

Repositório ISCTE-IUL

Deposited in *Repositório ISCTE-IUL*:

2023-05-29

Deposited version:

Accepted Version

Peer-review status of attached file:

Peer-reviewed

Citation for published item:

Esteves, A. (2014). The solidarity economy alternative and movement: The experience of the United States Solidarity Economy Network (USSEN). In Vishwas Satgar (Ed.), *The solidarity economy alternative: Emerging theory and practice*. (pp. 129-148). Durban: University of KwaZulu-Natal Press.

Further information on publisher's website:

<https://www.scribd.com/document/234100382/Excerpt-from-The-Solidarity-Economy-Alternative-by-Vishwas-Satgar#>

Publisher's copyright statement:

This is the peer reviewed version of the following article: Esteves, A. (2014). The solidarity economy alternative and movement: The experience of the United States Solidarity Economy Network (USSEN). In Vishwas Satgar (Ed.), *The solidarity economy alternative: Emerging theory and practice*. (pp. 129-148). Durban: University of KwaZulu-Natal Press.. This article may be used for non-commercial purposes in accordance with the Publisher's Terms and Conditions for self-archiving.

Use policy

Creative Commons CC BY 4.0

The full-text may be used and/or reproduced, and given to third parties in any format or medium, without prior permission or charge, for personal research or study, educational, or not-for-profit purposes provided that:

- a full bibliographic reference is made to the original source
- a link is made to the metadata record in the Repository
- the full-text is not changed in any way

The full-text must not be sold in any format or medium without the formal permission of the copyright holders.

Chapter 5

The solidarity economy alternative and movement: The experience of the United States Solidarity Economy Network (USSEN)¹

Ana Margarida Esteves

Introduction

The solidarity economy movement in the US is very recent. While use of this term as a framework for unifying the wide array of people-centred economic concepts and practices started in Canada in the mid- to late 1990s, it only became part of the US lexicon in the mid-2000s (Poirier and Kawano 2009: 145). The US solidarity economy movement took shape with the establishment of the United States Solidarity Economy Network (USSEN) at the First US Social Forum (USSF), held in Atlanta, Georgia, in June 2007. However, it builds on a broad range of pre-existent economic practices, institutions and policies representing alternatives to capitalist production (Allard 2008b). The environmental crisis and the recurring economic turmoil in recent decades have led to a rising interest in these alternatives.

Like its counterparts around the world, the USSEN envisions a transition from a disembedded, finance-driven economy centred on capital accumulation to a post-neoliberal economy which is community-based, needs-centred, non-exploitative, and non-competitive. This implies redirecting the focus of economic activity from accumulating capital to nurturing ‘supportive, healthy relationships’ and human wellbeing (Matthaei 2009: 309). The USSEN promotes these goals through a combination of direct and indirect action aimed at promoting structural transformation by re-embedding production, commercialisation, and finance in community dynamics, and reinserting social values into economic life (Swinney 2008). This chapter explores the role of the USSEN in promoting the solidarity economy. It also provides a mapping, a historical overview, and insights into the collaborative strategies of the USSEN. It concludes with a discussion of the challenges facing the USSEN, particularly in respect of the emergence of the US Occupy Movement.

The financial crisis in the US and the emergence of USSEN

The USSEN was founded in 2007, when a financial crisis was looming following more than three decades of economic liberalisation, globalisation and financialisation in response to the crisis of the Fordist system. The oil shock of the early 1970s and the Latin-American debt crisis are understood as two major factors which shook the pillars of Fordism. However, as Wainwright points out in this volume, one must also take into account the role played by the expansion of the mass media and mass education, resulting from a strategy for competitive advantage and economic growth based on scientific and technological development. These factors fuelled human creativity and led to the expansion of a post-materialist and anti-authoritarian consciousness. Such a consciousness, in turn, emphasised the need to reform the state and market in ways that could fulfil increased aspirations for autonomy, creativity, and democracy in the workplace and the private sphere. This led to increased pressures on public spending, triggering the risk of higher taxation. It also led to increased pressures for higher wages, as well as better working conditions and increased worker control over the production process. All these factors threatened the capacity of the owners of capital to maximise their returns, leading them to establish alliances with government that enabled them to increase the mobility of capital to maximum advantage. Governments such as those of Nixon and Reagan started a trend – which continues unabated – of facilitating the shifting of capital away from production to financial speculation, lowering taxation, and privatising public companies. This process has been accompanied by mounting public and private debt, as well as high levels of unemployment and labour precarity.

USSEN regards the support to solidarity economy initiatives as a form of promoting the transition from capitalism to a post-capitalist economy. While these initiatives are not fully formed utopias, they have the capacity to change the lives of communities and to promote the synergies which support the transformative collective action needed for structural change. According to Kawano (2009a), one may count initiatives such as community land trusts, community development credit unions, and worker co-ops as strategies for developing healthy local economies, therefore presenting a more sustainable alternative to sub-prime lending, corporate finance, and multinational industries that tend to create offshore jobs and promote social dumping.

