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Solidarity economies in the age of Brexit and Trump

Abstract
More than twenty years after the World Trade Organization was created, there is deep scepticism about the promises of global trade agreements. Protest and disillusionment against such agreements originate in a denial of the desire that economy obey democracy, not vice-versa. The same desire gives origin to the search for concrete alternatives that might bring us beyond protest and disillusionment. For some, one of these alternatives is represented by solidarity economies. From an anthropological perspective, it is useful to define 'solidarity economy' both as an object and a form of inquiry. The reason for this is twofold. On the one hand, we are dealing with empirical phenomena whose actors explicitly choose to identify through the term. On the other, the term can be traced back to a theoretical approach that sees economy as comprising all the 'substantive' values and practices through which human societies organize themselves to provide for their material and social reproduction, instead of only formal rationality and price-making markets. This brief essay discusses both dimensions. The essay is not intended as a full research article, but as a contribution to public debate through the 'light' application of anthropological concepts to current trends, in the vein of publications such as Anthropology Today.

Keywords: *globalisation; social movements; capitalism; embeddedness; Europe.*

Introduction

In April 2016, citizens around the world took to the streets to protest the secret deal being negotiated between the European Union and the United States known as TTIP, or Transatlantic Trade and Investment Partnership. According to the European Commission, TTIP is a free trade agreement aimed at removing tariffs, regulations and restrictions on investment, in order to strengthen economic growth and create new jobs. Its critics argue instead that the deal will align standards between the EU and the US to the lowest common denominator, to suit multinational corporations trading on both sides of the Atlantic.[1] The issue is particularly felt because the regulations under revision protect everything from our food to our rights as workers, from our social and health standards to the environment in which we live. Eventually, previously unseen negotiating texts were leaked that appeared to confirm many of the critics' reservations.[2] This leak followed that of the Panama Papers[3] by a matter of weeks, adding to widespread resentment and frustration among ordinary people toward the transnational political and economic elite.

More than twenty years after the World Trade Organization was created, there is deep scepticism about the promises of global trade agreements, not just in the global South but also in the North. This is evident not just in the protests against TTIP, but also in the result of the referendum through which the United Kingdom decided to leave the EU, and in the recent

[1]See the Stop TTIP campaign (https://stop-ttip.org/).

[2]http://www.iatp.org/documents/five-key-takeaways-from-the-ttip-leak-for-food-and-farming-systems

[3]The Panama Papers are a cache of files leaked from the database of the offshore law firm Mossack Fonseca (https://panamapapers.icij.org/).

election of Donald Trump as president of the United States, who ran a good part of his campaign on the rejection of treaties like TTIP and the Trans-Pacific Partnership (TPP).[4] If Brexit and Trump represent a critique of globalization from the right, the protests of April 2016 originate from the left. On this side, protest and disillusionment originate in a denial of the desire that economy obey democracy, and not the other way around. The same is true of the search for concrete alternatives that might bring us *beyond* protest and disillusionment, in an era in which the possibility of revolutionary utopia seems to have set behind the horizon of the politically possible. For some, one of these alternatives is represented by solidarity economies.

Recently there have been a number of signs that a hopeful combination of practical and intellectual endeavours might take shape under the loose banner of 'solidarity economy'. From the organization of the first European Forum of Social and Solidarity Economy by members of the European Parliament,[5] to the establishment of the United Nation Inter-Agency Task Force on Social and Solidarity Economy,[6] from the Spanish *indignados* movement and the new economic cultures it has generated, to the grassroots practices of *oikonomia allilengiis* that helped propel SYRIZA to power in Greece, these events indicate a possible path to what Keith Hart (2015: 5) calls 'the real task [of working out] how states, cities, big money and the rest might be selectively combined with citizens' initiatives to promote a more democratic world society'.

[4]See https://www.theguardian.com/news/2016/nov/22/trans-pacific-partnership-guardian-briefing-tpp

[5]http://efsse.org/

[6]http://www.unrisd.org/sse

Anthropology is uniquely placed to contribute to this task, and there are signs of this as well, for example in the works of David Graeber (2013) with the Occupy Wall Street movement, Cristina Grasseni (2013) with Italian ethical consumers, Keith Hart (2015) with the Human Economy program, and Laura Bear (2015) with Indian river workers,[7] to name but a few, very different, cases.

From an anthropological perspective, it is useful to define 'solidarity economy' both as an object and a form of inquiry, much as with other similar concepts, like that of moral economy. The reason for this is twofold. On the one hand, we are dealing with empirical phenomena whose actors explicitly choose to identify through the term: *economía solidaria* in Latin America and Spain, *économie solidaire* in France and Canada, *economia solidale* in Italy, *solidarische Ökonomie* in Germany. On the other, the term can be traced back to a theoretical approach that sees economy as comprising all the 'substantive' values and practices through which human societies organize themselves to provide for their material and social reproduction, instead of only formal rationality and price-making markets. This brief essay discusses both dimensions. The essay is not intended as a full research article, but as a contribution to public debate through the 'light' application of anthropological concepts to current trends.

