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THE SOLIDARITY ECONOMY AS A REALM FOR SOCIAL EXPERIMENTATION

Romain Bieber, Christina Schürr and Abilio Machado
Objectif plein emploi, Luxembourg

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ABSTRACT

At the start of the Eighties there was a real change in Luxembourg's policy on combating unemployment. Support for "needy" persons, which until then had largely been provided by religious communities and other charitable institutions, was increasingly taken on by a policy which promoted the prevention of unemployment and reintegration into the world of work. The private sector left the responsibility to the public authorities and pressured them into responding ever more precisely to the phenomenon, in order in fact to undertake measures that responded to their own needs. However, improving the "employability" of the individual had the consequence that he or she became culpable for their economic situation and his or her democratic rights to participate in political and economic life were curtailed. In parallel, private institutions to fight unemployment were established, roughly following the logic of the above approaches, without challenging their dependency on public financing.

This is the context in which OPE's work had to take place. In the mid-Eighties we started to develop our own project to integrate people who were seeking employment, and – given the political landscape at that time – had to do this under the following conditions:

- 1) train the unemployed unilaterally to enable them to find a job;
- 2) include the social integration enterprise into the notions of the dominant economy;
- 3) take responsibility for the so-called vulnerable segment of the population, without engaging in any general reflection as to the development of new social wealth;
- 4) contribute blindly to the ongoing economic development and thus avoid any action as a "community of citizens" on the democratic development of society.

Our goal was to change this reality and to break down the existing socio-economic framework to be able to develop a new solidarity-economy model. Since the early 1990s, we therefore compared alternative economic integration models and adapted them to the Luxembourgish needs, by:

- 1) taking into account the individual's personality;
- 2) raising fundamental questions about the dominant economic system and its values;
- 3) anticipating new possibilities for solidarity based on civic-mindedness; and
- 4) having any democratic impact on political orientations.

Against this essentially antagonistic background, the defence and support of solidarity-economy thought demanded a process, which informally had to be essentially subversive yet formally experience-based. To denunciate the employment model in use in Luxembourg and to open up innovative paths, in 1994 we presented the "Objectif Plein Emploi" study. This study attempted to combine the strategies of local development with the concepts of the solidarity economy. It proposed a concrete model for the implementation of a policy that assumed social responsibility in Luxembourg.

Thus we developed the Luxembourgish model of solidarity economy. Today, our network employs about a 1,000 people and works in more than 50% of the Luxembourgish communities. We have overall 400 volunteers who are engaged in developing new local projects.

Since 2009, Luxembourg, as the first European country, has a delegated Minister for Solidarity Economy.

The solidarity economy as a realm for social experimentation

1. INTRODUCTION

We first encountered the concept of “solidarity economy” in the early 1990s. At that time we were already the initiators and promoters of a project that had begun in Luxembourg in 1984 with the purpose of integrating job-seekers into society.

This concept immediately stirred our interest, especially as the environment in which we were developing projects for our association did not allow us to truly address the following issues that we felt were paramount:

- 1) involving the personality of the individual as such;
- 2) addressing the fundamental doubts we had on how the dominant economic system functioned;
- 3) recognising the first new opportunities for solidarity based on civic-mindedness;
- 4) exercising democratic influence on political decision-making.

The reason we were unable to do so was that our main task, as stipulated in the conditions of our funding, was to provide completely one-sided vocational training. You might – and even should – say that our job was simply to programme job-seekers so that they would ultimately be in a position to find employment.

Our second main stated task was to adapt the so-called integration company (which produced goods and services for the public welfare) to the structure of the dominant economic system. This was under the supposed understanding that the traditional social economy, which is based mainly on producers’ cooperatives, offered no true alternative to the model of the capitalistic firm.

The third task imposed on us was to care for the so-called weaker members of society. However, this in no way meant partaking in any sort of joint reflection on society that might lead to new social and economic diversity. Back then – and this partly applies to the present, as well – integration assumed that there are two types of citizens: those who are employed and therefore enjoy a certain level of material well-being, and those without work who are therefore dependent on transfer payments from that first category of citizens, those with jobs.

