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## 2<sup>e</sup> Conférence internationale EMES-POLANYI 2<sup>nd</sup> EMES-Polanyi International Seminar

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Co-organisers

Karl Polanyi Institute of Political Economy  
EMES International Research Network  
CNAM - Chaire économie solidaire

### Societies in transition

Social and solidarity economy, the commons,  
public action and livelihood

————— AFTERTHOUGHTS FROM THE SEMINAR —————

*Karl Polanyi devoted his work to the relationship between economic and political pluralism. Thus, the 2<sup>nd</sup> International EMES-POLANYI Seminar, held in Paris on 19-20 May on the premises of the Conservatoire des Arts et Métiers, essentially centered around the question how to bring democracy back into economic practice. A timely discussion, since so many of today's major global challenges (financial crisis, slow economic growth, refugees, climate change) are seen exclusively through an economic lens, giving rise to fears that result in the many populist movements we see around the world today.*

We are in a time of a new great transformation. Will it mean a more uniformized world dominated by global systemic capitalism? Will it be possible to structure resistance in order to create another contradictory trend giving rise to democratization processes including economy? The seminar was dedicated to the second alternative, starting from the existence of different phenomena: Social and Solidarity Economy (SSE), the commons, and new public action orientated towards livelihood objectives.

Scholars in Paris were looking for convergences in these related but distinct fields, connected to both economic and political spheres. Starting with an assessment of Polanyi's work and research carried out on the commons inspired by Nobel-prize laureate Elenor Ostrom, speakers in the first plenary [Marthe Nyssens](#), Benjamin Coriat and [Philippe Eynaud](#) addressed the convergences between Ostrom's commons and the SSE.

All the speakers agreed about the statement: the market-state dualism inherited from the 20<sup>th</sup> century is outdated. There is now a need for a new lens to analyze the emergence of many alternative conceptions of collective action and social transformation. This new lens can be found through a convergent analysis of "Social and solidarity economy" and of the "Commons". Speakers distinguished three steps for bridging the two conceptual frameworks. The first two steps can be understood as attempts of orthodox thought to take better account of reality. The third one opens on new avenues for contemporary research.

#### 1) The common-pool resources and the third sector

Orthodox economy agrees that some goods cannot be dealt on regular markets because their specificity entails market failures. Thus, Ostrom denies the tragedy of the commons and assumes that local governance of common-pool resources can prevent free riders from exhausting scarce resources. In the same way, orthodox economy acknowledges that social services with high relational dimension (childcare, at home assistance...) are driven by informational asymmetry on imperfect markets. Therefore, the third sector assumes that non-profit organizations can send positive signals on these markets.

#### 2) The common-property regime and the social economy

Ostrom posits that the commons are supported by a bundle of rights in order to qualify and to protect common-pool resources (right to access, to appropriate, to manage, to give access, to transfer a right, to delete a right). This bundle of rights appears as a way to preserve the plurality of institutional forms and gives Ostrom the ability to take her distance with orthodox vision. In the same way, social economy authors take their distance from the third sector view by arguing that with the motto "one man, one vote", early social economy organizations have woven the democratic principle of their

internal operations into the fiber of their legal status.

### 3) The new commons and the solidarity economy

In the book co-written with Hess, Ostrom extends her interest to knowledge commons. According to Hess, the growing number of new commons identified in the literature acknowledges our societies' high expectations for shaping responses to the challenges raised by globalization, commodification, and privatization. In the same way, solidarity economy theory distinguishes itself from social economy theory by highlighting the political dimension. Thus, organizations in a solidarity economy are envisaged from the outset as voluntarily engaged in forms of public action. The two approaches can enlighten each other. On the one hand, the commons theory is better suited to conceptualizing self-organized communities at the local level, common-pool resources, common property regimes and peer-to-peer organization. On the other hand, the solidarity economy offers a relevant standpoint for rethinking economics, analyzing the pluralities of public action, and interactions with public authorities. By combining the two conceptual frameworks, the speakers agree that it is possible to offer new perspectives for emancipation and better account for many trustworthy alternatives to capitalism.

Several important commonalities and requirements were established that distinguish such entities from for-profit organizations, setting the framework for reflections on alternative models of economy that were mirrored and confirmed by many contributions throughout the seminar. Among others we can mention the following:

*Certain organizational rules:* Shared resources, collective ownership and governance are at the heart of the commons (Nyssens, Coriat). In SSE the production of internal and external norms is equally important, called the public and political dimension of SSE (Nyssens). Due to paid work based on contracts, the SSE regime is still one of hierarchy, i.e. in cooperative banks, or the Mondragon cooperative, that belong to both the social economy but also to the capitalist sector, sometimes trying to re-legitimize themselves by referring to the commons aspect in the institutional nature, but that only works if they reinvest their profits in the commons (Coriat).

