



Working Paper

**Social and Solidarity Economy as a tool for territorial
development and socio-occupational inclusion**

Leandro PEREIRA MORAIS & Miguel Juan BACIC

CIRIEC N° 2017/06

CIRIEC activities, publications and researches
are realised with the support of

Les activités, publications et recherches du CIRIEC
sont réalisées avec le soutien de



**Social and Solidarity Economy as a tool for territorial development
and socio-occupational inclusion**

Leandro Pereira Morais^{*} and Miguel Juan Bacic^{**}

Working paper CIRIEC N° 2017/06

^{*} State University of São Paulo – UNESP – ARARAQUARA (Brazil)
(lpmorais@gmail.com).

^{**} State University of Campinas (Brazil) (bacic@eco.unicamp.br).

Abstract

Social and Solidarity Economy is a field growing in importance in the agenda of discussions and practices in a governmental context of public policies in their several entities, multilateral organizations, as well as among researchers of the area, in Brazil and around the world. The emergence of territorial policies of Social and Solidarity Economy represent an interesting case in the construction of a “new” area of local public action. In his view, the emergence of territorial policies of Social and Solidarity Economy offers a “*historic opportunity*” for the consolidation and renewal that gives Social and Solidarity Economy. In this sense, this article intends discuss the connections between Social and Solidarity Economy and territorial development and presenting the Program “Territories of Citizenship” in Brazil, which targets the promotion of economic development and the universalization of basic programs of citizenship, through a strategy of sustainable territorial development.

Keywords: Social and Solidarity Economy; Territorial Development; Solidarity Economy Enterprises

JEL Codes: J43

1. Introduction

In our opinion, the local creation of job and income opportunities, with the Social and Solidarity Economy tools, is one of the elements that can contribute to territorial development, since it makes the economy more dynamic, especially in suburban areas, which have low economic dynamics and high rates of poverty.

As we will try to demonstrate in this article, territorial development rises from the idea that even small actions could contribute to the improvement of the socioeconomic dynamics of some territories, otherwise left with a total lack of prospects and means of survival.

From this perspective, this article intends to: a) undertake a conceptual-theoretical discussion regarding the topic of territorial development; b) discuss its connections to Social and Solidarity Economy and to the strengthening of territorial bonds; c) present a few institutions that contribute to the strengthening of the topic in Brazil; d) present the Program “Territories of Citizenship”, which targets the promotion of economic development and the universalization of basic programs of citizenship, through a strategy of sustainable territorial development.

2. Territorial development: a few theoretical-conceptual considerations

The concept of “territory”, which is becoming more and more useful and widely mentioned, has acquired a “*polysemic*” character (Ortega, 2008, p. 51). Cassiolato & Szapiro (2003) conceive territoriality based on the idea of “specific interdependences of economic spheres” on a territorial basis, defined not just as the location of economic activity. From these authors’ point of view, an activity is entirely territorial when its economic viability is rooted in “*assets*”, including social practices and relationships, that are not available in other places and which cannot be instantly created or imitated in places that do not have them. This is the notion of local development and territory.

Therefore, it has to do with the “*endogenous*” development of economies with territorial dynamics, based on cooperation, learning, tacit knowledge, specific technical culture, and synergistic interrelationships. Thus, the idea of endogenous development is based on the view that productive systems consist of a set of material and non-material factors that allow local and regional economies to adopt different paths for economic growth and social development. The routes these economies should follow depend greatly on internal resources, since their adjustment or exploitation depends on the stimuli of macro and regional level policies in many sectors, including the industrial one.

From this perspective, as mentioned by Putnam (2000), the fundamental explanation for endogenous development relies on the high degree of social capital found in the communities in which these actions are practiced. In other words, the organizational capacity of a society is fundamental in its development process. By “*social capital*”, the author means the “*capital*” referring to the characteristics of social organization, such as trust, rules and systems that contribute to an increase in the efficiency of society, facilitating coordinated actions. In his view, more than identifying a high social capital, the important thing is to know if the local-territorial-social organization leads to a strong capacity of cooperation around the collective project.

To rephrase it, when referring to local and territorial development, we must consider the importance of the following dimensions: a) economic: related to the creation, accumulation, and distribution of wealth; b) social and cultural: refers to quality of life, equity, and social integration; c) environmental: refers to the natural resources and the sustainability of medium and long term projects; d) political: refers to aspects related to territorial governance, as well as to independent, sustainable collective projects.

From a historical point of view, the importance of local and territorial focus seems to be associated to the capitalist crisis of the decades of 1970 and 1980. However, when dealing with currents of thought, according to Ortega (2008, p. 55), the local and territorial focus of development “*followed two parallel paths*”: the German tradition, based on the analysis of location, and the trend of thought based on the analysis of industrial districts, clusters, learning regions and their competitive surroundings.

Navarro-Yañes (1998) carried out a deep bibliographic research on the topic where he highlighted three main lines of arguments to show the importance of the local context for new development opportunities: a) connected to the recognition of the social basis for development and its knowledge about local capacities; b) referring to the relevance of a local identity, fundamental to the consolidation of what Abramovay (1999) called a “*guiding idea*”, around which a territorial pact of the community must occur to achieve its development and c) connected to the action of the State, in the sense of decentralizing public policies in the local context.

According to Ortega (2008, p.74):

“therefore, based on this territorial development, is the identification and creation of a culture in the territory, centred on the belief in a perspective of development built with the capacities and resources that are existent at the territorial level, on the use of human resources, on the mobilization of attitudes and values, with the purpose of creating a route of development”.

Within this context, policies that can stimulate a route of development gain strength, while public policies are the instruments for strengthening or even creating a pro-active development culture with a local basis. In this sense, the innovating focus of such public policies would be focused, on one hand, on the idea that the development project must be built from below, and, on the other hand, that it must be based on a “*territorial pact*”, mediated and articulated by the key players (government, manufacturers organizations, unions, business associations etc.).