Our fourth task was to - almost blindly - be a party to existing economic development. The underlying reason for this is obvious: we were to be prevented from any sort of community initiative (according to the sociology of the 19th century), even though these are both important and necessary for the democratic development of society. This was especially effective, as the integration activities mentioned above actually ended up serving a policy whose main goal was to prop up the liberal economic model and much less to promote emancipation and civic aspirations.

It was easy to see the socio-economic framework that we had to blow up so that we would be in a position to develop a new solidarity economy model based on moral and political values.

2. THE SOLIDARITY ECONOMY IN ACADEMIC LITERATURE

2.1. From a morally justified economic system...

Given this hostile background it was necessary to defend and promote the concept of a solidarity economy as well as its concrete realisation through a course of action that had to be both informal (even a little subversive) and formal (i.e., based on actual experience). It had to be subversive in exploiting all opportunities provided by legal loopholes and inaccuracies; and it had to be experience-based by integrating ongoing and alternative empirical knowledge into the prevailing vague political discourse.

This approach may seem immoral, but we would refer to the thought that has been given to the ways that dominators and the dominated can interact. And we would argue that this course of action is a legitimate defence of the dominated and is therefore morally justified. This doesn't mean declaring a revolution and bringing down authority, but, rather, making use of a wealth of experience with the failings and discrepancies of the dominant system, in order to change it. What Simmel (in *Sociology*, 1908) said of the relations between individuals can also apply to relations that are possible between groups: "Nobody, in general, wishes that his influence completely determine the other individual. He rather wants this influence, this determination of the other, to act back upon him. Even the abstract will-to-dominate, therefore, is a case of interaction. This will draw its satisfaction from the fact that the acting or suffering of the other, his positive or negative condition, offers itself to the dominator as the product of his will."

If both sides, dominators and dominated, can at least agree on the legitimacy of such a level of understanding and negotiation, then we can strive for the acceptance of a common willingness to begin a process of social transaction and transformation, driven by a pragmatic roadmap for progress. If a pragmatic approach can lay the foundation for transformation, and if the best pragmatic instruments are based on experience, then the issue is where and how the experiment of the solidarity economy can be put into place.

Imagine a field of tension in the form of a triangle, two of whose sides are based on the views of Habermas. The first of these refers to the democratic ideal based on the conviction that decisions must be based on consensus, with the goal of instituting discourse that is free of domination. The second stresses the right of civil disobedience in addressing problems or injustices. The other side of the triangle might be based on Bentham, who, as a liberal and advocate of utilitarianism in his work on economic individualism, also pointed the way to centralised administration that was related to the rise of the modern democratic system. This resulted in societies in which relations between individuals were increasingly dealt with in contracts and in which the political and democratic apparatus and management of that apparatus is ideally the authority that oversees the principle of contract-based relationships.

We may assume from this that the solidarity economy movement is the dominated part and, as such, is represented by a part of disobedient civil society, which Dewey called "the public". We can also assume that authority is represented by politicians who dispense the idea of a utilitarian socio-economic concept, and that the level of understanding will lead to results composed of free, non-authoritarian discussions and of contractual relationships. This level of understanding is no compromise that shuts out or minimises the influence of the two other antitheses, authority and subordination, but rather creates real experience in spite of all the obstacles put in its path.

Today this experience remains a permanent field of confrontation, on which the gains and losses of both sides are fleeting and shift rapidly. However, gains and losses are regulated above all

through contractual relationships. A contract has both legal and moral meaning. So to judge whether an economic system can be “moral”, we would like to draw a connection between what Tönnies and other thinkers of his time called an organic society, and what Dewey called an ideal democracy. The organic society is based heavily on the individual’s understanding of his relationship to society. With his ideal democracy, Dewey proposed that individuals and society were not to be seen as contradictions, but rather as complementary elements based on constant and reciprocal exchange.