The discourse and approach developed by the USSEN is less of a structured model than an emerging framework of communicative action based on co-operation/solidarity, reciprocity, participatory democracy, sustainability, equity in all dimensions, pluralism, horizontality, and the prioritisation of the satisfaction of collective needs over capital accumulation (Matthaei, Korten, Kawano et al. 2008: 109, 119). Such a framework includes a plurality of orientations, from reformist perspectives (such as Swinney 2008) to revolutionary approaches based on Marxism, anarchism, and community-based participatory democracy (Albert 2003, 2006).² These perspectives converge upon a common goal, namely to promote structural transformation by strengthening community ties and transforming economic culture in a way that leads to a delinking of production from capital. At the heart of this goal is an effort to change the economic imaginary by engendering a different set of desires and possibilities in relation to the economy (Cornwell et al., 2009). This implies redefining value and growth and challenging a series of conceptual divisions characterising the capitalist mind-set, such as ‘productive’ and ‘reproductive’ work and the ‘public’ and the ‘private’ spheres. It also implies challenging the neoliberal idea that ‘the market’ and ‘politics’ are two separate realms, since USSEN sees the envisaged economic democratisation as inseparable from participatory democracy, and economic justice as a fundamental aspect of social justice.

Despite this convergence of underlying values and strategies, the reformist and revolutionary perspectives tend to diverge on how they envision a post-capitalist economy, as well as the role that solidarity should play in the process of transition from capitalism to such a system. The reformist perspective tends to regard the solidarity economy as part of a mixed economy in which community-based solidaristic organisations would exist side by side with public and private market-driven sectors. According to Miller (2009), promoting the expansion of the solidarity economy by fostering the identification, co-ordination and connection of solidarity economy initiatives is a substantive aspect of the process of transition to a mixed economy. By contrast, the revolutionary perspective sees the solidarity economy as the pre-configuration of a future socialist economy based on direct and participatory democratic governance, as well as an institutional mechanism for the structural transition towards that societal model.

The USSEN’s methodological goals

For the USSEN, knowledge generated from practice is just as important as knowledge developed by academics and other specialists. It believes the complementarities between these two kinds of

knowledge provide it with the conceptual tools needed for the ideological battle against neoliberalism and the promotion of the solidarity economy. If practice is not guided by theory, it believes, the solidarity economy could end up reinforcing the neoliberal project by providing it with a source of 'remedial' social programmes (see Williams in this volume). IN line with this belief, the theory developed by organisations participating in the USSEN is based on the practices of workers' co-operatives, producers' co-operatives, and other solidarity economy-based organisations they work with (Allard 2008a).

At its core, participating organisations promote a social constructivist approach which sees the economy as a discourse and dialogue, and educational processes as a terrain for struggle which is just as important as grass-roots organising, economic practice and policy development. They seek to expand the solidarity economy by:

- Promoting and publicising the mutual recognition of different kinds of experiences with common underlying characteristics, thus encouraging the convergence of goals as well as new linkages and networks;
- Supporting those experiences through capacity-building;
- Promoting the replication of best practices; and
- Promoting the emergence of a new economic culture as well as worker, producer and consumer identities through participatory processes of knowledge production and education (Matthaei, Korten, Kawano et al. 2008).

This strategy implies fostering collaboration between academics and other technical experts on the one hand, and 'practitioners' of the solidarity economy on the other. This is done in a way that puts every participant on the same level in terms of shaping processes, regardless of their level of formal education. That happens mainly through the use of participatory methodologies (Matthaei, Korten, Kawano et al. 2008).

The composition of the solidarity economy

While this is still not widely realised, the solidarity economy movement in the US is quite broad and large. According to Poirier and Kawano (2009), while its participants don't always practise exactly the same principles, they are all 'potential partners in the project of building an economy centred on people and planet' (Poirier and Kawano 2009: 178). Examples include:

- *Complementary Currency Systems (CCSs)*, which promote grass-roots control of the economy by providing communities with their own financial instruments of exchange and credit. Since the 1970s, the New Economics Institute, known as the E.F. Schumacher Society before partnering with the UK-based New Economics Foundation, has played a leading role in helping communities to create alternative currencies.³ Today, there are about 100 community-based CCSs in the US.
- *Community Development Financial Institutions (CDFIs)*, which promote community development in disadvantaged areas. CDFIs first emerged nearly three decades ago. Today there are 550 CDFIs, managing more than \$6.5 billion in assets.
- *Co-operatives* involving more than 120 million Americans, either as members or beneficiaries. The co-operative sector manages significant assets; credit unions alone have assets of more than \$600 billion.
- *Community Development Corporations (CDC)*, which promote economic development at the community level. CDCs emerged from the 1960s Civil Rights Movement and the War on Poverty Program. In 2005, there were more than 4 600 CDCs throughout the US.
- *Community Land Trusts (CLTs)*, which seek to establish and maintain affordable housing, parks and businesses. Another outcome of 1960s activism, there are more than 200 CLTs in the US today.
- *Social Enterprises*,⁴ which controlled some \$1.6 billion in assets in 2005.
- *Community Supported Agriculture (CSA)*, which started expanding in the US in the mid-1980s in response to research findings about the negative effects of mass agricultural production on human health. Today, there are more than 1 000 community-supported farms in the country.
- *Fair Trade*, which grew from \$125 million in 2001 to more than \$359 million in the mid-2000s. This sector is expected to expand and diversify substantially in the coming years (Poirier and Kawano 2009: 179).

