

## **Social and Solidarity Economy**

*Between Emancipation and Reproduction*

*Joana S. Marques*

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## Acronyms

<b>ANIMAR</b>	The Portuguese Association of Local Development
<b>ANTEAG</b>	National Association of Workers in Self-Managed Enterprises (Brazil)
<b>CASES</b>	Cooperative António Sérgio for the Social Economy (Portugal)
<b>CERCI</b>	Network of Cooperatives for the Education and Rehabilitation of Handicapped Children (Portugal)
<b>CNES</b>	National Council for Social Economy (Portugal)
<b>CONCRAB</b>	National Confederation of Brazilian Agrarian Reform Cooperatives
<b>IPSS</b>	Private Institutions of Social Solidarity (Portugal)
<b>SAAL</b>	Mobile Service for Local Support (Portugal)
<b>SENAES</b>	National Secretariat of Solidarity Economy (Brazil)
<b>SIES</b>	Solidarity Economy Information System (Brazil)
<b>SSE</b>	Social and solidarity economy
<b>UNISOL</b>	Union of Cooperatives and Solidarity Enterprises (Brazil)

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## **Summary**

Social and solidarity economy (SSE) is increasingly attracting the attention of policy makers, practitioners and social scientists worldwide. For some, it contributes to social cohesion by addressing state and market failures; for others, it provides an alternative model to current neoliberal development patterns; for its critics, it is just another facet of contemporary capitalism.

The purpose of this paper is to critically examine SSE in light of these different trends, while also addressing the issue of market and state relations. The paper presents a theoretical reflection and an empirical comparative analysis of the cases of Brazil and Portugal, which illustrate the different trends and challenges that SSE faces.

While the fundamental question of whether SSE is a product and instrument of the capitalist system or represents an emancipatory alternative remains unresolved, findings from Brazil and Portugal show how SSE can be envisaged in three main ways: as a market-oriented initiative, as a method of local development or as a conscious project of social transformation.

Joana Marques is a PhD candidate at the University of São Paulo and Researcher at the Centre for Research and Studies in Sociology, Lisbon University Institute (CIES-IUL).



## **Introduction**

Social and solidarity economy (SSE) is not something new. Even if the label is recent and embodies a new framework, the idea of cooperation and self-management is present at least since the nineteenth century. Defourny and Delvèze (1997) find its roots in the most ancient forms of human association, such as the primitive artisans' guilds in Africa and pre-colonial America.

However, in recent decades, the context of growing contradictions and failures in the dominant capitalist system has opened up the space for different theories and experiences worldwide that proclaim SSE as a form of resistance and emancipation from neoliberal globalization, a pathway for a more equal and sustainable society. Numerous meetings, forums and networks of SSE partisans and activists claim the integration of solidarity as a core principle for an alternative globalization. This can be seen, for instance, in the World Social Forums or in the recent United Nations Conference on Sustainable Development (Rio+20), in which a large group of organizations and social movements proclaimed a declaration of support for SSE.

Long-standing mainstream debates tend to contrast the self-regulating market with the role of the state in the foundation of social organization and the delivery of social welfare. SSE proponents, instead, introduce another component of social life, which is neither the business sector nor the state.

Our research is focused on the positioning of SSE initiatives within a global restructuring context. The paper presents a theoretical reflection on SSE and draws on preliminary empirical evidence from the cases of Brazil and Portugal. The goal is to analyze the dynamics that characterize this "sector" within the context of wider changes in the world system, while questioning its role in social transformation or reproduction. Is SSE a counter-hegemonic and emancipatory alternative or is it a product and an instrument of the capitalist system, contributing to its reproduction? In this paper we provide some clues to begin analyzing this question.

## **Background**

Historically, SSE has its origins in the social economy that emerged in Europe in the nineteenth century, as an attempt to counter the individualism and competition of the political economy born in industrial societies. It is connected to the "social issue" and the emergence of new situations of poverty and social exclusion. Charles Gide (1905) defines it as the economy of the poor, of those who remain outside the political economy.

