an answer to employment crises in Quebec. In 1996, in the midst of 12% unemployment and huge budget deficits, the government of Quebec organized the Summit on the Economy and Employment. It invited women's groups, anti-poverty groups, and union groups, who had been pressuring the government to redress inequality and create employment, as well as nonprofits, private businesses, unions, and other social movements. The group, which eventually became the Chantier de l'Économie Sociale, was charged with creating an economic development plan, and building the social economy in Quebec. Chantier brings together representatives of the social economy that was created, community economic development organizations, regional social and solidarity economy networks throughout Quebec, and social

The Formation of U.S. SEN

In the summer of 2006, Dollars & Sense published a special issue entitled “Other Economies are Possible,” in conjunction with Grassroots Economic Organizing (GEO). In it, Ethan Miller talks about the possibility of a “U.S. Solidarity Economy Summit” and U.S. Solidarity Economy Alliance in the near future. Now, only two years later, partly inspired by that issue as well as by the vibrant solidarity movement abroad, a U.S. Solidarity Economy Network (U.S. SEN, www.ussen.org) has been formed.

U.S. SEN came out of planning for the first-ever U.S. Social Forum, which was held in Atlanta in June 2007. As elsewhere, this first U.S. expression of the Social Forum movement – with its “Another World is Possible” motto, movement of movement framework, and anti-oppression values – served as both an inspiration to and vehicle for solidarity economy networking. A group of economic activists and academics from across the country planned a block of sessions on “Building Economic Alternatives and the Social/Solidarity Economy,” as well as two caucus meetings aimed at creating an ongoing group. While most of the sessions focused on various solidarity economy practices in the U.S., Canadian and Latin American solidarity economy activists were invited to attend and speak, providing inspiration as well as helpful information to participants. The caucus meetings brought together an expanded group which decided to create an ongoing solidarity economy network for the U.S. Reports and proceedings from this historic meeting were collected and edited (by us) in *Solidarity Economy: Building Alternatives for People and Planet*.

U.S. SEN is planning a first ever U.S. Summit on the Solidarity Economy for March of 2009 at the University of Massachusetts in Amherst, in conjunction with the University de Los Andes, Venezuela, and the North American branch of the International Network for the Social/Solidarity Economy (RIPESS).

movements, including the women’s movement, the community movement, the environmental movement, and the two major labor unions in Quebec.

Under the principle of “an economy with no losers,” the Chantier’s economic development strategy has been to develop social solidarity economy enterprises in Quebec, such as recycling cooperatives, parent-controlled childcare cooperatives, manufacturing businesses that create employment for the handicapped, and homecare services for the elderly. In 1997, the Chantier created its first \$10 million investment fund to incubate and grow these enterprises, and in 2007, it created a new \$54 million fund with contributions its union members’ pension funds, and from the provincial and federal government. It has also pushed for public policies that partially finance the incubation and technical development these enterprises, as well as subsidize the use of some of these services by its citizens. As of 2005, there were over six thousand social solidarity economy enterprises in Quebec, employing over 65 thousand people.

Examples on the rise in the U.S.

There are many practices in the U.S. that strive to embody solidarity economy values, such as fair trade, socially responsible investing, and community-supported agriculture. However, few people have heard of the term “solidarity economy,” or are aware of how powerfully the concept has redefined economic development elsewhere.

The worker cooperative movement, which has always been central to the solidarity economy movement elsewhere, is growing and forming new connections. Cooperatives have existed in the U.S. as individual enterprises for years, but only recently have they began to network with one another, and to incubate new worker

cooperatives. In Berkeley, CA, for instance, the Cheeseboard Collective helped seed the Arizmendi Association of Cooperatives, a project to develop other cooperatively-run bakeries in the area. In 2004, the U.S. Federation of Worker Cooperatives was created to bring together local and regional co-op organizing, develop new cooperatives, and offer support services to their members. The U.S. Federation states in its vision that “Workplaces will uphold the values of empowerment, equity, dignity and mutual respect for all workers without discrimination. Workplaces will offer long-term stable jobs, a living wage and the opportunity for ownership for every worker.”

The green jobs movement is also gaining momentum, responding to both the crisis of unemployment and the climate crisis, and a number of groups also incorporate anti-racist, community development, and workplace democracy values into their organizing. The Green Collar Jobs Movement, for example, a project of the Ella Baker Center in Oakland, CA weds “restorative justice” with “restorative economics” to heal communities. Green Worker Cooperatives in the South Bronx and the Massachusetts Green Jobs Coalition (MAGJC) also advocate for just green economies. All of these initiatives seek to develop job training, incubate new green initiatives, and advocate for public policy.

Another inspiring local example of the solidarity economy which offers solutions to the unemployment crisis is the Austin Polytechnical Academy in Chicago. This school is based on the Mondragon model, believing in the importance of training the disadvantaged to eventually take over the means of production. From the 1970s to the 1990s in Chicago, hundreds of thousands of manufacturing jobs were lost as firms moved overseas. Organizers at the Center for Labor and Community Research realized that this was not inevitable, and that if they had a strategy to convert many of these businesses into cooperatives, or a succession plan when the aging owners wanted to retire, they could have saved many jobs. They also realized that 40% of the remaining small privately-held manufacturing companies will lose their workforce in the next 10 years, and that the public education system was failing to provide new high-skilled workers. In response, they pulled together a social partnership of labor, business, community, and government, and opened a union high school in 2007. Located in a low-income African-American community, the Academy prepares young people for high-skilled technical positions, management, and ownership. The school also has 25 manufacturing firms that are partners, and offer internships and future jobs to the students. This model is already looking to be replicated within Chicago, and in other places in the U.S.

Solidarity Economy Organizing and Movement Building in the U.S.

As these examples show, solidarity economy initiatives have provided employment opportunities in times of economic crisis. We believe that the crisis-ridden present is a propitious time to use the solidarity economy framework to visibilize, coordinate and build solidarity economy practices, networking, and movement in the U.S.

The above examples show that employment creation within a solidarity economy framework can involve networking among a variety of groups and economic sectors. Solidarity economy networks have thus arisen as an integral part of these initiatives, along with solidarity economy movement. In the U.S., in contrast, we have a broad range of solidarity economy institutions and practices, but have lacked explicit solidarity economy networking, movement building, and framework. However, in 2007, the U.S.

Solidarity Economy Network was formed (see box), and is taking its first baby-steps: working to develop and disseminate knowledge of the solidarity economy framework, and to recruit existing solidarity economy NGO's and enterprises, as well as like-minded individuals and solidarity economy activists. By building collaborative networks and solidarity chains among the actors in the different economic sectors – investors, producers, retailers, consumers, communities – and by connecting into networks abroad, solidarity economy networking can help grow the U.S. solidarity economy as an interdependent and dynamic whole.

Such networking also builds the basis for solidarity economy movement in the U.S., which would engage progressive activists and social movements in a broad-based coalition to put forward and fight for a vision of concrete, solidaritous economic policies that can be enacted in our lifetimes. We need to be able to imagine demanding, for example, the use of our pension funds and tax money to provide investment and training for create green solidarity jobs – not in profit-only-motivated firms, but through green worker cooperatives, high road businesses, and publicly-funded social service enterprises. We need to band together in broad-based coalitions which are ready to take over firms when they close, and to demand sustainable democratically-controlled community development. Like our counterparts abroad, we need to be ready with solidarity economy solutions to the pressing crises of our time, co-creating community-based solutions to unemployment and poverty where are no losers.

Resource List:

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