The solidarity economy in the US has survived and even flourished despite market pressures, being at odds with predominant economic thinking, and attacks from the labour movement over the past four decades. It is also marked by a high rate of attrition, given the perennial problems plaguing co-operatives (such as insufficient capital, inadequate membership support, difficulties in improving operations, and shortages of business skills), which make them difficult to sustain.

However, it is also prolific, creative and adaptable, as new co-operative units have constantly emerged and multiplied despite these inherent difficulties and economic and political pressures.

The origins and development of the solidarity economy

The origins of the solidarity economy movement in the US can be traced back to the advent of intentional utopian communities in the early nineteenth century, as well as developments in the labour movement in the late nineteenth century and mid-twentieth century.

Utopian communities

‘New Harmony’, the first intentional utopian community on US soil, was established by the British social reformer Robert Owen on the Wabash River in western Indiana in 1825. Based on socialist principles, its members were meant to share both labour and profits on an equal basis. In the same year, Francis Wright established another community based on Owen’s principles in Nashoba, Tennessee. It attracted few settlers, and disbanded within a year. ‘New Harmony’ also did not last long; following the introduction of a written constitution in January 1826, its 1 000 members split up into subcommunities, which eventually disintegrated (Fogarty 1990).

Another important experiment of this kind was Brook Farm, established in West Roxbury, Massachusetts, in 1841, and based on the cultural and spiritual current known as Transcendentalism. Its founders wanted to create an alternative to the capitalist state in which participants could liberate themselves from material hardship and wage slavery by sharing resources, thereby liberating time and energy for intellectual and spiritual pursuits. While the cultural life of the community blossomed, management of its practical matters languished. In 1847, after a major fire the previous year, the farm was sold and the community was disbanded (Shi 2001).

The early nineteenth century also saw the emergence of several secular utopian communities inspired by the ideas of the utopian socialist Charles Fourier. Known as ‘phalanxes’, they were promoted by Arthur Brisbane, who hoped that they would complete what he regarded as the unfinished revolution of 1776 by ending wage slavery. By the 1840s, Brisbane and his disciples had founded more than 100 phalanxes across the country, from New York to Texas. In 1895 Julius A. Wayland, publisher of the socialist newspaper *The Coming Nation*, created an utopian

community outside Nashville in Tennessee, aimed at encouraging collaboration between socialist intellectuals, poor farmers, and middle-class urbanites. Most of these communities were short-lived. By the 1930s a few intentional utopian communities still existed, but were relatively small, and had little influence (Fogarty 1990).

In the mid- to late twentieth century the US experienced a resurgence of utopian communities as a result of the youth counterculture of the 1960s and 1970s as well as the ecological crisis due to global warming, environmental degradation, and the decrease in the general accessibility of healthy and affordable food products resulting from the industrialisation of farming and fisheries. Most of those communities had similar values to those established in the nineteenth and early twentieth century. Like their antecedents, many disappeared a few years after their formation, mainly due to management problems caused by the challenge of becoming self-sufficient while being run along communal or socialist lines in a capitalist economy. However, some of them, such as The Farm Ecovillage established in Summertown, Tennessee, in 1971, are still operating. The village has managed to survive without compromising its core principles by providing educational services such as Permaculture certification, environmental education, and ecological building programmes.⁵

Developments in the labour movement

Two developments in the labour movements contributed to the emergence of the solidarity economy in the US. The first is credit unionism, which expanded significantly during the late 1800s and early 1900s and is still a significant force in the financial sector. In 2008 there were 10 000 credit unions in the US with more than 78 million members, which is more than 40 per cent of the economically active population (Poirier and Kawano 2009: 151). Despite the strength of this sector, credit unions have gradually been delinked from the labour movement, and many credit unions have been converted into banks. These conversions have generally been initiated by managers rather than rank-and-file members, and have become controversial as they have tended to enrich directors and executives at the expense of rank-and-file members.⁶ Comparisons of interest rates show that credit unions which have been converted into banks end up charging their members more for loans, as well as paying them less for savings (Heinrich & Kashian 2010). As a result, members of at least six credit unions have organised to oppose conversion proposals on the grounds that this would enrich managers at the expense of and to the detriment of members. They point out that while insiders have made windfall profits, most members have lost their

ownership stake without compensation, and face worse rates and fees after the conversion. Member groups have included Save Columbia Credit Union, Save First Basin Credit Union, and DFCU Owners United.