According to this perspective, the aim was to fight poverty through a collective approach, in opposition to the dominant individualism. On the other hand, it also intended to address social needs through economy, thus the term *social economy*. Social economy involves both practical initiatives, such as workers' cooperatives, and philosophic and ideological debates and experiences, such as utopic socialism and anarchism, among others. Its typical forms are cooperatives, mutual societies, associations and foundations.

The concept of *solidarity* economy only arises in the last quarter of the twentieth century, in a francophone European context (Laville and Eme 1988), to designate new forms of social economy that emerge in response to a “new social issue”, related to new social needs. Thus, it encompasses issues related to the environment, citizenship, long-term unemployment, the living conditions of elderly people, ethnic minorities and other vulnerable populations.

Hence, the term *social and solidarity economy* intends to embrace a diversity of terms and experiences worldwide, from the most traditional forms of social economy to the multiplicity of formal and informal initiatives that have emerged more recently under the name of solidarity economy. Therefore, the concept of SSE can be defined as a set of economic activities based on collective patrimony and cooperation. It generally assumes autonomy and democratic decision-making processes as distinctive features, and the realization of economic activities aims not at the individual distribution of profits (as in the business sector), but at the satisfaction of collective purposes, related to employment, citizenship, environment, social justice, education or culture.

However, it is worth noting that there is no consensual terminology for SSE and its acceptance varies according to national specificities. The boundaries are vague, which denotes a lack of theoretical foundations and empirical structuring.

The Johns Hopkins Comparative Nonprofit Sector Project (see, for instance, Salamon et al. 2000) provides a set of theoretical and analytical tools to approach this sector in a comparative manner. However, it excludes cooperatives, which are a relevant actor of SSE both in Brazil and Portugal. My definition differs from that of the strictly *non-for-profit sector*, since there may be profit (as in the case of cooperatives), but it should be reinvested for collective purposes, so that the logic of the market should be subordinated to that of solidarity.

In this context, SSE has been highlighted, both by scholars and its protagonists, as an alternative to capitalist domination and reproduction. Thus, it can be theorized as part of the movement of “counter-hegemonic globalization”<sup>1</sup> (Evans 2008). Using the analytical key provided by Wright (2010), SSE may be conceived as a “real utopia” since it presents a plausible vision of a radical alternative and a project of emancipatory social change.

The ‘social economy’ constitutes an alternative way of directly organizing economic activity that is distinct from capitalist market production, state organized production, and household production. Its hallmark is the production organized by collectivities directly to satisfy human needs not subject to the discipline of profit-maximization or state-technocratic rationality (Wright 2010:140–141).

Despite its emancipatory project, a large body of works on SSE is driven by idealism and normative claims, often downplaying its limits and contradictions, which deserve critical examination.

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<sup>1</sup> Evans defines counter-hegemonic globalization as “a globally organized project of transformation aimed at replacing the dominant (hegemonic) global regime with one that maximizes democratic political control and makes the equitable development of human capabilities and environmental stewardship its priorities” (Evans 2008:272).



Social structures subsist over time due to social reproduction mechanisms and emancipatory movements themselves contain elements of reproduction (see, for example, Gramsci 1971; Bourdieu 1993). Thus, SSE is a field of tensions and disputes, so that the classic question of studies on SSE is whether it is functional to the capitalist system or, on the contrary, it represents an emancipatory force for overcoming this system.

## SSE in Brazil and Portugal

Brazil and Portugal illustrate different dynamics in SSE processes.

Portugal is a Southern European country, in the semi-periphery of the world system, with a fragile welfare state (Santos 1985). The emergence of SSE is dated from the nineteenth century. Portugal was particularly influenced by British ideas and experiences, so that the second cooperative law in the world was passed in Portugal in 1867 and the first Portuguese cooperative was created in 1858 (Leite 2011), only 14 years after the Rochdale Pioneers. However, the relatively low degree of industrialization and urbanization and the strong presence of the Catholic Church have prevented these movements from reaching a development as strong as in other European countries (Quintão 2011:8).