2.2. ... to a politically economic system

With this in mind, we take up the definition of community as understood by Tönnies. This is in contrast to the concept of society, in illustrating what Dewey called a social movement and, while being rather well integrated into society, undergoes both conflictual and complementary situations. To Dewey, experience within the framework of a social movement is the mechanism that promotes further development of democratic societies. As a movement, the solidarity economy has the character of a special experience within its own individual and collective limits, in the importance that it attributes to the reciprocity principle and to giving, to cite but one example. The solidarity economy is also a special experience within a larger framework, that of the economy at large, which requires discussion and exchanges with other economic actors, a framework in which actors, whom Dewey calls “acting subjects”, are placed alongside other actors. This is part of what is seen as a pluralistic economy and, on an even larger scale, fits with the ambitions of the solidarity economy with regard to the realms that are necessary for a pluralistic system to exist. It thus addresses another realm, that of political democracy. As in the discussion of the definition of governing concepts, these two realms are defined as sub-concepts for adjusting the ambitions of an organic public realm that consists of civil society and in which the solidarity economy perfectly fits, as it transcends the exclusive boundaries of economic activity to include productive activity.

The productive activity of the solidarity economy in the economic realm must first be considered as an experience in the democratic realm, according to Dewey, so that it can ultimately be considered within the framework of an organic system of governance that is represented by the public realm or by participative democracy. Thus, we can say that the solidarity economy is an essential aspect of social transaction. We can also see that there is no contradiction between the individual as a member of an organic society and the individual as a member of a mechanical society. We can therefore agree that it is one and the same individual who produces and invents in an economic realm and who at the same time experiments and makes decisions in a political realm. The relation between the economic and political realms is, in a way, suspended when one considers that the existence of these realms depends on the existence of individuals, who, through permanent action, are the elements that transcend these two realms and attribute to them only a cognitive reality. Moreover, when the individual and his actions are to be the instruments of his own fate, then society’s role seems to be to provide a framework for doing so. The realm that is necessary for an individual to shape society must therefore be a realm that allows him direct expression. That is what I call an organic realm for participatory democracy. This is the underlying realm for defining the political and economic concepts of the mechanical society and thus make it possible to address issues that arise from an increased participation in the experiences of individuals who are in an evolutionary process.

Here we come back to the description that Dewey (*The Public and its Problems*, 1927) in his theory of collective actions gives in order to measure the importance that civil society (Dewey’s “the public”) can have as a factor in social transformation on the political and economic environment.

Through the pragmatic method Dewey invites us to consider philosophical dualism, which has been inherited from Western philosophical tradition, as a series of pairs. This dualism, as expressed in pairs such as nature/culture, body/spirit, theory/practice, individual/collective, has marked the history of European thought. But in his analysis Dewey emphasises that this dualism, which is a structural element of our society, has emerged from a process that is rather linked to a historic concept based on social practice. He adds pragmatic theory to the concept of social (and not just philosophical) dualism, under which the practical approach takes precedence over the speculative or intellectual approach. This interpretation of the development of society will help us understand the meaning that we must ascribe to the practical approach and the meaning of pragmatism that the solidarity economy in its current form uses to organise its “collective action” and to publicise itself. The fact that social dualisms exist and that they are the structural components of our society inevitably suggests conditions of tension as well, which Dewey illustrates with the concept pairs of man/nature, man/woman, exploiter/exploited, and governors/the governed. For real progress in the solidarity economy we would add another pair: capitalist company/solidarity company. On the one hand, a tense relationship is clear in the described form of competition. Competition is on the level of an organisation of philosophical production and takes on the meaning of unfair competition in authoritarian thinking, in comparison with an established capitalistic order. Note also the ubiquitous dominance of larger, more powerful capitalist production units over production units that are not capital-oriented and that pursue altruistic objectives. For Dewey this suggests that not only the group, which is searching for new solutions, is handicapped, but also that this has effects and consequences for all of society. “Repression only harms the repressed. Possible resources are withheld from society as a whole that should be at its service.” (Dewey)