After these initial considerations, we think it is possible to move forward, towards a systemic conception of local and territorial development or, as mentioned by Paula (2008), “Integrated and Sustainable Local Development” or “*Desenvolvimento Local Integrado e Sustentável - DLIS*”. In his view:

“DLIS is the acronym for integrated and sustainable local development. It intends to represent a new concept of development and a new strategy for its implementation. The concept of DLIS derives from the assumption that economic growth is necessary, but not sufficient, to promote development. Development is a phenomenon that goes beyond the economic sphere. The direction of development should be one of improvement in the quality of life of the individual (human development), everyone (social development), the people who are alive today and those who will live in the future (sustainable development). Development with human, social and sustainable challenges leads us to think of a new concept of development that articulates a more dynamic economic growth with other factors such as human capital, social capital, business capital and natural capital” (p. 5).

Under this perspective, we understand territorial development (sustainable and integrated) based on three pillars: a) “social capital”; b) economic development and c) conservation of natural resources (Morais & Bacic, 2014).

3. Social and Solidarity Economy and Territorial Development: potentials and harmonious connections

Social and Solidarity Economy is a field growing in importance in the agenda of discussions and practices in a governmental context of public policies in their several entities, multilateral organizations, as well as among researchers of the area, in Brazil and around the world. However, there is no consensus regarding its definition, measurements or the organizations that it includes. Due to this perspective, in this article we adopt the definition suggested by Morais (2013), in which Social and Solidarity Economy refers to Solidarity Economy Enterprises (SEE) and to the policies for the support of social and economic inclusion of groups that are economically and socially excluded.

According to Fraisse (2006), the emergence of territorial policies of Social and Solidarity Economy represent an interesting case in the construction of a “new” area of local public action. In his view, the emergence of territorial policies of Social and Solidarity Economy offers a “*historic opportunity*” for the consolidation and renewal that gives Social and Solidarity Economy the place it deserves as a “legitimate component of a plural economy, entitled to have a considerable weight in the logistics of local development” (p. 243).

From this perspective, França Filho (2006), when listing public policies for local development and Social and Solidarity Economy, states that it concerns the construction of territorial strategies of development within the context of the promotion of new economic dynamics, based on the organization and strengthening of “*socio-productive local circuits*” integrated to the fabric of social, political, and cultural relations of a certain location. According to the author:

“More than just a policy for the creation of work and income opportunities for excluded segments of society, it is, therefore, a conception of strategic politics, in the sense that it deals with development by focusing on specific territorial contexts. Besides this, such development is not considered as just a strengthening of local economic enterprises. It is a matter of designing the construction of economic initiatives that are articulated into local social and productive circuits while still integrated to other types of local initiatives, aiming at the strengthening (beyond the economic sphere) of the social, political, cultural and environmental dimensions in a specific spatial context” (França Filho, 2006, p. 262).

We can see, therefore, that the Social and Solidarity Economics policies represent a specific way of operating actions in the creation of job opportunities and income, as they are based on a “*strategic conception of territorial development*”. The strategic concept comes from the idea that local development is the result of collective, collaborative and participative actions for social and productive mobilization of the territory, with wider socioeconomic and political impacts that articulate themselves in a specific territory.

In Silva’s view (2009), the Solidarity Economy Enterprises are based on local actions rooted in the community, understood as the sharing of the same territory and belonging to a network of common relationships, which favors a local development strategy through its strengthening. And it is precisely this rooting, shown as the local space in which they are inserted, that will promote a direct relationship with the development of the local community, empowering the endogenous capacities and human and material resources.

However, it is important to emphasize that such an idea cannot neglect the importance of economic policies adopted at a federal level. On the contrary, these must be thought of and implemented in such a way that contributes to the

successful achievement of territorial policies. After all, crucial matters such as interest rates, levels of investment, exchange rates, as well as the percentage of taxes paid to the municipalities and expenses with specific local policies, are decisions taken at a federal level, which may sponsor or, on the contrary, make the actions, programs and projects for local development impossible to accomplish.

In praxis, this “new” principle of action towards development is based on the inter-relationship of, mainly, three kinds of policies: a) sector policies: aiming at permanent improvement in the efficiency and productivity of the productive sectors, through actions for training, education and technological innovations etc.; b) territorial: ways of administering and managing the endogenous resources (labor, natural resources and infrastructure), aiming at the formation of a favorable local surrounding environment and c) environment: through actions for the conservation of natural resources, through ecological concerns considered of strategic value in local development issues.

In this context, the emphasis is on the policies that can stimulate a development path, while public policies are the instruments for strengthening, or even creating, a proactive culture of development at a local basis. In this sense, the innovating focus of such public policies should be centred, on one side, on the idea that the development project can be built from “below”, and, on the other, that it must be based on a “territorial pact,” mediated and moved by the articulation of key players (government, manufacturer organizations, cooperatives, unions, business associations etc.).

Another aspect that reinforces the connection of Social and Solidarity Economy with local development refers to its characteristic of transversality. According to Morais (2013), Social and Solidarity Economy does not refer only to economic problems, since it may also involve other issues, such as the sociability in the territories, the political participation of people, the degree of associative organization, environmental preservation, the reinforcement of cultural identities etc. Such fact is pointed out by Souza (2012), who defends the “*multidimensional*” and “*multi-territorial*” character of actions in the field of Social and Solidarity Economy.

4. Institutions that support territorial development in Brazil

There are institutions in the country, mostly public and third sector institutions, which have the purpose of fostering territorial development in urban and rural areas.

In this study, we will focus on the Ministry of Social Development (MDS), the Ministry of Agrarian Development (MDA) and the National Secretariat of Solidarity Economy (SENAES) of the Ministry of Labour and Employment. The selection of these institutions is due to the fact that they contribute to the launch

of projects and experiences that will connect Social and Solidarity Economy to territorial development, both in urban and rural areas.

4.1. Ministry of Social Development (MDS)

Within the context of the MDS, the Federal Government launched the “*Plano Brasil sem Miséria*” – Brazil Without Misery Plan. This plan, among other aspects, had the objective of putting an end to poverty through productive insertion and it focused on those Brazilians who lived in homes in which the family income is below R\$ 70 per person (about US\$ 35.00 in 2014) a month. According to the 2010 Census of the Brazilian Geography and Statistics Institute, 16.2 million Brazilians were in this situation.