The second labour movement initiative that contributed to the emergence of the solidarity economy was the promotion in the mid-twentieth century of workers' co-operatives, mutual aid societies, and free schools as solutions to class exploitation within the framework of Fordism (Poirier and Kawano 2009). However, the rise of economic globalisation and the financialisation of the US economy in the late twentieth century resulted in financial struggles that significantly weakened the organisational capacity of labour unions, and led to a sharp decrease in membership of major trade union co-ordinating bodies such as the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO).⁷ However, some sectors of the labour movement are once again promoting workers' co-operatives as a strategy for job creation, community development, and worker empowerment. In 2009 the United Steelworkers' Union (USW), North America's largest industrial union, established a partnership with Mondragón International, the world's largest workers' co-operative, located in the Basque Country of Spain. The purpose of this partnership is to take advantage of the lack of restrictions in US legislation on the establishment of workers' co-operatives, and to develop this kind of organisation either from scratch or from existing industries (Davidson 2009).

Alignment with the 'New Deal'

With the onset of the Great Depression in the 1930s, co-operative production units and community-based initiatives became instruments of counter-cyclical Keynesian policy aimed at 'cushioning' the negative social effects of the economic downturn. The depression triggered a new wave of co-operatives, including worker and consumer co-operatives, credit and insurance unions, and rural electrification co-operatives. One of the most significant legacies of that period is the presence of about 900 non-profit rural electrification co-operatives around the country, under the aegis of the National Rural Electric Co-operative Association. Its members serve more than 42 million consumers, and account for about 12 per cent of total electricity sales in the US.⁸ The Great Depression also triggered the creation of innumerable local currencies, which helped communities across the country to survive. The economic recovery resulting from Franklin Delano Roosevelt's 'New Deal' helped to end most of those experiments. Still, there is a continuity between the community currencies created during the Great Depression and those

initiated in the late twentieth century, which were largely motivated by the economic downturn caused by the financialisation of the economy and the slowdown in job creation.⁹

The Great Depression also led to a proliferation of agricultural co-ops that enabled farmers to pool their resources for purchasing, marketing, and services provision. The ‘New Deal’ supported those initiatives with regulations, technical assistance and special loan funds, most of which remained in place until the early 1970s. As a result, farmers’ co-ops expanded significantly during the ensuing decades (Poirier and Kawano 2009: 154).

Socio-cultural and economic changes, 1960s–1980s

The solidarity economy received a significant boost in the 1960s and 1970s due to two factors. The first was the growing visibility of a socio-cultural criticism of capitalism, patriarchy and western rationalism, promoted to a large extent by the Vietnam War and the race riots that marked the period. This criticism spawned something more than the rebirth of the utopian community movement referred to earlier. It also led to the multiplication of socio-economic alternatives founded upon a co-operative paradigm, such as co-operative housing projects, organic or bio farming co-operatives, and non-profit, co-operative pre-schools (Poirier and Kawano 2009: 154). The Civil Rights Movement led to the emergence of a community economic development paradigm that relies upon community development corporations (CDCs), which work to create affordable housing, commercial industrial space, and jobs in communities of colour within the US. The CDC sector experienced an exponential growth between the 1970s and the 2000s, from about 30 units nationally in the early 1970s to 4 600 in 2005 (Poirier and Kawano 2009: 160).

The second factor was the plant closures and downsizing that resulted from the economic downturn of the 1970s and the neoliberal period that followed. Despite policy-led attempts to weaken the labour movement, some labour unions and other movements of organised industrial workers bought out bankrupt, de-localising or downsizing industries with the intention of running them in a co-operative and democratic way (Poirier and Kawano 2009: 154).

Transnational frame diffusion and alignment: the 2000s

The 1990s marked the spread of the concept of solidarity economy from French academic circles to North America as an ‘umbrella’ concept for grassroots alternatives to capitalism. It first

entered Canada through Quebec in the mid-1990s and quickly spread to the rest of the territory, largely due to the participation of community development organisations in organisations such as Réseau Intercontinental de Promotion de l'Économie Sociale et Solidaire, or the Intercontinental Network for the Promotion of the Social Solidarity Economy (RIPESS).¹⁰ US participants became familiar with the concept of the solidarity economy at the third RIPESS meeting, held in Dakar, Senegal, in November 2005, and went on to promote its incorporation in the lexicon of activists, researchers and other experts in the US (Poirier and 2009: 172).

The establishment of USSEN has largely resulted from the US Social Forum (USSF) process. Some participants in the forum, notably the Center for Popular Economics (CPE), the US Federation of Worker Co-operatives, Grassroots Economic Organising, the Democracy Collaborative, and Guramilay, organised about 75 workshops on the solidarity economy. Their success led to a decision by 50 organisations to establish USSEN, and to publish a book which documents several of the workshops that took place at the USSF.¹¹

Since its formation, USSEN has conducted a series of activities aimed at promoting the sharing of relevant knowledge and skills, as well as raising public awareness of the solidarity economy as an alternative economic paradigm. These include a website containing articles and various other resources,¹² an online course on the solidarity economy, the facilitation of workshops at academic and activist conferences, and the publication of a second book in 2009. USSEN has also contributed to the establishment of local solidarity economy networks and the mapping of solidarity economy initiatives across the United States. Among others, it has supported the establishment of solidarity economy networks in New York City and Boston, and established a partnership with the Just Alternative Sustainable Economics network (JASecon), which is based in the San Francisco Bay area. It has also helped to promote mapping initiatives in Western Massachusetts, Boston, New York City and San Francisco. At the time of writing, these mapping initiatives had not yet resulted in any published data, as they were still in process. USSEN was planning to extend this mapping effort to the national level in order to increase the visibility of solidarity economy initiatives, and support networking efforts.