So we are in a situation that runs quite counter to the concept of production. This is all the more so when you think that the capitalistic model ruthlessly suppresses any attempt by any other model to emerge, which, because of this ideological repression finds itself in an “indeterminate situation”. In such a case, the solidarity economy tends to isolate itself in both thought and deed in order to build what is almost an alternative model for the economy. This is the only way it can do this, and it must be aware that it is exposed to destructive economic and political critics, as it contradicts an established order. Only for the solidarity economy is the situation “indeterminate” at this point in time. The established order can apparently rely on an “established situation”. Assuming that the opposite of this represents a “social dualism”, then the issue of counterweights puts the solidarity economy in an indeterminate situation, which should make it possible to conceptualise it to its full extent. “A problem represents the partial transformation by inquiry of a problematic situation into a determinate situation...” (Dewey, *Logic: the Theory of Inquiry*, 1938). So the determinate situation becomes a critical assessment of the issue of economic organisations in general. The purpose of inquiry into a social situation may therefore seem to question social dualism. Given the fact that inquiry into such goals should be more theoretical than empirical, it would appear in such a process that only a general analysis of the economic question can lead to a better understanding of the procedural method of the solidarity economy. “Inquiry is the controlled or directed transformation of an indeterminate situation into one that is as determinate in its constituent distinctions as to convert the elements of the original situation into a unified whole.” (Dewey, *ibid*).

In this sense Dewey challenges us to think of this as a counterweight to capitalism as the dominant economic system via “the public” or civil society, which for our purposes can be called the “public realm of the solidarity economy”. In such a configuration we can be of the opinion that both components of this dualism may express their fundamentally economic character, given

that they represent a theoretical social problem as a social super-dualism consisting in several social sub-problems or sub-dualisms.

In such a case one must see how, under such circumstances, one dominant protagonist of the public realm of the solidarity economy can enter a discussion with another protagonist who defends the neoliberal capitalistic system as somewhat functional and existing.

Dewey is of the view that social circumstances which create problems and are too complex to be easily delimited, i.e. what he called an “indeterminate situation“, could lead to social unrest. In his view, such social unrest is triggered by lack of understanding and a questioning of beliefs that until then had been accepted for a given situation. A “public” is then formed that questions this issue. The following aspect of these convictions must by all means be kept in mind: the public that seeks to organise itself in opposition to a given situation is characterised above all in the fact that it consists not only of persons that suffer from the consequences, but also of other persons who are not directly affected. In this sense it can be affirmed that a community is formed, i.e. a public.“ ...those who are indirectly or gravely affected in the positive or negative sense form a group that is sufficiently distinguishable from the rest to claim recognition and a name...” (Dewey, *The Public and its Problems*).

In Dewey’s view this is due to the fact that an individual simultaneously belongs to several publics and that belonging to a public is not necessarily based on that individual’s social affiliation. The public can therefore be formed in reaction to a problem that transcends the private sphere. A classic illustration of this is a strike at a company at which not only the persons who, for instance, are directly affected by a layoff, constitute the public but also the other employees who show common cause and can then expand the size of the public. But beyond this public that is directly affected by the company’s actions an even broader public is formed, a public that is an institutionalised community – the trade unions. A fourth, even broader dimension can arise through the awareness at the level of society, i.e., at the level of civil society. When an event such as layoffs in a company can trigger ever larger and varied communities, then the layoffs are probably not the only issue; there are probably much deeper and broader matters involved. This entails the possibility of a systemic impact, i.e., a committed public, whose members find themselves in similar living situations or who are well-informed observers of general economic processes and who could call these processes into question.

This collective awareness is thus essential for a movement in the public and that it be a truly “social movement” that strives for a social transformation – in our case through a new economic organisation – and that can therefore constitute the basis for action of the solidarity economy.