After the Portuguese Revolution in 1974, there followed a period of intense democratic initiatives. The new forms of civil society organization that emerged in this period were related, on the one hand, to the recovery of the fundamental rights and freedoms that sustain the democratic state (such as political associations and unions) and, on the other hand, to initiatives addressing basic social needs (such as housing,<sup>2</sup> education, community development), together with an explosion of new cooperatives (Quintão 2011:12).

The dynamism of this period was followed by a period of restraint associated with the economic crisis at the end of the 1970s. The entry of Portugal into the European Union in 1986 has paved the way for greater influence of the European context in the Portuguese SSE, namely through different European programmes and networks.

The debates on SSE in Portugal have been particularly encouraged by Amaro, who developed a holistic concept of SSE based on the experiences in Macaronesia—a region composed of a group of islands in the Atlantic Ocean,<sup>3</sup> defining it as:

the economy that re-finds Life in its various dimensions, promoting a logic of systemic solidarity with Life in all its expressions (human beings, other living beings and abiotic components) and considering, in an integrated manner, the economic, social, cultural, environmental, territorial, scientific and political perspectives in which it translates (Author's translation of Amaro 2009:22).

Based on Macaronesia's experiences, Amaro systematizes SSE around eight dimensions: (i) an *economic project*, involving the production and sale of goods and services; (ii) a *social project*, promoting social inclusion and cohesion; (iii) a *cultural project*, respecting and

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<sup>2</sup> An emblematic and radical experiment in participatory architecture from this period was SAAL (Mobile Service for Local Support). See, for instance, Santos and Nunes (2004) and Bandeirinha (2007).

<sup>3</sup> Macaronesia comprises the Portuguese archipelagos of Azores and Madeira, the Spanish Canary Islands and the archipelago of Cape Verde.

promoting cultural diversity; (iv) an *environmental project*, valuing and protecting the environment; (v) a *territorial project*, mobilizing endogenous resources and capabilities and promoting local development; (vi) a *management project*, involving the adoption of specific management methods; (vii) a *knowledge project*, constantly monitoring and learning from the experience; and (viii) a *political project*, based on democratic principles, at the internal level, and on shared governance and co-responsibility, on an external level.

This multidimensional approach focuses on the potential of SSE in terms of a holistic and integrated development model. According to the author, it aims at integrating the economy with all aspects of life, including solidarity not only among human beings, but also with other living beings. Although in practice the full realization of this perspective is scarce, it contains a set of “moral principles that can be used as standards with which to judge existing institutions and social structures, frame the elaboration of alternatives, and define the tasks of transformation” (Wright 2013:3).

Empirically, SSE tends to be associated with a welfare-mix, a complement to the private and public sectors. Data from the Satellite Accounts of Social Economy (INE 2013) show that in Portugal, roughly half (48.6 per cent) the employment in SSE is concentrated in organizations that provide social assistance, which is also the sub-sector with a larger proportion in terms of production of resources (32.7 per cent of all resources produced by SSE are from social assistance). Associations are the most predominant form of SSE organization in Portugal (making up 94 per cent of the SSE sector, see table 1), while cooperatives only represent 4.1 per cent (which is a lower weight compared to the European average of 7.4 per cent in 2010). Therefore, SSE is dominated by welfare services and its main protagonists are supposed to be communities, along with their support networks (social assistants, development agents, local development associations, and so on).

Namorado (2009), referring to the Portuguese case, says that SSE “works within capitalism, albeit it follows a different logic from the capitalist logic...its subordination within capitalism does not prevent it from having the alternative energy needed to be conceived as part of a post-capitalist horizon” (author’s translation of Namorado 2009:69).

In Brazil, despite the great visibility gained by SSE in the last decades, the first cooperative dates from 1889, while the first cooperative law was created in 1932 (Freitas 2009). However, what marks the recent development of SSE is its explicit promotion by official policy. The pioneer National Secretariat of Solidarity Economy (SENAES) was created in 2003, during the first year of the Lula government.