USSEN is a member of RIPESS. It has a representative on the RIPESS board, and has helped to develop its website.¹³ In March 2008, USSEN helped to draft the constitution of RIPESS North

America, which aims to facilitate the exchange of ideas and resources with partners in other regions of the world.

Strategies of collaborative capacity-building

One of USSEN's goals is to identify, document and disseminate strategies of collaborative capacity-building aimed at supporting the development of solidarity economy-based initiatives. There are two main strategies for collaboration. The first is the promotion of what J.K. Gibson-Graham has described as the 'politics of possibility', or the identification of general norms and practices utilised in diverse, non-capitalist economic experiences (Cornwell et al., 2009: 295). The second is the use of Participatory Action Research to analyse, quantitatively and qualitatively, the economic impact of solidarity economy-based initiatives and the symbolic impact of building a shared identity among members; develop educational, training and advocacy material; and strengthen the solidarity economy by promoting inter-co-operative purchasing and cross-sector collaboration (Cornwell et al 2009: 295).

The 'politics of possibility'

The main goal of the 'politics of possibility' is to identify the values and norms that underlie the individual and collective economic imaginary, in order to generate a 'different set of desires and possibilities' in respect of economic goals and activities as well as the economic space (Cornwell et al., 2009). Put differently, it aims to challenge the predominant conception of humans as *Homo Economicus*, which posits individual self-interest as the predominant motivation of human behaviour. According to Kawano (2009), this conception has never been regarded as accurate or adequate by anyone except neo-classical economists, and there is a wealth of evidence that human motivations are far more complex than this concept implies. According to Kawano, it shows that human beings, 'as often as not, do not behave like *Homo Economicus*, but rather like *Homo Solidarius*/Humans in Solidarity' (Kawano 2009: 14).

Examples of the collaborative efforts under the aegis of the 'politics of possibility' include research conducted by Cornwell et al. (2009) on the 'honour system' underlying transactions between farmers and customers in Amherst, Western Massachusetts. This comprises a method of exchange that is clearly based on personal responsibility and ethics. The authors found that local family-based subsistence farmers sell their excess produce by placing them in stands at the entrance to the farm, without any form of supervision. Customers simply take the produce they

want, and leave the money. The author did not find any significant evidence of customers either taking produce without paying for it, or taking the money. Based on ethnographic evidence, the authors concluded that supervision was absent because, according to local norms, it might be seen as an insult by the vast majority of customers, who were honest and loyal. These attitudes were not only restricted to local costumers but were also prevalent among tourists and travellers in transit through Western Massachusetts. According to the author, this honour-based system of commercialisation, based on personal responsibility and ethics, is successful because the farm stands, which tend to be close to the farmers' homesteads, represent a blending of public and private spaces. This has an empathy-inducing psychological effect that is favourable to the fulfilment of the implicit contract of sale and purchase, represented by the placement of the right amount of money in the farm stand in exchange for the corresponding amount of produce. According to the authors, a visit to a farm stand can also be a fairly intimate look at someone else's living space, and this intimacy breeds trust. These findings contradict the notions of the 'prisoners' dilemma' and the maximisation of personal interest underpinning the concept of 'Homo Economicus'.

Another relevant aspect of the 'Politics of Possibility' is the study of the solidarity economy as a process of economic organising (Miller 2009: 28) which is focused on the community instead of on the market and the state. This characterisation implicitly challenges scholars and practitioners to venture beyond the neo-classical and Keynesian models, shatter the boundaries between economics and other social sciences, and define the economy not merely as varying combinations of market dynamics and state intervention, but far more broadly as 'all of the diverse ways that human communities meet their needs and create livelihoods together' (Miller 2009: 30).

According to Miller, a fundamental aspect of these processes of economic organising is the recognition of and connection between the diverse solidarity-based practices used by human communities to promote their livelihoods. The purpose is to promote the self-identification of those practices from the part of solidarity economy-based initiatives and their engagement in the solidarity economy conceptual framework (Kawano 2009: 18). Through such processes of recognition, these practices can begin 'to coordinate and connect in order to form a coherent economic system with all the "organs" that are necessary to survive, such as finance, production, distribution, investment, consumption, and governance' (Kawano 2009: 15).