Hence, if a social transformation is based on social transactions between certain collectives, then it seems of special importance to the protagonists of a solidarity economy to create a public, and hence an orderly, realm that is composed not only of activists and pragmatic promoters, who would then comprise a group of biased people to stand in dualistic confrontation with the capitalist lobby. But the protagonists of solidarity economy must also be aware that the capitalist side is composed not only of capitalists, but also an entire group of well-informed and less well-informed protagonists, from those who accumulate capital or own shares to top wage-earners and down to persons who can be considered well-off or satisfied or to people who fear change or those who wish to merely defend their own property. In short, this is a mixture of persons who are commonly called conservative.

In light of the above, while the solidarity economy shows that it is rather in the tradition of socialist and progressive forces, it has no powerful partners alongside it to confront the existing,

rather conservative system. This state of affairs can be considered a super-dualism. And, of course, because it consists of such a heterogeneous set of characters – in a word through its indeterminate situation – the solidarity economy does not yet have a sufficient ideological consistency in the form of a common set of concrete goals alongside people with whom it seeks to organise new opportunities for a dignified life experience and thus to create a climate for establishing an environment that leads to better living standards. In this sense the solidarity economy is based on an unadulterated reading of Dewey. It is an ongoing experiment that neither strives in advance to define the exact purpose of its actions, nor to submit itself to a form of external control by an authority that might exist outside the process of experience.

What Dewey argued was the actual core of the functioning of a democratic system in general, we are also using as the overall economic process for democratising the economy. If democracy is a reality in which interpersonal experience is an end in itself, without a preliminary conclusion being possible, then indeterminateness becomes an integral component for new experiences – including economic ones – which can build on earlier experiences. “Democracy is the faith that the process of experience is more important than any special result attained, so that special results achieved are of ultimate value only as they are used to enrich and order the ongoing process.” (Dewey, *Creative Democracy: The Task Before Us*, 1939).

The solidarity economy must also prove here that the above-described super-dualism between progressive and conservative policy is a battlefield that must unequivocally be considered a known political challenge. For historical reasons and because of how it is presented by the political parties, super-dualism is a very popular theme, but super-dualism could trigger a false debate over the direction to be taken in bringing about an evolution in democracy and, even more concretely, in bringing about a transformation of the economic system so that it is more democratic. In any case, this issue challenges us to take a stand and, most of all help create a unique environment for effecting progress or conservative evolution. This would put a sudden end to all innovative experimentation based on hybrid or complex convictions. In a second phase, a large number of contradictory elements linked to this super-dualism would fall victim to the social transformations and social transactions, which, most of all, require the opportunity for negotiations. In this case, and since we want to democratise the economy, we must consider this super-dualistic contrast between the progressive vision and the conservative vision as the current background and as the support of a historical knowledge in order to give direction to our actions and experience. But we must overcome our too general resistance in our intellectual and practical actions, so that we can introduce special and more accessible innovative processes of experience that are based on the broadest possible spectrum of ideas and hence open a broad field for heterogeneous participation by collectives and individuals. In certain aspects, at first a super-dualistic battlefield must be transformed into a forum for negotiations and both cross-disciplinary and multi-dimensional experimentation, in which the special findings will take on greater value, in order to enhance and determine economy’s progressing democratisation process.

3. IMPLEMENTATION OF THE SOLIDARITY ECONOMY CONCEPT USING THE EXAMPLE OF LUXEMBOURG

3.1. Luxembourg – a country with a “local” dimension

Luxembourg’s size makes it unique in approaching the themes discussed here. For Luxembourg is indeed small. However, it has the same socio-political institutions as large countries. This remark has two corollaries. First, our decision-making path is shortened considerably, which makes projects easier to implement. Second, this “simple” path to project implementation very often prevents lengthy discussions and reflections concerning the background of the actual steps.