In Brazil, SSE is clearly advocated as an alternative to the social and work relations of capitalism, characterized by exploitation, competition and commodification. Paul Singer, the National Secretary of Solidarity Economy, defines it as “another mode of production, whose basic principles are the collective or associated propriety of capital and the right to individual freedom” (author’s translation of Singer 2002:10).

Brazil’s democratization in the late 1980s and the opening of the economy since the 1990s, with important growth rates, rendered the country an “emerging market”.

However, this new economic development occurs in an extremely unequal society, with a large part of the population living in poverty and a precarious working class. This is fertile ground for the development of SSE:

In Brazil the idea of building solidarity economy, especially from the 1990s, is emphasized through the large number of associative experiences that are organized by workers in urban and rural areas, in different economic and social contexts, along with experiences of bankrupt companies that are recovered by workers; formal or informal community groups and associations; associations and cooperatives formed by family farmers and agrarian reform settlers; urban cooperatives (labor, consumption and services); solidarity finance, among others (Author's translation of SENAES 2011: 12-13).

Another Brazilian specificity is that there is a clear recognition and widespread use of the concept of *solidarity economy*. While in some places, as in Portugal, the terms SSE and third sector are used as analogous, in Brazil, there is a clear distinction between them. The charter of principles from the Brazilian Forum of Solidarity Economy clearly diverges from the third sector, stating that it replaces the state in its social obligations and inhibits workers emancipation as active protagonists of their own rights. According to its proponents, the third sector is considered a state partner, which develops top-down approaches. In contrast, solidarity economy should be grassroots and its main characteristic is the workers' autonomy and self-management.

According to the Brazilian perspective, the main focus is on the production sphere. Therefore, the main protagonists of SSE are the workers, seen as historical subjects in social transformation, defending in a militant way a new mode of production and wealth distribution. Self-management and the productive character are essential features of the initiatives. In addition, it is also close to unions and the labour movements.

Many initiatives are linked to attempts to fight against unemployment and to guarantee income for workers made redundant in the labour market, such as in the case of former companies recovered by workers under self-management. In fact, the available data show that the main reason stated for the creation of SSE initiatives in Brazil is the "alternative to unemployment" (SENAES 2007).

In Brazil, there is a stronger common identity among SSE actors, namely through the existence of a consensual term, a common charter of principles, a national forum and regional forums, and a public body for solidarity economy, SENAES, that do not exist in the Portuguese case. This stronger identity is also noticeable in the main protagonists, the workers, as well as in the clear opposition to capitalism, the social adversary.

SENAES also recognizes SSE as a strategy of local and territorial development, particularly related to specific communities such as *Quilombos*,<sup>4</sup> indigenous and rural territories (SENAES 2011: Chapter 2).

Nevertheless, drawing on Lima's work (2004) on Brazilian cooperatives, it is possible to identify another trend in the development of SSE, which is clearly business oriented: a set of initiatives promoted by businesses, firms and the state that use the framework of SSE

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<sup>4</sup> Settlements founded by people of African origin, mainly escaped slaves, in the seventeenth and eighteenth centuries.

with the objective of lowering costs, acting as sub-contractor for private companies or as providers of public services. Various studies identify the case of fake cooperatives that adopt this form to benefit from tax exemption and other subsidies from the state or to become a provider of cheap labour, as they are exempt from legislation on workers' rights.

Both Brazil and Portugal have specific legislation for the sector. Brazil does not have a unique SSE bill but many regional and municipal laws, while the Portuguese parliament has recently approved a Bill on Social Economy (2013) which strengthens its consecration within the country's legal system.<sup>5</sup> Portugal only recognizes formal organizations, while Brazil also includes informal groups.

In terms of national accounts systems, in 2011 SSE in Portugal was recognized through the Satellite Accounts of Social Economy. Brazil has developed the Solidarity Economy Information System (SIES) and a pilot satellite account of not-for-profit organizations (JHU-CCSS 2010). These accounts systems use different conceptual and methodological approaches, making it difficult to compare the available data.