Participatory Action Research

The application of Participatory Action Research to the technical development of solidarity economy-based initiatives is what could be called the ‘pragmatic’ side of the collaborative capacity-building efforts carried out by USSEN. For Miller (2009: 37), in societies in which solidaristic practices are not part of mainstream economic behaviour, the importance of building social movement spaces for knowledge and skills-sharing about the development of such practices cannot be overestimated.¹⁴ He claims that building a collective platform for the exchange of principles and practices between the solidarity economy and other social movements can generate a mutually strengthening dynamic. This could help build a new axis of progressive struggle by providing concrete bases of economic support for political and cultural activities, therefore contributing to the emergence and materialisation of an alternative paradigm of civilisation. According to Miller, such an axis of struggle should be constituted around ‘committed solidarity markets’, meaning organised networks of solidarity-based demand for solidarity economy products, which have the potential of forging and sustaining economic linkages that promote a de-linking from the capitalist economy as well as a base for the economic sustenance for popular struggles (Miller 2009:37).

For Miller, one of the aspects of the construction of ‘committed solidarity markets’ through collaborative capacity-building between ‘experts’ and ‘practitioners’ is the creation of conditions for the provision of shared services. By promoting systemic feedback between realms such as insurance, financial services, legal services, communications and facilitation, technical support, and research and development, networks can create what economists call ‘external economies’, constituted by the aggregation of the financial power of many small enterprises into networks that can leverage economic power at scales of efficiency similar to that of larger companies (Miller 2009:38).

Another aspect of the construction of ‘committed solidarity markets’ pointed out by Miller is policy advocacy and governance change. Public policy plays a significant role in shaping the economic and political context in which solidarity economy initiatives struggle, survive or thrive. Engagement with the state involves ‘many dangers’, such as those of co-optation caused by dependency upon public goods, as well as the resulting compromise of principles and goals (Miller 2009: 39). As such, it deserves vigilant caution, and careful strategy. However, it can also

be a powerful tool for mobilising supportive resources and cultivating, through regulation and public policy, a ‘friendly solidarity environment’ (Miller 2009: 39).

According to Miller (2009), the collaborative application of Participatory Action Research by members of USSEN centres on the following topics:

- *Localisation*: Identifying, within the existing economy, spaces and occasions where people engage in economic activities and relationships that embody values of solidarity, co-operation, equity, sustainability, democracy, and pluralism instead of the competition, ranking, eliminatory selection and hierarchy displayed by capitalism.
- *Creation*: Identification of the sources of raw and semi-transformed materials for production, as well as forms of exchange, in the framework of ‘ecological creation’ and ‘cultural creation’. ‘Ecological creation’ simplifies the extraction, production, acquisition and exchange of goods and services in a way that emulates and aligns with the natural processes of birth, growth, photosynthesis, respiration, geological and chemical transformation which generate and sustain all life and culture.
- *Production*: Identification of the forms, characteristics and dynamics of organisational structures which support the production of goods and services in ways that foster co-operation and solidarity. This aspect of collaborative Participatory Action Research also aims to examine the possibilities for transforming certain ‘conventional’ forms of productive organisation, such as municipal and state-owned enterprises, as well as values-based private businesses into organisations based on co-operative, solidaristic and democratic principles (Miller 2009: 30).
- *Transfer and exchange*: This line of work examines the institutional forms and practices which allow goods and services to be commercialised or exchanged in ways that enact solidarity values. Such forms and practices include community currencies, barter networks, fair trade, ‘solidarity markets’, and the use of sliding scale pricing (Miller 2009: 31).
- *Consumption or use*: This comprises the identification of the institutional forms, as well as supporting financial and regulatory frameworks, which promote the organisation of people and communities as consumers in a co-operative way. Examples include consumer and housing co-operatives; collective self-provisioning; community-supported

agriculture; and institutions of participatory and democratic political decision-making at the municipal and state level (participatory budgeting, neighbourhood councils, and so on).

- *Surplus allocation*: This area of activity includes institutions of solidarity savings: financing schemes such as credit unions, co-operative loan funds, rotating savings and credit associations, gifting and sharing practices, and composting and recycling.
- *Governance*: This line of activities investigates what kinds of institutional policies, rules and procedures shape a supportive context in which solidarity-based initiatives can thrive. These might include internal elements of organisational and business governance, or policies and procedures implemented by local, state or federal governments (Miller 2009: 31).

Challenges facing the solidarity economy movement

The future of the solidarity economy movement in the US will largely depend on the alliances formed by USSEN with other radical movements as much as on the capacity of those movements to influence public policy. The Occupy Wall Street movement has brought into public discourse the co-option of politics by the international financial sector and the resulting erosion of democratic control over political society. From the outset, USSEN has publicly expressed its solidarity with this movement, and contributed to its activities.¹⁵ It has also contributed to its debates with a series of ‘Solidarity Economy Briefs’ aimed at familiarising the public with key concepts and providing it with sources of further information on the different aspects of the solidarity economy, as well as its economic and political potential.¹⁶

Even if the USSEN remains mainly devoted to building alliances through research and education, the solidarity economy movement could become a significant participant in the grass-roots movement propelled by Occupy Wall Street, provided two conditions are met. First, Occupy Wall Street must go beyond being merely what Tariq Ali calls a ‘symbolic protest movement’, and transform itself into a unified political front able to dispute political power in municipal, state, and national elections as well as elections within the labour movement.¹⁷ Second, organisations that promote solidarity economy initiatives must have the political will to establish alliances not only among themselves, in order to strengthen their economic and technical capacities, but also with a unified political front that may emerge from Occupy Wall Street. Such alliances are vital for the emergence of a radical political movement able not only to

dispute power with political forces supported by international capital, but also to promote institutional reforms aimed at promoting participatory democracy and greater popular control of the state and the economy. USSEN could play a pivotal role in such a process.