Promoters of the solidarity economy therefore find themselves in a paradoxical situation, as spectacular progress is made when implementing field projects, the underlying thinking of their actions is, however, not understood. This inevitably exposes promoters of solidarity to the desires of public policy or other interested groups and stakeholders, who want to co-opt and reshape the promoters’ missions and philosophy. While these associations may look strong, they actually continue to be very vulnerable. The fact that the underlying thinking of their actions is not recognised is no doubt due to the fact that Luxembourg has developed no ambition to promote research into these areas and therefore does not have a highly developed culture of public debate that could provide a framework for the declared goals of these associations.

Because of this, in a country founded on democratic values, rational strategic decisions of the politically responsible people regarding the concepts advocated by promoters of the solidarity economy receive absolutely no support. In this respect we must state that in Luxembourg concepts like the solidarity economy, social economy and also social employment initiatives are vague and nebulous notions lacking nuanced interpretation. They are shoved into a mishmash of public policy only for purposes of political gain during debates on an active employment policy. As a result of this truncated perception of the solidarity economy, which belongs more to general social policy than exclusively to labour, employment and social issues, Luxembourg’s institutional landscape is still in its infancy when it comes to its socio-economic ambitions based on a welfare state that offers so-called charitable solutions to people who for various reasons are threatened with exclusion.

3.2. Recent development in the so-called “active employment policy”

Since the early 1980s there has been a real change in policy in combating the unemployment rate, which since then has risen. Until the early 1980s, care for “needy” persons was mostly handled by religious communities and other charitable institutions. Since then, it has increasingly being taken on by public authorities who promote prevention and “reintegration into the labour force”, as well as by private associations with strong civic consciousness.

On the one hand, the public sector, i.e., lawmakers and public administration that deal with employment, have renamed the solidarity fund for unemployment (it is now called the “employment fund”) and, to stave off mass unemployment, have come up with panoply of atypical (unusual) work contracts as well as other instruments such as early retirement packages. The private sector has relinquished all responsibility for dealing with this threat to the government authorities and is forcing it to react with increasing pinpointed measures that deal with very special situations of need brought on by isolated “shortcomings”, in order, in reality, to meet the needs of the private sector. This way of enhancing the so-called “employability” of

individuals has the perverse effect that individuals are blamed for their economic situation and they are sometimes patronized regarding their rights to democratic participation.

On the other hand, we can see that private associations that were founded to combat unemployment more or less follow the above-described approach, but without questioning their dependence on public funding. The early 1980s saw the emergence of private association after private association whose priority was fighting unemployment. Back then, as now, most of them focused on “integration”, i.e., finding temporary jobs for job-seekers, seeing to their social needs, and providing them with further training so that they would be able to “get back” a job in the private sector.

This course of action is related to the above-described political logic and is in full agreement with it. To get out of this vicious circle in which the individual is blamed for his lot and in which the unemployment rate continues to rise, in 1994 OPE presented the “Objectif Plein Emploi” study in order to call out the system’s shortcomings. The study sought to combine local development strategies with the solidarity economy. For Luxembourg it proposed a concrete model for implementing a policy for taking on social responsibility.

3.3. OPE, an important player in the solidarity economy in Luxembourg

The OPE network possesses an applied-research resource centre that makes its know-how, which is required in the fields of solidarity economy and local development, available to about 30 local membership associations of the network. For this purpose, the network works closely with 61 of the 116 municipalities and with 400 socially committed local volunteers. The OPE network addresses existing local needs by introducing processes to enhance living standards that can be transformed into new activities in community care service, the environment, culture, and new information and communications technologies. In so doing, OPE has created 950 new jobs.

Since the late 1980s OPE has taken an interest in modern concepts of local development and the solidarity economy. It has helped develop these concepts through its involvement at the level of European networks and in working with research institutes and universities in bordering countries.

Though possible initiatives include economic activities, they require other types of services, other ways of sharing, most of all volunteering, mutual assistance and partnerships. Looking at the actual socio-economic environment at a given time and place makes it clear that there are gradations regarding the worries of men and women affected. Unemployment, for example, is proving to be one of the biggest challenges to be met in Luxembourg, too. The issue of population development requires new solutions for ensuring a high employment rate in the labour force and for providing further employment for older people and care for older people. These are clearly areas in which the solidarity economy can be active.