As can be observed in the official site of the Plan¹, the objective is to integrate income transference, access to public services in the areas of education, healthcare, social assistance, sewage and power, and productive inclusion. With a set of actions that involve the creation of new programs and widening the scope of the initiatives that have already been taken, in partnership with the states, municipalities, public and private companies and civil society organizations, the Federal Government intended to include the poorest population in the opportunities provided by Brazilian economic growth.

From the point of view of productive inclusion, the initiatives gather stimuli for the generation of job and income opportunities through enterprises of Social and Solidarity Economy and offer professional guidance, professional training courses and intermediation to offer work opportunities in public and private areas. With respect to qualifications, the proposal was to cater to people between 18 and 65 years of age, through coordinated governmental actions: the Public System of Work, Employment and Income; the National Program for the Access to Technical Schools (PRONATEC); the National Program for the Inclusion of Youth (PROJOVEM); constructions of the Growth Acceleration Program (PAC) and of the “My House, My Life” Program.

Regarding family agriculture and Social and Solidarity Economy in rural zone, the Program intended to structure the production of food for private consumption and the commercialization of the surplus generating income, as well as access to public and private markets. Another aim was the expansion of the purchase of the production from family agriculture by public and philanthropic institutions, such as hospitals, schools, universities, nursery schools and jails and by private institutions such as supermarkets.

According to information from the MDS², the government intended to coordinate the actions of the Public System of Work, Employment and Income

¹ <http://www.brasilsemiseria.gov.br> (visited on August 11/2013).

² www.mds.gov.br (visited on February 11/2013).

with the PRONATEC³, targeting the inclusion of the recipients of the *Programa Bolsa Família* in the work market, by offering training courses according to the economic vocation of each region.

Another issue refers to the relationship between the recyclable materials collectors, who receive support for their productive organization, with improvement of the work conditions and expansion of the opportunities for socioeconomic inclusion. The priority is to support both capital and metropolitan regions, helping the municipalities in selective garbage collection programs, in addition to training the collectors and providing infrastructure and commercialization networks. The plan intended to train them and strengthen their participation in the selective collection of garbage and will include actions to provide infrastructure and improve the commercialization networks. The results have yet to be achieved, but the predictions considering these initiatives that relate Social and Solidarity Economy to territorial development in the country are of a good outcome.

4.2. Ministry of Agrarian Development (MDA)

Among the programs that are developed by this Ministry, we should mention the “*Programa Nacional de Desenvolvimento da Agricultura Familiar*” (PRONAF – National Family Agriculture Development Program), created in 1995. This Program aims to promote the sustainable development of the rural segment, constituted by family farmers. It aims to promote actions that lead to an increase in productive capacity and income.

The PRONAF, therefore, intends to provide financial support to activities and rural services, in both agriculture and cattle raising, as well as other types of activities developed in rural enterprises or in close community areas, using the direct employment of the work force of the rural productive family.

³ Specifically about the PRONATEC and its connections with SSE and the generation of work and income, it should be said that, as mentioned in the site of the MDS, this program plans to offer free initial and continuous education courses and professional training through the Scholarship for the Training of Workers, for people who are registered or in the process of being included in the “*Cadastro Único*” (*CadÚnico*) – Single File – with priority given to those who are recipients of the *Bolsa Família* Program (scholarship program that helps families keep their children in school) and recipients of the “*Benefício de Prestação Continuada*” (Continuous Cash Benefit Program, which caters to people who have no retirement plan and people who are disabled with a minimum wage). Besides promoting the professional training of those registered at the *CadÚnico*, the *Plano Brasil Sem Miséria* (BSM) also articulates a set of public policies of job and income generation that will be offered to the recipients who have been qualified by the PRONATEC/BSM. Among these policies, SSE is used as one of the instruments of promotion for integrated actions, supporting the generation of jobs and income, professional training, technical assistance and the incubation of popular and solidary enterprises.

The PRONAF aims at strengthening the activities of family farmers, integrating them to the agribusiness chain, increasing their income, improving the use of family labor and adding value to the product and the property.

This Program involves the following modalities:

MODALITY MONITORING – MANAGEMENT AND ADMINISTRATION OF THE PROGRAM: it specifically concerns the public authorities, including monitoring actions from the PRONAF and follow-up on the harvests. This modality supports the costs and investments.

MODALITY INCRA (National Institute for Colonisation and Agrarian Reform) TRAINING – TRAINING OF LAND REFORM SETTLEMENT DWELLERS: it hires external consultants to provide courses, workshops, trainee programs and exchange programs for land reform settlements. This modality supports only the costs.

MODALITY AGRICULTURAL INPUTS – PROVISION OF INPUT FOR FAMILY AGRICULTURE: it enables the acquisition and distribution of adequate animal and vegetable materials for the specificities of family agriculture. This modality only supports the costs.

MODALITY ADDED VALUE – SPONSORING OF PROJECTS FOR ECONOMIC DIVERSIFICATION AND ADDING VALUE TO FAMILY AGRICULTURE: it identifies, evaluates and disseminates successful experiences to expand the alternatives for diversification of income sources for family farmers through the expansion of business opportunities and the valorisation of their products and services.

This modality also contemplates:

- The construction of an information database on agricultural markets, differentiated, handcrafted and transformed products, as well as on new tendencies in the market and new tendencies of consumption for the products from family agriculture.
- The expansion of the production of differentiated products (organic, of origin, and from fair trade), among family farmers.
- The development of non-agricultural activities.
- The fostering, expansion and qualification of family farmer organizations in the different productive chains in which they are included.
- The promotion of goods from family agriculture in national and international markets.
- The constitution of trade organizations and networks, leading to the commercialization of the products from family agriculture.

- The promotion of family agriculture along with other economic sectors (industry, trade and services), aiming at new trade and income opportunities for the family farmers.

MODALITY IMPLEMENTATION PAA – IMPLEMENTATION OF ACQUISITION, STORAGE AND RESALE OF PRODUCTS FROM FAMILY AGRICULTURE: it pays for operational expenses resulting from the purchase, storage and sale of the products acquired by the family farmers and agrarian reform settlement dwellers, in the modalities defined in the PAA (*Programa de Aquisição de Alimentos* – Food Acquisition Program). This modality only supports costs. The more recent PAA allows for the acquisition of food produced by family agriculture, with exemption of a bidding process for prices that are close to those paid in regional markets. The products are destined for nutrition actions undertaken by entities within the social assistance network; public food and nutrition facilities such as popular restaurants, community kitchens and public schools, and food programs for families in vulnerable situations. Moreover, this food also contributes to the composition of food baskets distributed to specific population groups. This program empowers Social and Solidarity Economy based on family agriculture guaranteeing a market for many solidarity economy enterprises, while also promoting more dynamism in territories which had no prospects before this.

