Social Enterprise in Brazil:
An Overview of Solidarity Economy Enterprises

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As intermediary products, ICSEM Working Papers provide a vehicle for a first dissemination of the Project’s results to stimulate scholarly discussion and inform policy debates. A list of these papers is provided at the end of this document.

First and foremost, the production of these Working Papers relies on the efforts and commitment of Local ICSEM Research Partners. They are also enriched through discussion in the framework of Local ICSEM Talks in various countries, Regional ICSEM Symposiums and Global Meetings held alongside EMES International Conferences on Social Enterprise. We are grateful to all those who contribute in a way or another to these various events and achievements of the Project.

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ABSTRACT

This paper constitutes a contribution by the Solidarity Economy and Co-operative Economics Research Group at Unisinos (Universidade do Vale do Rio dos Sinos, a university in southern Brazil) to the theoretical debate promoted in the scope of the ICSEM Project. The definition of social enterprise by the ICSEM Project stresses specific governance models, often found in social enterprises, rather than the profile of social entrepreneurs. A democratic control or a participatory involvement of stakeholders and citizens reflects a quest for more economic democracy inside the organisation, in the line of the tradition of cooperatives and, more recently, of the social and solidarity economy.

Examining the current layout of “solidarity economy enterprises” (empreendimentos econômicos solidários) in Brazil, this paper builds on continuous studies linked to the “SIES” Project, promoted by the National Secretariat for Solidarity Economy in association with Unisinos. The main observational support for these studies has been data coming from the second National Mapping of the Solidarity Economy, the analysis of which will enable, throughout the paper, to establish a retrospective notion of the experiences of solidarity economy in the country, distinguish its main current expressions and propose a theoretical model with a view to qualifying such experiences and comparing them to other national scenarios.
INTRODUCTION

In the light of ICSEM Project recommendations for this paper, it is first important to underscore that the notion of social enterprise is unusual in Brazil and little known outside specialised academic circles. Social actors engaged in promoting economic alternatives to the market and the state, within the public sphere and civil society organisations, use historically established concepts, such as associativism and cooperativism, alongside more recent expressions from the 1990s, such as solidarity economy. To date, only associations and cooperatives have their own legal framework, which is unsuited to enterprises that have emerged in the country in recent decades and whose objectives, structures and dynamics are similar to those of social enterprises as defined by the ICSEM Project.

These new enterprises are searching for their institutional identity and a compatible legal framework. As participants in a new wave of social and economic solidarity, they go against traditional institutionalised formats; this is particularly true of their main representative, cooperatives. Based on this critical approach, these initiatives underwent a process of mutual recognition and unification, gradually aligning with the solidarity economy. The term gained notoriety and official recognition in Brazil from the 1990s onwards, as notable economic initiatives, recognised for their associative nature and cooperative self-management practices, emerged in the country. In its expansion, the solidarity economy has come to include different social categories and organisational arrangements, such as informal income-generation groups units, farmer and consumer associations, local exchange systems, and cooperative indigenous farming communities, dedicated to producing goods or providing services, commercialisation and credit.

According to reference studies (Singer & Souza 2000; Gaiger 2004; Pinto 2006; Veronese 2008; Cattani et al. 2009), the priority of solidarity in these ventures is evident in their members’ involvement in day-to-day management, as well as in the socialisation of productive resources and the adoption of equality principles. When extended to its surroundings, solidarity encourages broader reciprocity practices, where practical experience in managing the common good lends new value to the notions of justice and public interest. The collective action involved in the solidarity economy places new actors into the workplace, in class strategies and citizenship struggles, in response to concerns over welfare, recognition and a meaningful life.

Nowadays, the solidarity economy evokes a wide range of economic organisations, representative bodies, civil society and state organisations. Depending on the context, it can also refer to an economic sector, a social movement or a field of political intervention. Given its relevance in the country and the similarity of its enterprises with social enterprises, the solidarity economy will be the object of study in the Brazilian case for the purposes of the ICSEM Project.

The solidarity economy is a recent phenomenon in Brazil, and it still lacks an appropriate legal framework in the country. Its enterprises, generically referred to as empreendimentos in Portuguese, cannot be properly understood based solely on their official legal format, which is generally a palliative solution to make them viable and operational. In addition, according to a national mapping of the solidarity economy completed in 2013, most enterprises consist of informal groups, that is, they are not regulated by legal provisions, but rather by their own internal guidelines. In these circumstances, there are no established or widely accepted criteria...
to distinguish and classify organisations and it would be inappropriate to bridge this gap using formal arguments. As such, in Brazil there are still no known typologies applicable to solidarity organisations or models that are approved in specialised circles. Similarly, debate on indicators is weak, and no indicator is sufficiently developed as yet.