Once these assumptions are accepted, it is possible to review all the areas that can be addressed with new activities, in order to set up procedures for doing so. These procedures must reflect all aspects that are positive and that make a contribution to the structure (e.g., partnerships, decentralisation and voluntary work, etc.), as well as all aspects that could endanger development (e.g., a too narrow legal framework, unfair competition, etc.)

3.4. Making ongoing processes more effective

The OPE network has not disavowed the roots of its projects in the 1980s, which originated in the fight against unemployment. It has come to terms with the concepts of employment and integration initiatives and pursued its work through its plans for raising awareness of social responsibility and, in particular a project to democratise the economy. This increasingly involves OPE stakeholders in developing and implementing the overall procedures. The network is moving forward step by step and constantly relies on the support that has gradually emerged with the “levels of understanding” that has taken hold between stakeholders. These “levels of understanding” are based on several factors, such as the active employment policy, environmental policy with its ecological aims, healthcare policy and social insurance as well as on their preoccupations with satisfying new needs of an ageing population,, on the excesses of education policy (which no longer seeks out critical and independent opinions), on economic policy that unjustifiably takes for its inspiration an exclusively neoliberal ideal, and on other areas that altogether take up what today is called the challenge of a perceived renewal of thinking by introducing the term “sustainability”.

In light of the theoretical and conceptual approach developed above, we believe to have introduced concrete development mechanisms that, surely, are to be constantly assessed and adapted. For project funding we have introduced the concept of “mixed financing”, which typically allows all parties who are interested in the general strategy to invest in the activities affecting them and the projects and services that they need.

OPE’s fundings now originate from the following sources:

- National government (Solidarity tax or the Fund for Employment): 56%
- Municipalities: 23%
- Public calls for tenders: 14%
- Receipts from services: 5%
- Funding for European projects: 2%

As for expenditures, it is worth pointing out that 82% of receipts are invested in personnel costs.

OPE’s current procedures and organisational set-up provide, on the one hand, for budgetary disclosure and accounting of receipts and expenditures, and, on the other hand, for a decisive shift towards “economic autonomy” to raise awareness of social responsibility. The weight of funding contributions (public or private) does not play a decisive role.

The issue of freedom of choice by individuals and freedom of choice by the collective is a central and basic issue in defending democratic rights. The logical corollary is that by transforming new social needs into new and necessary jobs, people who are currently unemployed will become economic actors who are essential players in economic life and not merely the beneficiaries of a paternalistic and charitable social system. They are a resource and not a handicap. We are not addressing here the issue of whether the search for niches for economic opportunities is merely clearing the way for co-opting by for-profit companies. However, it must be stated emphatically that the revival of activities that promote social cohesion is better handled in an environment in which economic issues are dealt with in an alternative, more democratic fashion in direct connection with citizens, hence by non-profit associations.

Thus, a non-profit association which is founded by a general assembly, i. e. possibly by an unlimited number of members, is an instrument that especially allows civil society to participate in the initiated development. In addition, the association's governing board is responsible for ensuring that membership includes representatives of socially committed forces in each location. Socially committed forces in particular include local elected officials, local representatives of craftsmen's and merchants' associations and representatives of local trade-union groups or of other associations, and citizens. By taking such an approach, the non-profit association (known under the French acronym "asbl") gradually becomes the ultimate instrument in ensuring a participatory and democratic approach to the economy.

3.5. Further development of the European and national legal frameworks

European policy is a major component in setting the direction of legislation in EU member-states. Its most important attributions affecting OPE's work include the issue of mass unemployment, which began in the 1980s.

The white paper on growth, competitiveness and employment, which proposed new local employment initiatives, national employment packages and the European employment strategy, as well as the communications on the reinforcement of the local dimension show how great the local approach's contribution has been over more than 10 years, in combination with a strong social and solidarity economy for creating new jobs and for combating unemployment since the early 1990s.