*Joint ownership and participatory governance:* The governance structure of commons in Ostrom's sense (common – pool resources) seeks to protect the ecology of the source, which includes collaborative choices based on individual interest that need mediation. Rights and obligations are shared, which does not necessarily apply to the sharing economy. The fishing lake offers common access, one can sell the fish, and the governors decide the rules, thus turning it into a business. Similarly, open source software is free,

but services linked to software can be sold. However, as Coriat pointed out, many collaborative businesses that begin as commons end up as monopolies or start-ups like Uber. Hence certain provisions of equal distribution of decision-making and profit must be enshrined. A strong link between commons and SSE is multi-stakeholder governance structures, going hand in hand with institutionalization to guarantee sustainability.

*Beyond public-private dichotomy:* Capital is just a tool. Eynaud drew out parallels between commons and third sector, something between private and public services. Solidarity economy is based on Polanyi's work, who highlights reciprocity and redistribution. In order to identify commonalities between phenomena like third sector, civil society or collaborative economy, one must look at the historical development of initiatives, like the associational base of welfare organizations, economic self-help through cooperative and mutual assistance movements, gifts.

Paper presentations throughout the two-day seminar addressed many questions in relation to the specifics of SSE, examining economic, democratic and governance pluralism, not only based on works and writings of thinkers such as Polanyi, Habermas, Fraser, Dewey and Ostrom (see also [Laville](#), [Eynaud](#), [Young](#)). How can SSE and commons really bring citizens back into the public sphere and go against commodification of the public sector? Who are the people who engage in different types of organizations? How to protect commons and SSE against external forces, the state and the market, that encroach these initiatives? How to gain visibility of SSE initiatives in order to drive democratization inside the economy? How to develop a global perspective on SSE that includes alternative epistemologies?

Of course when talking about SSE and social enterprises one must bear in mind the institutional diversity, owed to national legal frameworks, movements and local histories. In this respect a lot of conceptual work is being carried out (*i.e.* [ICSEM](#)). What all of these organizations share is the fact that they engage in some form of economic activity (which is not exclusively making money) to fulfill their social mission (which can also contain an element of solidarity with members, the poor, the unemployed etc.), run by citizens or civil society groups, with some kind of written agreement in the form of rules, norms, and statutes (for a national example, see [Birkhölzer](#)).

Some difficulties remain at the theoretical level. The conceptualization of social economy favored an organizational perspective, specifying non-capitalist enterprises. So it never integrated the institutional dimension in the sense of public expression and action. The solidarity economy framework suggests a new epistemological perspective, coupling economic and political approaches for comprehensive understanding of citizen initiatives. Employing a historical perspective they are comparable to social movements in the sense

that one might observe different life cycles, something that academic research can only ever catch up with and conceptualize in hindsight. In other words there are three perspectives on building an alternative economy: a theoretical, a political, and an organizational perspective.

Scholars argued that we are a long way away from the potential of the social economy to be shared by all social economy actors, because it would require a larger network and collaboration structures to build a shared understanding. But do we necessarily need a shared understanding of actors and institutions to belong to an alternative movement, even if members of organizations are not necessarily interested in equity or non-profit distribution other than internally, even without self-identification with other social economy entities in terms of solidarity and collaboration? Employees of a social economy network in the Basque country (a case studied by Castresana/Etxarri) state that their main objective is job creation and protection. The same applies to another case presented from France conceptualized in the commons traditions, a factory that was turned into a cooperative by the workers, thus commoning wage production (Ieva Snikersporge). And yet, next to the organizational logic (the social mission), there is often a political dimension that is change-oriented, linking the individual entity to the social movement paradigm and thus to democratization.

While individual initiatives might not necessarily feel part of a wider movement, this is where many researchers see the potential of democratization of the economy. Linked to democratization is the idea of [emancipation](#). During the plenary “From crisis to new perspectives of emancipation” speakers addressed the crisis of left-wing political movements in the Northern hemisphere starting from the book published in French and Spanish, [Les gauches du XXI<sup>e</sup> siècle – Un dialogue Nord-Sud / Reinventar la izquierda en el siglo XXI – Hacia un dialogo Norte-Sur](#).