Conclusion

As in South Africa, the solidarity economy movement in the US is still young and emergent (see Satgar, Bennie, Jara and Satgoor this volume). USSEN is the leading entity that promotes exchanges and collaboration between solidarity economy-based initiatives as well as with universities, non-profits, and other organisations able to provide technical assistance. At this stage, the activities of the USSEN centre on the exchange of information among its participants, as well as joint efforts aimed at promoting the development of the solidarity economy in the US through Participatory Action Research and advocacy. However, USSEN intends to enlarge its scope of participation and activity by adding new members and increasing the exchange of ideas and methodologies both within the US and with international partners. It also aims to spread the solidarity economy framework among progressive movements, organisations, economic projects, scholars and opinion-makers, in ways aimed at making them regard each other as allies that would benefit from collaborating with each other, as well as with organisations within the US solidarity economy movement. Ultimately, though, the future of the US solidarity economy movement, and of USSEN in particular, is closely tied to the capacity of its affiliated organisations to establish alliances with radical movements and organisations that have the political will to create a united political front capable of disputing political power in order to promote a structural transition beyond neoliberal capitalism.

References

Albert, M. 2003. *Parecon: Life after Capitalism*. New York, NY; London, UK: Verso.

---.2006. *Realizing Hope: Life beyond Capitalism*. Oakland, CA: AK Press.

Allard, J. 2008a. 'Solidarity Economy Caucus I: defining the solidarity economy'. In: *Solidarity Economy: Building Alternatives for People and Planet*, edited by J. Allard, C. Davidson and J. Matthaei. Chicago, IL: Changemaker Publications.

---. 2008b. 'Solidarity Economy Caucus II: the role of a solidarity economy network'. In: *Solidarity Economy: Building Alternatives for People and Planet*, edited by J. Allard, C. Davidson and J. Matthaei. Chicago, IL: Changemaker Publications.

- Cornwell, J., T. White, A. Templer and L. Hwang-Carlos. 2009. 'Community economies collective: three members research in the solidarity economy'. In: *Solidarity Economy I: Building Alternatives for People and Planet* Amherst, MA: Center for Popular Economics
- Davidson, C. 2009. "'One Worker, One Vote": US steelworkers to experiment with factory ownership, Mondragón style'. In: *Solidarity Economy I: Building Alternatives for People and Planet*. Amherst, MA: Center for Popular Economics
- Fogarty, R.S. 1990. *All Things New: American Communes and Utopian Movements, 1860–1914*. Chicago: University of Chicago Press
- Heinrich, Jeff and Russ D. Kashian. 2010. 'EconPapers: Credit union to mutual conversion: do rates diverge?' (06/07/2010). <http://econpapers.repec.org/paper/uwwwpaper/06-01.htm> . (Accessed 21 January 2012)
- Kawano, E. 2009. 'Crisis and opportunity: the emerging solidarity economy movement'. In: *Solidarity Economy I: Building Alternatives for People and Planet*. Amherst, MA: Center for Popular Economics
- Kawano, E. 2009a. 'Solidarity Economy Responses to the Crisis'. Briefing, May 18, 2009. <http://ussen.org/node/172>. (Accessed 21 January 2012).
- Matthaei, J., D. Korten, E. Kawano, D. Swinney, G. Medhanie and S. Healy. 2008. 'Beyond reform or revolution: economic transformation in the US, A Roundtable Discussion'. In: *Solidarity Economy: Building Alternatives for People and Planet*, edited by J. Allard, C. Davidson and J. Matthaei. Chicago, IL: Changemaker Publications.
- Matthaei, J. 2009. 'Women, feminism and the solidarity economy'. In: *Solidarity Economy I: Building Alternatives for People and Planet*. Amherst, MA: Center for Popular Economics.
- Miller, E. 2009. 'Solidarity economy: key concepts and issues'. In: *Solidarity Economy I: Building Alternatives for People and Planet*. Amherst, MA: Center for Popular Economics
- Poirier, Y. and E. Kawano. 2009. 'Another economy is possible! Visions related to building the solidarity economy and related alternatives in North America'. In: *A Non-Patriarchal Economy is Possible: Looking At Solidarity Economy from Different Cultural Facets*, edited by M. Arruda. Rio de Janeiro: Workgroup "Visions of a Responsible, Plural Solidarity Economy"
- Shi, D.E. 2001. *The Simple Life: Plain Living and High Thinking in American Culture*. Athens: University of Georgia Press
- Swinney, D. 2008. 'High road community development, public schools and the solidarity economy'. In: *Solidarity Economy: Building Alternatives for People and Planet*, edited by J. Allard, C. Davidson and J. Matthaei. Chicago, IL: Changemaker Publications.