In 2000 the implementation of the Lisbon strategy was a step back to the oppressive neoliberal strategies. The strategy's priority was economic growth, which was to be achieved within 10 years by transforming the economic realm into the most globally competitive and knowledge-based form possible. Consequently, the action programmes which were locally based and built on the solidarity economy slowly faded into oblivion. Many projects in Europe ended because of this change in policy.

In Luxembourg the immediate effects on projects were less spectacular. However, in the legislative chambers the icy winds of neoliberalism could be felt, with a backlash created by including projects on a European scope, such as the referendum on the European constitution, the Bolkestein directive on free trade and legislative bills that directly affected the situation of unemployed persons in Luxembourg. Indeed, from 2005 to 2007 there was opposition from some quarters to OPE's proposals that would have created a legal environment favourable to the development of the solidarity economy and in which employees would have regular work contracts. This included two bills in particular: Bill 5144 on social employment initiatives and, above all Bill 5611, which proposed new employment measures. Both bills reinforced the neoliberal policies that blamed individuals for their social and economic circumstances by introducing new, unusual work contracts, such as the so-called professional integration contract and the so-called professional introduction contract.

However, thanks to OPE's commitment and activism in enacting a legal framework for building the solidarity economy, some progress can be reported. Bill 5144 was altered to allow both for-profit companies and non-profit associations to hire job-seekers using regular, permanent work contracts. This was financed in part by the Fund for Employment, which in turn is the beneficiary of a solidarity tax.

3.6. Applied research as a spearhead

As a socio-economic actor, OPE possesses a resource centre organised along the lines of research & development requirements in the following areas:

- research on socio-economic and political strategies;
- research on the planning of more environmentally friendly programmes;
- research on developing methods in education, vocational training and personal and community development;
- research on developing more suitable legislative, legal and administrative frameworks;
- skills regarding the methods of project implementation, organisation and management.

Results that have been especially important for Luxembourg and that can be attributed to OPE's applied research are as follows:

- 2004: In its coalition agreement the Luxembourg government recognised the solidarity economy as the third pillar of the economy, alongside the public and private sectors.
- 2007: In response to OPE's statement, the Ministry for Labour and Employment altered Bill 5144 along the lines of our strategy and changed its name (from the "law on social employment initiatives" to the "law on re-establishing full employment").
- 2008: In agreement with the Ministry for Labour and Employment and under terms of the right of establishment, OPE wrote a bill providing for the establishment of a new type of company known as a collective interest association.
- 2008: After OPE developed new tools for assessing sustainability criteria, the first public calls for tenders placed greater emphasis on the best bid, the assessment of which also included environmental and social criteria, with price no longer being the sole criterion.
- 2009: In clear accordance with its own strategy, the Luxembourg government created the post of Minister for the Solidarity Economy.

To develop and implement a real and functional realm of solidarity economy alongside public and private sectors and to achieve convincing results, establishing intense and interactive cooperation between various fields of applied research on an internal basis was of special importance. On an external basis, too, establishing cooperation with research institutes, universities and other socio-economic players outside of OPE was a must.

That's why OPE also invested in founding the European Institute for Solidarity Economy (INEES) in 2006, in order to better promote this type of cooperation and networking on the European and international scales. Today INEES is internationally recognised and in 2009 was an organiser of the Fourth International Forum "Globalisation of Solidarity" with more than 700 participants from the entire world.

The new realm that we are creating is often considered a third sector, in contrast with the other two, the public and private sectors. Incidentally, we would point out that the concept of sector, as it is understood in scientific context, is a precisely defined, strictly delimited and impenetrable realm. But what these three realms need is, on the contrary, a penetrability that by means of processes supports interactivity, complementarity and evolution.

In every case, enlightened political will makes it possible to believe that the concept of the public realm will recover its true value as an essential component of our democratic systems and as an essential forum for a serious contribution to the process of social transformation in our societies.

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