**Table 1: Prevailing organizational forms of SSE in Brazil and Portugal**

Brazil	Portugal	European Union
Associations (51.8 per cent)	Associations and other social economy organizations* (94.0 per cent)	Associations and other social economy organizations* (92.3 per cent)
Informal groups (36.5 per cent)	Cooperatives (4.1 per cent)	Cooperatives (7.4 per cent)
Cooperatives (9.7 per cent)	Foundations (1.0 per cent)	Mutual companies (0.3 per cent)
Other organizational forms (2.0 per cent)	Religious brotherhoods ( <i>Misericórdias</i> ) (0.7 per cent)	
	Mutual companies (0.2 per cent)	

**Source:** SENAES 2007 and INE 2013. **Note:** \*This category includes all organizations not covered in the remaining groups (for example, youth, students, parents, consumers, environmental associations, volunteers firefighters, etc.). As the data available in the different European Union countries are discrepant (for instance some countries do not have autonomous data regarding foundations, while *misericordias* are a Portuguese specificity), this broad category allows, with reservations, international comparability.

In recent years, different platforms have emerged to represent SSE actors. In Portugal, the Cooperative António Sérgio for the Social Economy (CASES) and the National Council for Social Economy (CNES) were created in 2010 through state initiatives. A second level organization that has been particularly active in fostering the debates and initiatives of SSE is ANIMAR, the Portuguese Association of Local Development.

In Brazil, many municipalities and states also show great enthusiasm for promoting SSE through a wide range of initiatives, along with the support of university incubators and second level organizations, such as ANTEAG (National Association of Workers in Self-Managed Enterprises), CONCRAB (National Confederation of Brazilian Agrarian Reform Cooperatives) and UNISOL (Union of Cooperatives and Solidarity Enterprises), among others.

<sup>5</sup> The bill defines "social economy" as the set of economic activities freely developed by entities whose mission is to pursue the community's general interests, either directly or through the interests of its members, users and beneficiaries (article 2).

## Models of the Welfare State

Considering the typology of welfare state regimes built by Esping-Andersen (1990, 1999), three different models are defined according to the notion of “de-commodification” and the way the production of welfare is distributed between the state, market and family. The concept of “de-commodification”, derived from Polanyi (1944), relates to the entitlements individuals have independently of market participation (Esping-Andersen 1999:43). Despite the criticism that followed of the three worlds of welfare capitalism, together with proposals for alternative typologies, this framework is useful in approaching SSE from the perspective of models of the welfare state.

The social-democratic model, particularly found in Scandinavian countries, is based on a broad reliance on the universalist state for the delivery of welfare. Here, the role of SSE tends to be limited as “there is a strong impetus to create services and take over tasks by the public authorities that were formerly performed by the private sector” (Laville et al. 2000:128).

The liberal model, typical of Anglo-Saxon countries, is market-biased, privileging a loosely regulated market, where public authorities provide weak services, concentrated on the most disadvantaged sectors of the population. “Public service delivery is limited, and services are for the most part the responsibility of women and remain in the private sector” (Laville et al. 2000:128). This model tends to develop market-oriented forms of SSE in which the generation of revenue is a central part of the initiatives.

Laville et al. consider that weakness in the delivery of public welfare services is also characteristic of the dual system of Southern Europe, such as in Italy, Portugal and Spain: “This system emphasizes monetary transfers, neglects services, and provides social insurance for those who have successfully integrated into the labour market at the expense of groups who do not have employment security, have little hope and who are trapped in the underground or informal economy” (Laville et al. 2000:128).

Finally, the conservative model is centered on the role of family, while the state only intervenes marginally, found particularly in Japan and European countries such as Austria, Belgium, France and Germany. In this welfare state regime, a significant role is assigned to SSE, which emerges in articulation with the state responsible for providing a considerable portion of the funding through redistribution policies:

In Germany, Austria, France and Belgium, associations were more like service pioneers, identifying emerging social requirements and then responding to them within their own associative contexts while at the same time being regulated by the State. Conglomerates of organizations took shape, grouped together in national association federations that interacted with the public authorities. The establishment of a regulated service regime gave rise to a non-market isomorphism of *Third System* structures that brought them closer to government and prompted them to form large national federations (Laville et al. 2000:128-129; italics added).