MODALITY BIODIESEL CHAIN – FOSTERING THE PARTICIPATION OF FAMILY AGRICULTURE IN THE BIODIESEL CHAIN: it qualifies and expands the participation of Family Agriculture in the biodiesel productive chain, through the organization of oleaginous plants production poles, technical assistance training, oleaginous plants seeds and seedlings production, demonstrative units creation, productive systems development, and technological improvement by fostering the addition of value to oleaginous plants as well as monitoring and evaluation. This modality only supports costs.

MODALITY *QUILOMBOLAS* – SUPPORT FOR THE SUSTAINABLE DEVELOPMENT OF THE *QUILOMBOLA* COMMUNITIES: it provides technical assistance and training to the members of the rural *quilombola* communities and the promotion of associations and of the commercialization of these communities' production. This modality only supports costs.

Quilombola communities are ethnic groups, composed by Afro-Brazilian slave descendants, predominantly constituted by a rural or urban black population, who define themselves through a particular relationship with the land, kinship, territory, ancestry, traditions and specific cultural practices. It is estimated that there are more than three thousand maroon communities throughout the country⁴.

⁴ <http://www.incra.gov.br/quilombola>

MODALITY INSURANCE – RISK MANAGEMENT FOR FAMILY AGRICULTURE INSURANCE: it selects and financially supports projects for the implementation of the work that is necessary for the identification and management of several types of risks involved in the implementation of the insurance for family agriculture. This modality supports costs and investments.

MODALITY TOBACCO – FOSTERING SUSTAINABLE RURAL DEVELOPMENT IN THE TOBACCO PRODUCTION AREAS: it selects projects that aim to support Sustainable Rural Development actions in the tobacco production areas through partnerships with governmental entities, companies, public entities and civil societies, for the implementation of sustainable rural development actions in areas with tobacco growing family farmers, involving research, training and technical assistance.

MODALITY AFEM (Financial assistance through parliamentary amendments): the interventions of this modality can have an impact upon functional classification actions identical to those established for other modalities of the PRONAF, according to what is defined in the selection issued by the MDA, while the resources that originate from the parliamentary amendments presented at the OGU (General Budget of the Union), apply to the operations, objectives, and policies established for this modality.

4.3. National Secretariat of Solidarity Economy (SENAES)

As its own website says, the “SENAES is part of the history of mobilization and articulation of the Solidarity Economy movement (SSE) that occurs throughout the country,” emerging in a context in which:

“The structural changes, of economic and social order, which have occurred in the world in the last decades, have undermined the traditional model of the capitalist relationship of work. The increase in informality and the process of loss of formal relations of work have been confirmed as a tendency in an environment of mass unemployment. On the other hand, the deepening of this crisis opened the way for the rise and advancement of other types of work organizations, which is a consequence, mostly, of the necessity of workers to find alternatives for the generation of income” (SENAES, 2012).

As they recognize, “this new reality in the milieu of work contributes, in a significant way, to the emergence of new social players and the construction of new institutional spaces”. In the context of its activities, the SENAES serves “thousands of workers organized in a collective way, managing their own work and struggling for emancipation”. These are initiatives of productive collective

projects, popular cooperatives⁵, production networks, and trade and consumption financial institutions, focused on solidary popular enterprises, self-managed companies, family agriculture cooperatives, services cooperatives, among others.

Regarding the rise of the SENAES, it is worth noting that although Solidarity Economy began to constitute itself in a more representative way after the 1980s, with the creation of several cooperatives, self-management companies, and other similar enterprises, the space for discussion and national articulation was created during the Solidarity Economy activities of the World Social Forum I (2001). A few national entities, along with the government of Rio Grande do Sul, decided to form a Brazilian Work Group on Social and Solidarity Economy in order to organize the Solidarity Economy activities at the World Social Forums II and III, gathering several initiatives from national entities and organizations and international networks related to the topic. The Brazilian Work Group of Solidarity Economy became a national and international reference for the activities related to the World Social Forum and even for other activities⁶.

⁵ Popular cooperatives are seen as an effective tool in the social and productive organization of impoverished communities, founding viable alternatives for survival and economic and social emancipation for people without income or for low-income workers' remuneration. From the point of view of the Brazilian legislation on cooperatives, we should mention the approval of Law nº 12.690, of 2012, which regulates the organization and functioning of Work Cooperatives and institutes the National Program for the Promotion of Work Cooperatives – PRONACOOOP.

⁶ During the organization of the activities of the World Social Forum III, within an environment that indicated the election of the candidate of the Partido dos Trabalhadores for the Presidency of the Republic, this Work Group planned to hold an expanded national meeting to discuss the role of Social and Solidarity Economy in the future government (Lula). This meeting was held in November 2002 and it was decided that a Letter should be written to the Elected President suggesting the creation of a National Secretariat of Solidarity Economy. It was also decided in this meeting that the 1st National Plenary Session of Solidarity Economy would be held in December. The First Plenary, attended by over 200 people, endorsed the Letter written in November and decided to hold the Second National Plenary during the World Social Forum III to discuss the creation of a Brazilian Forum of Solidarity Economy - FBES. Moreover, this plenary enabled the beginning of a debate and a deepening of the political platform for the strengthening of Solidarity Economy in Brazil. This platform is a set of priorities related to the solidary finances, the legal framework for the enterprises of Social and Solidarity Economy, the training, the education, the networks of production, trade and consumption, and the democratization of knowledge and technology and social organization of Social and Solidarity Economy. The Second National Plenary was held in January 2003 and counted with the participation of over 1000 people, enabling the deepening of the political platform of Social and Solidarity Economy. This plenary decided to constitute the FBES in another National Plenary, which was preceded by state meetings to prepare the national discussion and elect its delegates. The FBES was created in June, 2003, in the 3rd Plenary, at the same moment the SENAES was being created in the Ministry of Work and Employment. The Forum started to have the role of main speaker for the SENAES, in the

More recently, we should mention the “*Programa de Desenvolvimento Regional, Territorial Sustentável e Economia Solidária*” (Regional, Sustainable Territorial Development and Social and Solidarity Economy Program) (2012-2015). This program “intends to expand the federal government’s strategy for regional/territorial action, which has, in the last few years, gained strength and consistency in increasing the options for the generation of jobs and income, where the territory is the protagonist in the development process and the potentialities and vulnerabilities of the regional ecosystems are respected.” (SENAES, 2012)⁷.