In spite of these difficulties, this paper aims to present a proposal for the conceptualisation and typology of solidarity organisations using previous empirical research and conceptual studies carried out over several years by the Research Group in Solidarity Economy and Cooperatives (Grupo Ecosol) of the Universidade do Vale do Rio dos Sinos. Both the conceptualisation and the typological formulation form part of the Group’s current research objectives, particularly in relation to data analysis from the previously mentioned second national solidarity economy mapping, the main empirical source of the present study, as detailed below.

The first section of this paper outlines the history of the solidarity economy in Brazil, with a view to clarifying points of continuity and the dividing lines between older and more recent experiences. Particular prominence will be given to the unique characteristics of the solidarity economy and the reason for its incompatibility with the legal alternatives currently available for its organisations. The second section describes the conceptualisation method adopted and its result: the ideal-type of “solidarity economy enterprise” (EES, or empreendimento econômico solidário in Portuguese). This ideal-type is presented in terms of its theoretical content and divided into primary components, whose operationalisation—using indicators—favours the examination of empirical realities, particularly for comparative purposes. Special relevance will be given to the distinction between the interpretive proposal, deemed appropriate for the realities in the South, and the institutional approach, typical in the North. Typology itself is the focus of section three. Following methodological considerations, five types of enterprises will be presented. The paper concludes with general considerations that include theoretical issues publicised by the ICSEM Project. To better contextualise the typology in the setting of social and economic organisations different from private or public companies, some conceptual issues related to the third sector will be preliminary discussed. Finally, it will be argued that the realities of the South would be misunderstood without the distinction between the logic of “domesticity” (following the concept of Karl Polanyi), essential to the family and community-based economy that sustains countless solidarity enterprises, and that of “reciprocity” such as it is used in the welfare triangle. This unquestionably important heuristic reference could then complementarily assemble the four principles of economic action conceived by Karl Polanyi.

1. HISTORICAL BACKGROUND

In Brazil, the concept of solidarity economy typically refers to economic initiatives that aimed at generating employment and income, as well as social benefits for their members and their social environment, such as quality of life and citizen participation. Solidarity primarily refers to cooperation in economic activities and in the socialisation of the means of production, thereby dissolving separation between capital and labour, typical of salaried employment. As a result, in this country and on the Latin American continent, the solidarity economy is viewed by many authors as another economy, different from capitalism, or a future alternative to capitalism.

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1 South and North are metaphors to designate, along broad lines, the outskirts and center of the global economic and geopolitical system, according to the language of new colonial studies, particularly the formulations of Boaventura de Sousa Santos (Santos & Meneses 2009).
Although the solidarity economy might be perceived as a “recent” phenomenon (due to its recent expansion and to the resulting gain in notoriety that it achieved), such perception would be misleading. In the 1990s, the solidarity economy gave new impetus and continuity to an extensive history, featuring countless experiences of popular solidarity. Indeed, in Brazil, as in Latin America in general, the solidarity economy has a long-running history, beginning with pre-Columbian indigenous forms of production and the collective systems adopted by freed slaves (known as quilombolas in Brazil). The changing social landscape of this continent has seen it move quickly from initiatives determined by the precarious condition of salaried workers, subordinated to and integrated with the driving force behind peripheral underdevelopment, to areas where communities predominate—particularly indigenous peoples, who preferred to protect their lifestyle and shied away from the capitalist labour market. Although this allows them to avoid their own dissolution and extermination, the price they pay for doing so is that of poverty and neglect.

In addition to these more distant predecessors, it is important to note that the recent surge in enterprises and social mobilisation, which made the solidarity economy a public fact, was preceded, at the height of the 1980s, by similar initiatives, generally linked to social programmes of civil entities, primarily NGOs or religious institutions such as Christian churches. However, these initiatives were scattered and ran in parallel, without connections among them. They spread across impoverished rural areas and urban peripheries and foreshadowed the substantial emergence of enterprises recorded from the 1990s onwards. Although less well-known, they are the seminal sources of modern-day solidarity enterprises. As such, a historical retrospective of the solidarity economy should account, at least briefly, for some of those remote episodes on which it is founded, also noting the social processes of recent decades that gradually culminated in a new field of social practices permeated with social innovation and new expectations.

1.1. Associations and cooperatives

In Brazil, economic practices based on reciprocity have always existed, where material production caters to collective needs and holds primarily a social meaning. Since the late nineteenth century, in parallel to the reign of capitalism, associative and cooperative strategies sought to ensure decent living conditions for important contingents and keep the principles of producing goods, labour organisation and circulation of wealth separate from the strict rationality of capital. It is a historical resistance guided by bitterly defended values, which was unfortunately unable to prevent deviations from its initial route and important concessions in its original principles.