In Portugal, the period of economic recession and Troika’s<sup>6</sup> Economic Adjustment Programme have justified the implementation of harsh austerity measures and the strong

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<sup>6</sup> A structure composed by the International Monetary Fund, the European Central Bank and the European Commission, responsible for the negotiation of bilateral loans with countries affected by the Eurozone crisis.

contraction of the welfare state. Severe government spending cuts, accompanied by the problem of structural unemployment, have resulted in the proliferation of various forms of collective action. In this context, there is increased interest in experiments in SSE, both from civil society and in the public and private sectors.

In Brazil the welfare state is traditionally weak, but there has been an increase in the government's social spending and a consequent advancement of rights in recent decades, concentrated on the most disadvantaged sectors of the population. Despite the current context of advancement of rights and almost full employment, the available data indicate that the main reason cited for creating SSE initiatives in Brazil is the search for an "alternative to unemployment" (SENAES 2007).

In both countries, economic restructuring and the adoption of neoliberal policies have resulted in the privatization of state companies and flexibility of the labour market. Analysis of the way production of welfare is distributed between the institutions of the state, market and family allows identifying two main roles of SSE in these countries. One trend, very strong in Portugal, is the outsourcing of welfare policies to SSE organizations, regulated and partially financed by the state. This is the case of the Portuguese CERCI (Network of Cooperatives for the Education and Rehabilitation of Handicapped Children) and IPSS (Private Institutions of Social Solidarity). Another trend, more present in Brazil, is the development of market-oriented forms of SSE in which the generation of revenue is a central part of the initiatives, which operate in the market and are exposed to its rules, but also count with different incentives by the state.

## **SSE and Global Capitalism**

Another entry point for the analysis of SSE as a counter-hegemonic project is to examine it in relation to the world order and its system of domination. The world system carries a hegemonic configuration (Wallerstein 1984). Currently, this hegemonic global regime is neoliberalism: "It continues to be a system in which the superiority of market allocation is ideologically unquestioned by dominant elites. It continues to be a system in which the rights of capital are the most important foundation of economic and political power" (Evans 2008:276).

While the states of the periphery suffer the most harmful consequences of global capitalism, the central states benefit from that same system (Wallerstein 1979). Therefore, "central countries" tend to be a sphere of dominance and reproduction, as they are more consonant with the dominant system, while "peripheral countries" tend to be more resistant and counter-hegemonic, as it is argued to be the case in Latin American countries.

Favreau and Fréchette (2002) analyse SSE with consideration of the features specific to the South. The authors argue that, throughout the twentieth century, the worsening economic crisis, the restructuring imposed by the International Monetary Fund on most countries in Africa, Latin America and Asia, and the phenomena of poverty and social exclusion left their governments with a limited scope in terms of their redistribution

function. This results in the emergence of different bottom-up initiatives, based on the solidarity among different social groups in an attempt to solve their own problems.

SSE in Brazil has emerged from a periphery setting, occupying a counter-hegemonic space, in resistance against the dominant political, economic and cultural powers, while in Portugal, in its semi-periphery, it is complementary to such powers. However, considering the international changing order, it would be interesting to see how, on the one hand, the rise of Brazil and its new geo-political-economic centrality and, on the other, the economic recession of Portugal and the consequent implementation of severe spending cuts, will transform the dynamics of SSE.

The issue is that of the power of SSE to challenge neoliberalism and the consequences of its expansion, as it becomes increasingly embedded in relations with state and market actors. What challenges and contradictions does this pose to SSE?