According to collected information, since 2003, through the creation of the SENAES, several actions were taken to meet the main demands from the Social and Solidarity Economy enterprises, among which, the most important are access to financial services, infrastructure services, access to knowledge and to increase of trade etc. In the vision of the SENAES, “these options contributed to expanding the capacity of Solidarity Economy, to creating income opportunities through work for sectors that have been excluded from the formal work market”. In parallel,

“there was also an expansion in the public policies of Solidarity Economy by the state and municipality governments, including the approval of legislations determining the implementation of councils and the strengthening of the Public Policies of Solidarity Economy Managers Network. Likewise, the achievement of direct participation mechanisms, such as the organization of the Public Conferences and the operation of the National Council of Solidarity Economy (CNES) created privileged spaces for dialogue”. In this sense, the public policy of solidarity economy integrates itself fully to the strategic guidelines and priorities of the federal government for the reduction of regional and socioeconomic inequalities, by means of the human rescue of the population in a situation of extreme poverty and promotion of the territorial, sustainable and solidarity development. Therefore, it intends to strengthen and expand, in an integrated way, the public policies that guarantee the access to investments, training, technical assistance, trade, credit to everyone participating in the solidarity economy initiatives” (SENAES, 2012).

In order to have an idea of the importance of Social and Solidarity Economy in the country, and also, of the extent of the actions and the targets that have been reached, it is necessary to recall the aforementioned data from the Atlas 2007 of

sense of presenting demands, suggesting policies, and following the implementation of public policies of Social and Solidarity Economy (SENAES, 2012).

⁷ Additional information at: <<http://portal.mte.gov.br/ecosolidaria/apresentacao-4.htm>> (Accessed on September 30, 2013).

the SENAES⁸. We can see through this atlas that there were 21,859 Social and Solidarity Economy enterprises throughout Brazil, which have created over 1.6 million jobs. Most of which were created between 1991 and 2007 and are located in the rural area.

However, between 2005 and 2007, the number of Social Solidarity Economy enterprises went up 46%. From the point of view of the number of workers, over 15,000 of the enterprises employ between 10 and 50 people and over 5,000 employ over 50 workers. From this total number of enterprises of Social and Solidarity Economy, 52% organize themselves as “associations”, 36.5% as “informal groups”⁹ and almost 10% as “cooperatives”. The reasons why these enterprises of solidarity economy were created are: alternatives to unemployment (38%), additional income (36%), access to financial aid (16%), to engage in associated work (9%), company recovery (1%). Among such motivations, we could observe that the reasons directly or indirectly related to income are responsible for over 75% of the total number of cases that were registered. Within the 50 main economic activities that were considered, the ones that stand out are the ones related to services in agriculture, agricultural production in general, manufacture of textile products, cereal and vegetable crops and animal care.

The “*Programa de Desenvolvimento Regional, Territorial Sustentável e Economia Solidária*”¹⁰ had several goals and initiatives planned for the period between 2012 and 2015. Its objectives were directed towards two fields: a) fostering and strengthening Social and Solidarity Economy and b) strengthening the institutionalization of the National Policy of Social and Solidarity, as well as the federative articulation and the integration of promotion policies for solidarity economy initiatives for the sustainable territorial development processes based on solidarity.

To achieve these goals, the SENAES bases its action upon the following initiatives: a) development and dissemination of social technologies that are appropriate for Social and Solidarity Economy; b) training of workers, agents, trainers, multipliers and public managers for Social and Solidarity Economy; c) implementation and consolidation of Community Development Banks, Solidary Rotational Funds and support to Solidary Credit Cooperativism; incubators, sponsorships, technical assistance and support for Social and Solidarity Economy and its networks and chains of production, trade and

⁸ <http://www.mte.gov.br/sistemas/atlas/tabcgi.exe?FaturamentoMensal.def>

⁹ Small solidarity economy enterprises, family-owned, without registration of legal entities, which also are not constituted legally as cooperatives. They have small monetary gains and are characterized as part of the solidarity economy by the SENAES.

¹⁰ <http://portal.mte.gov.br/ecosolidaria/programa-economia-solidaria-em-desenvolvimento/> (Visited on September 29/2013).

consumption; e) promotion of the adaptation of credit policies to the demands and characteristics of Social and Solidarity Economy; f) promotion of access to governmental purchases of goods and services from Social and Solidarity Economy and g) promotion and strengthening of fairs, fixed location, and facilities for the trade of goods and services from Social and Solidarity Economy.

For this period (2012-2015), there was also a specific program for solid waste¹¹, which intended to expand the organization and production capacity of the garbage collectors' segment, offering greater technical management capacity to the collective and solidary enterprises that were already working and providing the technical and financial means to sponsor the organization and formalization of new ones through training, technical assistance and structuring of the collection, selection, processing and trade of solid waste.

Despite the fact that the results of these policies are still unknown, recently, a national survey was conducted and coordinated by Gaiger (2014) and published in "*A Economia Solidária no Brasil: uma análise dos dados nacionais*". This survey can help by characterizing the SEE in Brazil after thirteen years of public policies that were undertaken by the SENAES, as well as a starting point for the necessary creation of mechanisms to evaluate such policies, a topic that has yet to be dealt with in the scope of these policies.