Wainwright, H. 2011. 'Crisis of global capitalism: transformative politics and the solidarity economy'. Paper presented at conference on Beyond the Social Economy: Capitalism's Crises and the Solidarity Economy Alternative, 26-28 October 2011. Johannesburg, South Africa.

¹ I would like to express my gratitude for the ideas and constructive feedback provided by Julie Matthaëi, Emily Kawano, Craig Borowiak, Vishwas Satgar and Wolfgang Hoeschle.

² In this volume we attempt to go beyond these stark juxtapositions of 'reform versus revolution' by unpacking the anti-capitalist potential of the solidarity economy. See Satgar, Wainwright, Williams and Berlinguer in this volume.

³ http://neweconomicsinstitute.org/about_us

⁴ According to the Social Enterprise Alliance, 'A social enterprise is an organization or venture that achieves its primary social or environmental mission using business methods. The social needs addressed by social enterprises and the business models they use are as diverse as human ingenuity. Social enterprises build a more just, sustainable world by applying market-based strategies to today's social problems. [...] Two distinct characteristics differentiate social enterprises from other types of businesses, nonprofits and government agencies:

- Social enterprises *directly* address social needs through their products and services or through the numbers of disadvantaged people they employ. This distinguishes them from "socially responsible businesses," which create positive social change *indirectly* through the practice of corporate social responsibility (*e.g.*, creating and implementing a philanthropic foundation; paying equitable wages to their employees; using environmentally friendly raw materials; providing volunteers to help with community projects). They are powerful vehicles for job creation, economic growth and increased opportunity for people facing barriers including those in low-to-moderate families and communities.

- Social enterprises use *earned* revenue strategies to pursue a double or triple bottom line, either alone (as a social sector business, in either the private or the nonprofit sector) or as a *significant* part of a nonprofit's mixed revenue stream that also includes charitable contributions and public sector subsidies. This distinguishes them from traditional nonprofits, which rely primarily on philanthropic and government support' (<https://www.se-alliance.org/what-is-social-enterprise>).

⁵ More information can be obtained in the website of The Farm Ecovillage Training Center (<http://www.thefarm.org/etc/>).

⁶ <http://www.creditunionconversions.com/>

⁷ <http://www.aflcio.org/aboutus/faq/>

⁸ <http://www.nreca.coop/about/Pages/default.aspx>

⁹ <http://steadystaterevolution.org/local-currency-and-bartering/>

¹⁰ www.ripess.com

¹¹ The book, as well as a series of video recordings of some of the workshops, can be obtained at www.usсен.org.

¹² www.usсен.org

¹³ www.ripess.org

¹⁴ As an example of the application of Participatory Action Research by participants in the USSEN, we may consider the work carried out by Cornwell, White, Templer and Hwang-Carlos with the Valley Alliance of Worker Co-operatives (VAWC), constituted by eleven worker co-operatives located in the Connecticut River Valley of Western Massachusetts and Southern Vermont. VWAC is collaborating with researchers based at the University of Massachusetts, Amherst, The Community Economies Collective and the United States Federation of Worker Co-operatives in the publication of a book about the opportunities and challenges faced by solidarity economy-based initiatives in the region. These organizations also worked together in the implementation of a pilot project aimed at producing, for VAWC, an ad campaign, a member manual and also a study that analyses the effects, in terms of economic impact on shared identity among members, of the activities of participating co-operatives. This project also aims to empower VAWC by promoting inter co-op purchasing and cross-sector collaboration (Cornwell et al 2009: 296).

Another example refers to the collaboration of these researchers with the North Amherst Community Farm, in a study aimed at widening public knowledge of the wider impacts of CSA and, more generally, of the understanding of how small scale, diverse economic alternatives develop and become integrated (or not) into the

larger economic context (Cornwell et al 2009: 296). Through the use of participatory action research, the team, together with the partner agency, as well as a group of artists and cultural ambassadors, created a community partnership of people who are taught how to recognize various forms of economic activity, are given tools and resources to record and document these activities, and provided consultation on identifying activities and endeavors that can strengthen those activities (Cornwell et al 2009: 297).

¹⁵ It is worthy to note that among the 5 000 books destroyed by the New York Police Department during the eviction of the Zucotti Park encampment on 15 November 2011, there were several publications donated by members of the USSEN.

¹⁶ The briefings may be consulted at <http://ussen.org/news/occupy-economy-solidarity-economy-briefs>.

¹⁷ Interview given to the Brazilian magazine Brazil de Fato on 14 January 2012.

<http://www.brasildefato.com.br/node/8511>. (Accessed 21 January 2012).