How does emancipation in the sense of the individual’s struggle for freedom of choice, of conduct and from conventions, advocated by the political left, fit with the much more collective based concept of commons, particularly as promoted by Southern epistemologies that zoom in on communities rather than individuals? Once more employing a historical perspective, Eli Zaretski reminds us of modernization cycles, not unlike social movement mobilization cycles, outlining individual liberation struggles in the late 19<sup>th</sup> century, the 1920s and the 1960s.

We almost see the dawn of a new modernization cycle as Matthieu de Nanteuil and [Lars Hulgård](#) outlined the erosion of traditional social democracies, based on notions of shared identity, solidarity and to some extent community, victims of fiscal constraints, societal heterogeneity and to some extent globalization, coupled with the crisis of the political left

since the fall of state socialism. As welfare states no longer provide services that increase equality but that reflect geographic, social and structural inequality, social economy and commons initiatives once more promote ideals of the left, realized in decentralized initiatives, as well as in some new political movements that surprise in mobilizing younger generations (i.e. *Podemos* in Spain, Jeremy Corbin in the UK). Hilary Wainwright added a very important hypothesis: the frontiers between political and economic spheres are no longer closed and it is crucial for future lefts of the 21<sup>st</sup> century to take this into account.<sup>1</sup>

Conceptualizations cannot build movements, but a broad concept can at least create a map that would show us the potential of an alternative. Nancy Fraser, opening the last panel of the first day of the seminar, argued that anyone who wants to develop a critical theory of the present crisis should be aware that neither Karl Polanyi nor Karl Marx offer the full picture, since a critical theory of capitalist crisis today has to combine a system perspective with a lifeworld perspective to arrive at an emancipatory solution. Making the case that “both Karls are better than just one”, Fraser outlined Polanyi’s systemic critique and action-theoretical perspective that overcomes some of Marx’s blind spots.

Polanyi’s “fictitious commodification” as conceptual core of systemic crisis that sees a contradiction between economy and social life as guarantor for checks-and-balances, unmasking the production of commodities by means of commodities (waged labour, social-reproductive stress, ecological destruction), opposes Marx’s assessment of a fundamental contradiction inside capitalism that can only be overcome by class-struggle that will affect both private/political and economic life. According to Fraser society is not as virtuous as Polanyi likes to reflect it against the economy, never asking why self-regulated markets pushed into social life - an important limitation to the emancipatory and democratizing potential of SSE? Fraser underlined that in her view the broad array of concepts to capture the struggle prevents it from becoming a real homogeneous movement that presents an alternative, as mentioned throughout the day.

Boaventura de Sousa Santos is more optimistic and brought a southern American perspective to gaining knowledge about the crisis. He confirmed Fraser’s point that we do not always understand the mechanisms behind economic invasion of lifeworlds. “We are bound to be post-Socialists and post-Capitalists without being Socialists or Capitalists before.” There seems to be a sense in Europe that neo-liberalism destroys everything because there is a sense of lack of alternatives in this global world. But in fact, everywhere in the world people continue to live in resistance to this dominant system. The question is: how

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<sup>1</sup> All these authors had a special week panel on [Open Democracy](#) as well as two others, Fred Block and Jose Luis Coraggio, presenting very stimulating evaluation of the recent left governments in South America.

do we make it visible? He demands an epistemological interruption of this vicious circle. The crisis is the independent variable. Capitalism, colonialism and patriarchy have all been analyzed, but not the resistance - the knowledge and wisdom of peasants, women and other disadvantaged groups. Their grassroots economic activities are also political, producing pride and turning people from victims into activists. Santos argues that [other epistemological approaches must make them visible](#), as the Western understanding of the world is just one perspective. He contrasts Fraser's argument for one broader conceptualization insisting on the pluralism of science.

Jean-Louis Laville supported Santos' demand to listen to the stories all those communities around the world have to share, pointing to the difficulty to overcome the Eurocentric view on economic development and alternative trends (see [Open Democracy](#)). It is an important perspective to take, as well as looking back at history to explain the colonizing forces, the neo-liberal discourse, the commodification of social life, to understand the openings for another "*buen vivir*". The multiplicity of citizen initiatives that exist today does form an invisible movement, in Laville's view, that also requires interdisciplinary research, thus supporting Fraser's demand for a broad concept while also including de Sousa Santos' case for pluralist epistemology to get and then successfully conceptualize the full picture.

After a very inspirational first day, seminar participants reconvened the following morning to listen to many presentations delivered in English and French, many of them referring back to discussions held the previous day. The conceptual dialogue continues while initiatives around the world that challenge dominant economic beliefs are starting every day.

Visit the Seminar webpage [here](#) to see the program with the plenary speakers and different sessions.

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