Based on this survey, there are 19,708 SEE's with 1,423,631 members. Of these, almost 55% are in rural areas, while 34.8% are in urban areas and 10.4% of the SEE's are simultaneously in rural and urban areas. Separated by Brazilian regions, 41% of the SEE's are in the Northeast, 17% in the South, 16% are in the North, the same number for the Southeast, and 10% in the Midwest. As for the organization of the SEE, a wide predominance of associations can be observed, representing 60% of the SEE's; 30.5% being informal groups, 9% cooperatives and less than 1% mercantile societies.

Another interesting data refers to the main collective economic activity of the SEE, which is production (56.2%), followed by consumption (20%), commercialization (13.3%), provision of services (6.6%) and, lastly, the exchange of goods and services (2.2%), and savings, credit and solidarity finances (1.7%).

From the point of view of the importance to the members' income, the survey shows that the SEE represents a main source of income, especially when the economic activities are the provision of services or work for third parties, followed by trade and production.

¹¹ <http://portal.mte.gov.br/ecosolidaria/programa-economia-solidaria-em-desenvolvimento/> (Visited on September 30/2013).

Regarding the distribution of the SEE's by economic activity sectors:

- a) 30.6% are in manufacturing industries: manufacture of textile artefacts, manioc flour and derivatives, production of cakes and sweets, production of honey products and manufacture of clothing;
- b) 27% in the primary sector: rice cultivation, horticulture, corn cultivation, cultivation of beans, cattle raising for milk;
- c) 17.3% in trade: souvenirs, jewellery, handcrafted products, consumers' networks, solidary exchanges, trade of fruits, vegetables and roots, milk and dairy products;
- d) 13.4% in service activities: collective use of infrastructure, professional associative organizations related to culture, laundry;
- e) 3% provide industrial public utility services: collection and selection of recyclable materials, plastic recycling, collection, treatment and distribution of water;
- f) 1.6% in financial activities: rotation funds, rural credit cooperatives, solidary credit, community banks and mutual credit cooperatives.

Another relevant topic found in this survey has to do with the “Giordian knot” of the SEE, that is, the difficulties in distributing financial resources in adequate conditions for society. From the total of SEE's, 77% did not apply for credit or financial aid during the twelve months prior to the collection of data for the survey. Of these, 42% did not apply for it because they did not need it, while 35% of them did not contract them because they were afraid to go into debt. Still, from the total number, 12% applied for credit, but were not able to get it (Gaiger, 2014); (Morais, 2015).

5. The Program “Citizenship Territories” (“*Territórios da Cidadania*”)

We can observe that several alternative production and consumption experiences already exist through Social and Solidarity Economy with a focus on territorial development. These experiences have multiplied themselves and have spread over many territories, as attempts by society to find new ways to face unemployment, income deficit, as well as opportunities in the traditional spheres.

However, more than obtaining work and income, even working within fragmented, undermined and sparse structures, they point to a better social and political organization of their territories. Therefore, in parallel to the implementation of their productive and/or consumption activities, the experiences contribute to strengthen the social and political bonds in the territory, towards a deeper commitment and participation of all players, as well as the creation of public spaces that “give voice” to their demands and to reinforce their collective and participatory search for solutions.

Such practices, which are not necessarily new, have been overshadowed by three decades of neoliberal inspiration attempting to make us believe in the trap of self-regulatory markets and believe in the development of competitive and individualistic practices.

Currently, the unfolding of an international crisis, which is not only economic and financial, but also a crisis of values and ways of life, opens way – because of survival needs – to look, test, and bet on alternative practices that involve the production and consumption spheres, including trade.

It is worth looking at the Brazilian experience of the Program “Territories of Citizenship” which involves a great number of experiences throughout the wide national territory.

According to the information in the Program’s website itself, this project was launched in 2008 and aims to promote economic development and universalize basic citizenship programs, through a strategy for sustainable territorial development. The social participation and the integration of actions among the Federal Government, states and municipalities are fundamental for this strategy.

This Program is conducted in 120 territories throughout Brazil (approximately 1500 municipalities), in support actions for productive activities, activities for citizenship and rights and support to territorial infrastructure. These three performance areas contemplate 71 subareas that may be seen and analyzed in the Program’s website mentioned above. In general terms, we can say that the program emerged in order to stimulate social entrepreneuring in these territories and contribute to productive social inclusion in urban and rural areas.

Some studies that have analyzed the program have already demonstrated that these public policies focused on urban and rural environments, have, partially, created important changes, especially for the family farmer and for society in general. However, they also show that there is still a long way to go in order to minimize the gaps that remain, mainly regarding the strengthening of the institutions, which will be fundamental in order to consolidate these changes. It is, therefore, an important topic to analyze when dealing with the connections between Social and Solidarity Economy and territorial development.

Important information about the program’s evaluation can be found on its own website¹². Visiting the website is interesting because it shows us a series of activities in the territories, such as: access to water for the production of food; support and technical assistance for the fishing industry; support for the implementation of technical vocational centres; support for rural infrastructure projects; technical assistance to *quilombola* communities; development of organic agriculture; development of rural cooperatives and associations;

¹² <http://www.territoriosdacidadania.gov.br/dotlrn/clubs/territoriosrurais/one-community>

promotion of agro-industrialization; encouragement of the participation of family farming in the renewable energy chain; promotion and strengthening of solidarity economic enterprises; infrastructure provision for the local clusters etc.

6. Final Considerations

We believe that the construction of new proposals for social, productive and economic local organization is possible, and that constituting public policies with special attention to businesses that strengthen territorial bonds is feasible.

However, just as Boaventura de Sousa Santos (2002) showed, the success of these alternative production and community organization experiences in the territories depend, to a large extent, on their capacity to integrate processes for economic transformation and cultural, social and political changes, building networks of collaboration and mutual support, which implies in a progressive participation in formulation and implementation of public policies activities, based on the idea of co-creation of these policies. Under this perspective, it is worth mentioning the assumption of “*ambience*”, since, as pointed by Kraychete & Santana (2012, p. 55), based on Amartya Sen:

“it is not enough to think in isolation about the sustainability of each enterprise, as if the solution of each one’s particular problems would result in sustainability for the whole. There must be an ambience that contributes to the sustainability of the whole”.

In this sense, we understand that experiences such as these must be supported and spread to other territories and other countries. Moreover, they indicate the contribution capacity of Social and Solidarity Economy to territorial development.