### **Work Relations, Precariousness and SSE**

Inequality and precariousness are main features of capitalist work relations, accompanied by the dominance of capital in the foundation of economic and political power. In contrast, in SSE, production is organized by collectives, based on some form of social power, “rooted in the capacity to mobilize people for cooperative, voluntary, collective actions of various sorts in civil society” (Wright 2010:121). Work relations within SSE are characterized by principles of autonomy, cooperation, self-management and collective ownership, thus an institutional design that promotes the mobilization and expansion of social power.

However, these are not unproblematic concepts, as they face the problem of the potential distortion of SSE. On the ground, we find many initiatives that do not provide suitable conditions of social protection for workers and reproduce the asymmetric relations of capitalism. Even the Mondragon Cooperative Corporation, which is taken as a case of success within the cooperative movement, in its strategy of international growth has adopted relocation practices, exploiting cheaper labour, lower social protection duties, lax environmental rules, and so on (Errasti and Mendizabal 2007).

Moreover, according to some critics, the development of new forms of SSE as a consequence of the capitalist crisis has broken with the universality of welfare policies. If on the one hand, the market fails to deliver social protection and collective goods (Evans 2008), on the other, the transfer of public welfare to SSE organizations means, to some extent, a loss in the social rights achieved from decades of working class struggles, as welfare is turned into private and precarious services: “This process promoted a breach in the universality of public services, since only people who do not have financial conditions to afford private services would benefit from private social organizations. ...What used to be a universal social right becomes a favour, not a right” (author’s translation of Wellen 2012:171).

This results in the establishment of a new ideology of entrepreneurship and self-accountability, which, to some extent, legitimates the capitalist mode of production, exchange and consumption.

## Emancipation Versus Reproduction

SSE in Portugal and Brazil faces a struggle between its emancipatory project and the dominant social patterns to which it adapts, thus contributing to its reproduction.

From Bourdieu's theorization on social reproduction, we know that even emancipatory movements contain within them elements of reproduction. The existence of stable social patterns over long periods compels us to examine the ways in which these patterns are re-created in social action (Bourdieu 1977).

While the counter-hegemonic trend is present, the analysis also shows that some developments of SSE end up as alternative forms of the capitalist business world.

Therefore, I envisage the development of SSE in three ways.

One is *market-oriented*, comprising initiatives that adopt distorted forms of SSE with the objective of lowering costs, benefiting from tax exemption and other subsidies from the state, or acting as sub-contractor for private companies or as providers of public services. A related version of this trend is linked to initiatives developed strictly to fight against unemployment of the surplus workers in the labour market, without an associated educational and political project. Many of these initiatives do not provide suitable conditions of social protection for workers, are characterized by precarious labour and, eventually, replicate the asymmetric relations typical of capitalism. In this case, there is a distortion of SSE principles so that it becomes just another facet of contemporary capitalism.

Another trend is the development of SSE as an approach or a *method of local development*. From this perspective, it is a complement to the state and the market, contributing to social cohesion, while addressing state and market failures. The issue here is that often the projects are not discussed with the broad population, thus the potential of social empowerment is limited. Therefore, an essential element of this approach is that SSE initiatives have associative vitality, with their construction and renewal of leaders based on shared participatory principles.

Finally, a third trend corresponds to the collective political project of another way of organizing the production and the social relations in which the economy is subordinate to its social function. This is present in grassroots initiatives that embody a conscious *project of social transformation*, aiming to develop forms of resistance to neoliberal globalization, to attack the power of capital and to present an alternative for workers' social inclusion. In spite of the many challenges they face, they put into practice the principles of self-management, autonomy and collective ownership, prefiguring "the democratic management of collective affairs that must be central to any progressive alternative institutional architecture" (Evans 2008:276). We are still at the level of idealization, but with a practical proposal and commitment toward a collective project. We often find this situation in workers who have some relationship with unionism, thus have a clear political project and see self-management as a revolutionary approach of new relations between capital and labour. For true emancipation, this change in work relations should be extended to social relations.



The different experiments in SSE either integrate the conscious construction of an emancipatory project or they are absorbed by the mainstream system of domination and become an instrument for its reproduction. Many of the questions raised in this paper are still unanswered, but that is the challenge for future research.

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