[7]See the seminar 'Alternatives to austerity' held by the LSE Anthropology Department (http://www.lse.ac.uk/publicEvents/events/2016/06/20160609t1830vOT.aspx), where participants discussed Laura Bear's proposals for a social calculus in government policy and sovereign debt relations.

Empirical solidarity economies

The term *economía popular de solidaridad* originated in Chile (Razeto 1990), eventually spreading to Europe, the US and Canada in a process of reverse acculturation (Comaroff and Comaroff 2012). In Latin America, solidarity economies were linked to the impoverishment and inequality that accompanied the spread of neoliberal policies during the 1990s. At the time, people began forming groups, cooperatives and associations to create new sources of income, mostly within the informal economy.

While the heterogeneity of the phenomenon is considerable—from manufacturing workshops to groups of unemployed who seek work collectively, from collective kitchens and vegetable gardens to organizations dealing with housing, electricity and water supplies, from healthcare groups to associations for the provision of cultural services (Laville 2009: 15-16)—a 'typical' initiative of the solidarity economy is a small production group with no distinction between employers and employees, based on self-management and egalitarian working relationships. Members take decisions jointly and share the profits equally. The groups are usually financed through microcredit and small loans.

In Brazil, a survey carried out by the Solidarity Economy National Secretariat (an organ of the Ministry of Labour) found that there are about 30,000 groups of this kind in the country, mostly cooperatives (Taniguti and de Oliveira 2016). These initiatives can also be found in Chile, Colombia, Mexico, Peru and Uruguay (Laville 2009: 16-18). In Ecuador and Bolivia, the principles of solidarity economy have been enshrined in the countries' constitutions through the notion of *buen vivir*. In Argentina, one of the most renowned manifestations of the

solidarity economy is the 'recovered enterprises' movement (Bryer 2012).

In Latin America, solidarity economies coincided with, and contributed to, the emergence of the global justice movement (Maeckelbergh 2008). It was in the context of intellectual and political collaboration afforded by this movement that the idea of solidarity economy spread to the North. As its values and ideals travelled along activist networks, the initiatives to which it gave rise (or became attached to) in the North were at times considerably different from those in the South. Anthropological accounts of the phenomenon should keep these ethnographic nuances in mind.

In France, for example, an important distinction is that between the social economy (or third sector) and the solidarity economy. The former refers to a domain of economic activity that includes non-profit organizations, cooperatives and mutual societies. The key element is legal limits on the private appropriation of profits. The French social economy approach is eminently legal, and therefore sectoral. However, adoption of a legal form of enterprise does not necessarily guarantee adherence to ethical principles. In many countries, enterprises and associations can be cooperative in name only. A more substantive definition is therefore required, capable of bringing to the fore those economic activities 'whose ethics express the following principles: placing service to its members or to the community ahead of profit; autonomous management; a democratic decision-making process; the primacy of people and work over capital in the distribution of revenues' (Laville 2010: 229). In France, then, *économie solidaire* refers to various practices grouped together under the term 'civic associationism'. An important component of this are proximity services (*services*

de proximité): domestic help, childcare, initiatives aimed at improving local housing and transport, the enhancement of public urban spaces, local commerce, fair trade, the valorisation of cultural heritage, and sports (Laville 2009: 23).

Italy is home to one of the most articulate solidarity economy movements in the North. Its earliest development can be traced back to the birth of fair trade initiatives in the late 1980s. Fair trade is known in Italy as *commercio equo e solidale*, 'fair and solidarity trade'. The addition of the term 'solidarity' is indicative of the political milieu from which the founders of the Italian movement originated. The links with Latin America have always been close, particularly those based on Christianity's social doctrines, including liberation theology. Throughout the 1990s, a strong discourse of ethical consumption accompanied the growth of fair trade, stressing the need for consumers to act in solidarity with producers in the South by changing their shopping behaviours. This discourse gave rise to a number of domestic initiatives, from eco-tourism to green energy provision, from ethical insurance and banking to anti-mafia cooperatives. One of the most notable cases has been solidarity purchase groups, a movement that turned its attention to marginalized farmers in Italy (Grasseni 2013). For the past several years, Italian activists have been trying to develop regional, meso-level initiatives referred to as 'districts' of solidarity economy, sometimes under the auspices of a national working group.

Greece's solidarity economy has recently been the focus of much attention, both in the popular media and in academic circles. The development of an explicit project of *oikonomia allilengiis* appears to be a novel phenomenon in the country, compared to France and Italy, where this has been a reality for

more than two decades now. In Greece, the decisive factor has been the political role played by the radical left-wing party SYRIZA, amidst the social devastation brought to the country by the European Commission and the International Monetary Fund. The result has been a variegated set of initiatives, many of which have no formal connection to SYRIZA, from the establishment of time banks to the organized refusal to pay road tolls, from collectively organized decisions to default on gas and electricity bills to the circulation of alternative currencies, from the volunteer provision of social welfare services by doctors and pharmacists to soup kitchens and initiatives against middlemen in agriculture (Rakopoulos 2014: 318).