Bibliographic References

- Cassiolato, J.E., Szapiro, M., Uma caracterização dos arranjos produtivos locais de micro e pequenas empresas. In: Lastres, H.M, Cassiolato, J.E., Maciel, M., *Pequena empresa: cooperação e desenvolvimento local*, Rio de Janeiro: RelumeDumará – IE-UFRJ, 2003.
- Fraisse, L., Os desafios de uma ação pública a favor da economia social e solidária. In: França Filho, G., Laville, J.L., Medeiros, A., Magnen, J. (Orgs), *Ação Pública e Economia Solidária: uma perspectiva internacional*, Porto Alegre: Editora UFRGS, 2006, pp. 237-244.
- França Filho, G., Economia popular e solidária no Brasil. In: França Filho, G., Laville, J.L., Medeiros, A., Magnen, J (Orgs)., *Ação Pública e Economia Solidária: uma perspectiva internacional*, Porto Alegre: Editora UFRGS, 2006, pp. 57-72.
- Gaiger, L. (Org.), *A Economia Solidária no Brasil: uma análise de dados nacionais*, Editora OIKOS, 2014.
- Kraychete, G., Santana, A., “Economia dos setores populares e inclusão socioprodutiva: conceitos e políticas públicas”, In: *Mercado de Trabalho: conjuntura e análise*, Brasília: IPEA e MTE, no. 52, agosto de 2012, pp. 55-62.
- Morais, L., *As políticas públicas de Economia Solidária (SSE): avanços e limites para a inserção sociolaboral dos grupos-problema*, Campinas: IE-UNICAMP (Ph.D.Thesis), 2013.
- Morais, L., Bacic, M., *Local Development and Social and Solidarity Economy (SSE): connections with the local generation of jobs and income in Asia and in Latin America*, In: Proceedings of the Third International Conference on Social Enterprise in Asia: searching for motives, models and measurement, Coreia do Sul, Wonju, 2014.
- Morais, L., *Social and Solidarity Economy (SSE), South – South and Triangular Cooperation and Social and Solidarity Finance (SSF): harmonious and promising connections*, In: UNRISD Workshop: Social and Solidarity Finance: Tensions, Opportunities and Transformative Potential, Geneva, 2015. Available at: <http://www.unrisd.org/ssfworkshop-morais>
- Navarro-Yañes, C., *El nuevo localismo*, Municipio y democracia en la sociedad global, Córdoba, España: Diputación de Cordoba, 1998.
- Paula, J., *Desenvolvimento Local Integrado e Sustentável*, SEBRAE, 2008.
- Putman, R., *Comunidade e democracia. A experiência da Itália moderna*, 2 ed., Rio de Janeiro: FGV Editora, 2000.
- Ortega, A. C., *Territórios deprimidos: desafios para as políticas de desenvolvimento rural*, Campinas: Editora Alínea, 2008.
- Santos, B., “Prefácio”, In: Santos, B., *Produzir para viver: os caminhos da produção não capitalista*, Rio de Janeiro: Civilização Brasileira, 2002.

SECRETARIA NACIONAL DE ECONOMIA SOLIDÁRIA – 2010 e 2012,
Ministério do Trabalho e Emprego, Brasil, 2012.

Silva, S., “Economia Solidária e políticas públicas de desenvolvimento local: uma análise de dois programas de gestão pública no Brasil”, In: *Revista Perspectivas em Políticas Públicas*, vol. II, no. 3, pp. 45-67. Belo Horizonte, Jan-Junof 2009.

Souza, A., “Política pública de economia solidária e desenvolvimento territorial”, In: *Boletim Mercado de Trabalho: conjuntura e análise*, Brasília: IPEA e MTE, no. 52, agosto de 2012, pp. 63-70.

This yearly series of working papers (WP) aims to publish works resulting from the scientific network of CIRIEC. The WPs are subject to a review process and are published under the responsibility of the President of the International Scientific Council, the president of the scientific Commissions or the working groups coordinators and of the editor of CIRIEC's international scientific journal, the *Annals of Public and Cooperative Economics*.

These contributions may be published afterwards in a scientific journal or book.

The contents of the working papers do not involve CIRIEC's responsibility but solely the author(s) one.

The submissions are to be sent to CIRIEC (ciriec@ulg.ac.be).

Cette collection annuelle de Working Papers (WP) est destinée à accueillir des travaux issus du réseau scientifique du CIRIEC. Les WP font l'objet d'une procédure d'évaluation et sont publiés sous la responsabilité du président du Conseil scientifique international, des présidents des Commissions scientifiques ou des coordinateurs des groupes de travail et du rédacteur de la revue scientifique internationale du CIRIEC, les *Annales de l'économie publique, sociale et coopérative*.

Ces contributions peuvent faire l'objet d'une publication scientifique ultérieure.

Le contenu des WP n'engage en rien la responsabilité du CIRIEC mais uniquement celle du ou des auteurs.

Les soumissions sont à envoyer au CIRIEC (ciriec@ulg.ac.be)

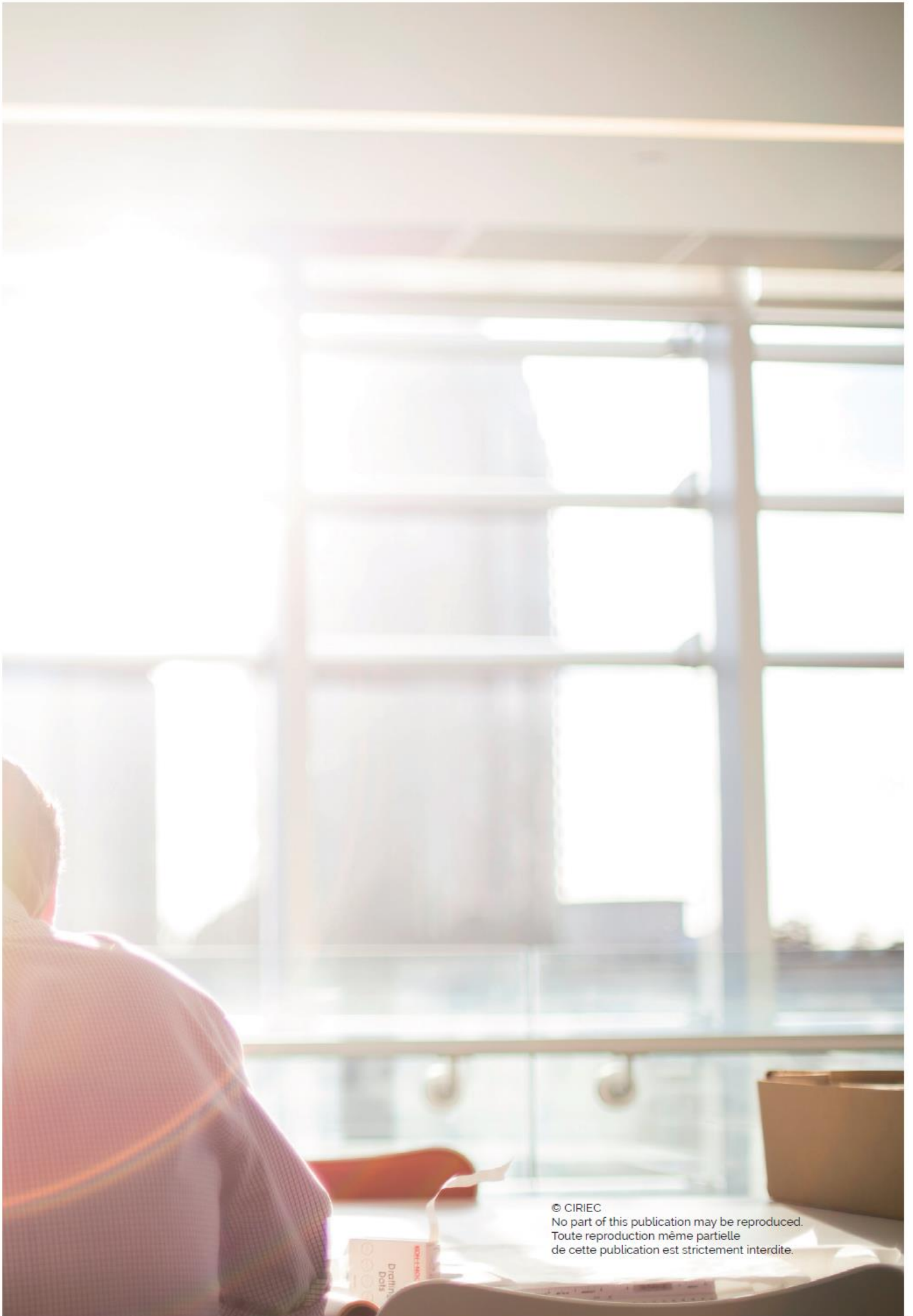
This working paper is indexed and available in RePEc

Ce working paper est indexé et disponible dans RePEc

ISSN 2070-8289

Publications

- 2017/01 Pupils' cooperatives and the acquisition of competences for sustainable development
Nicole GÖLER von RAVENSBURG
- 2017/02 Clap along if you know what happiness is to you! Wealth, Trust and Subjective Well-being
Anne MUSSON & Damien ROUSSELIÈRE
- 2017/03 Les assureurs mutualistes actifs sur le marché de l'assurance municipale en Europe
Francis KADENDE
- 2017/04 The Design of IEP Sites: Aiming for an Inclusive Economic Participation of Urban Citizens in Flanders
Nathalie VALLET, Simon DE NYS-KETELS & Michelle BYLEMANS
- 2017/05 Equilibrium unemployment as a worker insurance device: Wage setting in worker owned enterprises
Marina ALBANESE, Cecilia NAVARRA & Ermanno TORTIA
- 2017/06 Social and Solidarity Economy as a tool for territorial development and socio-occupational inclusion
Leandro PEREIRA MORAIS & Miguel Juan BACIC



© CIRIEC
No part of this publication may be reproduced.
Toute reproduction même partielle
de cette publication est strictement interdite.

CIRIEC (International Centre of Research and Information on the Public, Social and Cooperative Economy) is a non-governmental international scientific organization.

Its objectives are to undertake and promote the collection of information, scientific research, and the publication of works on economic sectors and activities oriented towards the service of the general and collective interest: action by the State and the local and regional public authorities in economic fields (economic policy, regulation); public utilities; public and mixed enterprises at the national, regional and municipal levels; the so-called "social economy" (not-for-profit economy, cooperatives, mutuals, and non-profit organizations; etc.).

In these fields CIRIEC seeks to offer information and opportunities for mutual enrichment to practitioners and academics and for promoting international action. It develops activities of interest for both managers and researchers.

Le CIRIEC (Centre International de Recherches et d'Information sur l'Economie Publique, Sociale et Coopérative) est une organisation scientifique internationale non gouvernementale.

Ses objectifs sont d'assurer et de promouvoir la collecte d'informations, la recherche scientifique et la publication de travaux concernant les secteurs économiques et les activités orientés vers le service de l'intérêt général et collectif : l'action de l'Etat et des pouvoirs publics régionaux et locaux dans les domaines économiques (politique économique, régulation) ; les services publics ; les entreprises publiques et mixtes aux niveaux national, régional et local ; « l'économie sociale » : coopératives, mutuelles et associations sans but lucratif ; etc.

Le CIRIEC a pour but de mettre à la disposition des praticiens et des scientifiques des informations concernant ces différents domaines, de leur fournir des occasions d'enrichissement mutuel et de promouvoir une action et une réflexion internationales. Il développe des activités qui intéressent tant les gestionnaires que les chercheurs scientifiques.



INTERNATIONAL CENTRE OF RESEARCH AND INFORMATION
ON THE PUBLIC, SOCIAL AND COOPERATIVE ECONOMY - AISBL

CENTRE INTERNATIONAL DE RECHERCHES ET D'INFORMATION
SUR L'ÉCONOMIE PUBLIQUE, SOCIALE ET COOPÉRATIVE - AISBL

Université de Liège | Quartier Agora | Place des Orateurs 1 | Bâtiment B33 -
boîte 6 | BE-4000 Liège (Belgium) | T +32 (0)4 366 27 46 | F +32 (0)4 366 29 58
ciriec@ulg.ac.be | www.ciriec.ulg.ac.be