Many other countries have worthwhile initiatives that cannot be covered here for reasons of space. For the most part, they are similar to the ones already mentioned.

Solidarity economy as a form of inquiry

The term 'solidarity economy' may also be used to indicate a form of inquiry. In this sense, the degree of overlap with the foundations of economic anthropology is striking. Karl Polanyi and Marcel Mauss in particular offer the basis for the solidarity economy approach in the writings of its key contemporary exponents (e.g. Hart et al. 2010: 7-8; Laville 2007: 13-17). The core of this approach is a concept of 'plural economy' that stems directly from Polanyi's ideas of instituted process and form of integration.

Polanyi (1957: 250) argued that empirical economies 'acquir[e] unity and stability … through a combination of … reciprocity, redistribution and exchange', which are accompanied by what he called 'social arrangements' of symmetry, centricity and price-making markets. Their

combination creates three forms of integration of economy and society—symmetrical reciprocity, central redistribution, and market exchange—which organize the use of natural resources, human labour and monies. Crucially, Polanyi noted that these forms are usually co-present in time and space: 'Since they occur side by side on different levels and in different sectors of the economy it may often be impossible to select one of them as dominant so that they could be employed for a classification of empirical economies as a whole' (ibidem). Market society is therefore only one of these arrangements, and plural economic logics may be found even within capitalism. Polanyi defined the three forms of integration as a 'special tool box', and solidarity economy theorists have drawn heavily from it. Hart et al. (2010: 7), for example, propose to ground solidarity economies in a 'new institutional economics,' echoing Polanyi's (1957: 250) counsel regarding a 'human economy [that] is embedded and enmeshed in institutions, economic and non-economic'.

Mauss is the other anthropological giant who informs the theoretical endeavour of solidarity economy. Mauss (2016) famously believed that gift exchanges were the fundamental principle of social organization in so-called primitive societies. These exchanges were an inextricable part of the culture in which they took place, and could not be separated into a specific 'economic' domain. Crucially, they were inspired by religious and cosmological values that had little to do with the maximization of personal interest so prevalent in Western capitalist societies, where impersonal commodity exchange tends to prevail. In her historical examination of the reciprocity concept, Narotzky (2007) shows that solidarity is an important component of these theoretical influences. Narotzky traces the idea that gift exchanges can form the basis of a functioning

society back to the 19th century French school of *solidarisme*. She also notes: 'Although [Mauss and Malinowski] both refer to primitive societies in their ethnographic material and their analysis, in fact the theory they present (of reciprocity as the glue of society) … is a universal theory of social cohesion' (2007: 406). This idea inspires contemporary solidarity economy intellectuals in the North and the South.

Whither solidarity economies?

Because solidarity economy is both a project and a model, we should look at its future prospects from both a political and an intellectual point of view.

In the time that it took to write this essay, the prospects of the US and the EU striking a deal over TTIP have gone from near certainty to deep doubt, partly as a result of the British and American people's decisions to leave the EU and elect Donald Trump, which have made politicians wary of pushing through unpopular measures. The sustained campaign against TTIP by citizens, politicians and businesses has nevertheless played a key role in preparing the ground for the possibility of rejecting the deal. This sort of reformist action is exactly what the politics of solidarity economy are about. Hart et al. (2010: 6-8) declare as much: 'Our approach is 'bottom up' and 'gradualist' … This is a concept … of change which is, in Mauss's words, "by no means committed to revolutionary or radical alternatives, to brutal choices between two contradictory forms of society" but which "is and will be made by a process of building new groups and institutions alongside and on top of the old ones"'. Looking back at the 20th century and its legacy of warfare, it seems only logical to agree with this view. And yet perhaps a conversation should be had on its symbolic purchase in an era that

increasingly resembles the high liberalism of the 19th century, a time when the word 'revolution', rather than 'reform', acted so effectively as a rallying call for political action. What actual possibility remains of building new institutions *alongside and on top of the old ones* after the troika's treatment of Greece in the summer of 2015?

The intellectual prospects of solidarity economy appear rosier. The recent attention granted to the topic by a generalist journal like *Social Anthropology* (Rakopoulos 2016) is to be welcomed as an indication that the discipline is finally recognizing the topic's ethnographic and theoretical worth. Yet in this domain also we should not be complacent. At the level of theory, there is the risk of having too many labels (moral/human/solidarity economy), creating unnecessary confusion. This abundance might actually restrict the scope of our analytical tools, should we start to assume that there has to be some (important) difference between all these terms. On the contrary, what *is* important is our ability to distinguish between different phenomena at the ethnographic—or emic—level. There *are* important differences between those who decide to self-identify with the term solidarity economy and those who do not. Furthermore, we should avoid too much 'recovery work' (Herzfeld 2016: 200) in trying to explain solidarity economies in terms of past cultural traits, as this might risk depoliticizing the novelty of these social phenomena. Finally, we need to avoid transforming all research on these phenomena in a form of (European) austeritology. The history and geography of solidarity economy are much broader, as will be their future, perhaps.

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