Brazil is not familiar with mutual enterprises. Some mutual aid initiatives (caixas laborais – collective funds pooled by workers, annuities, etc.) have been developed primarily by family farmers and urban labourers and form part of the associative and cooperative sectors, as opposed to the mutual enterprise sector per se. In certain cases, these initiatives persisted as indigenous forms of organising and enhancing community life. However, the services provided, particularly in health and education, were generally incorporated into new institutional dynamics, primarily private (religious, mainly) and state philanthropy, often eroding into paternalistic patterns and contributing to preserve the hegemony of political elites.
Associativism, in turn, played an important historical role, especially for small family farmers, from the moment it entered the Brazilian agricultural arena, in the nineteenth century. However, not all associations played the same kind of role in the emergence of the solidarity economy. Indeed, associations have a broad legal framework, which encompasses all bodies of people that come together to carry out ordinary activities, provided they differentiate themselves from more specific organisations (churches, foundations and political parties) and have no economic purpose. As such, associativism remained devoid of individual personality and representation mechanisms and was largely co-opted or encouraged to function as an additional constraint for oligarchic domination.2

There are many stories behind associations, including that of truly popular associativism. Since the 1970s, against the backdrop of demographic flows that resulted in today’s urban centres, associations have been a popular instrument of organisation and struggle for housing rights and better living conditions. Community associations played a clear role as the mainstay of broader social mobilisations, such as democratic disputes and electoral clashes that led to the revival of political parties and more left-wing governments. At the same time, associations functioned as the centre of local initiatives, driving them and providing institutional safeguards. Community projects aimed at income generation and economic development also sought the legal support of associations. The result is a hybrid: socially-based community activities merge with enterprises with an economic purpose, in itself devoid of legal support. This solution avoids complete informality, but postpones economic formalisation of the enterprise, which is then deprived of the prerogatives and advantages of the lawful exercise of its activities. Similarly, in rural areas, small-scale farmers’ associations have long supported collective forms of production, commercialisation or service provision. As a rule, these initiatives are restricted to their purpose and areas of operation, but preserve associative culture in rural settings, supporting initiatives that prevail today amongst solidarity enterprises.

The association is currently the predominant legal format in the solidarity economy.3 Its adoption confers institutional status to semi-formal organisations that can then receive support and grants. However, studies (Pinto 2006) have shown that the associative act in these cases goes beyond pragmatism. It reflects a collective history in which now revalued identities and solidarity practices were forged. As a result, solidarity enterprises in urban and rural areas generally fall within broader collective structures, which enable them to overcome the neglect and isolation typical of family production that are experienced by small and micro enterprises. Initiatives of this nature flourished in the 1980s, before the solidarity economy boom.

Comparing cooperatives, mutual societies and associations, we might state that only cooperativism—though permeated by different concepts and interests—reached institutional level in Brazil. Cooperatives were originally introduced in the country by European immigrants, in the late nineteenth century, as a way to overcome the conditions of blatant abandonment in which they lived. These early forms were consumer, credit and farming cooperatives; they were particularly present in southern Brazil, a focal point for European colonisation. Consumer cooperatives expanded in the 1950s and 1960s. Subsequently, urban cooperatives showed signs of stagnation, attributable to official discouragement, resulting in a series of obstacles to their growth and survival. As economic development favoured the expansion of

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2 In inland areas of the country, it was common practice to create or favour associations in return for the loyalty of members to lords (commanders and colonels), reproducing in this way the political power of the ruling elites.

3 According to the second national mapping of solidarity economy in Brazil, 60% of EESs are associations, 30% are informal organisations and 8.8% are cooperatives (data for 2013).
large capitalist corporations, it boosted these capitalist corporations to replace services previously provided by cooperatives (Schneider and Lauschner 1979).

In turn, agricultural cooperatives were gradually encouraged, with a view to expanding agricultural productivity in response to demographic growth and the need to increase exports, in accordance with the development plans of military governments in power since 1964. Moreover, the competitive demands of the market during the 1970s made it impossible for small cooperatives to survive. Since then, the predominant type of agricultural cooperativism in Brazil has restored the dominance of the conservative elite, aimed at primarily agro-export economy (agribusiness) and serving as a corporate alliance mechanism highly sensitive to economic power. This explains its dependence on government policies and the abilities of its leaders to deal with the state.

This framework was supported by a policy of social control and state intervention that brought no significant changes for cooperatives’ workers in rural areas. During decades, cooperatives had served small-scale farmers as an instrument of economic development, strengthening communities and remaining accessible and close to the farmers’ interests; but the new model contributed to instilling distrust of cooperativism amongst these farmers. Urban cooperativism, on the other hand, gained new impetus with the creation of several labour cooperatives in the 1980s. During the rapid growth of these cooperatives, up until the 1990s, several studies indicated that they were largely a means of making work relationships flexible, outsourcing services and reducing labour costs (Lima 2007; 2008). However, genuine cooperatives, such as recovered factories, were also identified, appearing as one of the first forms of the solidarity economy.

Today, large cooperatives function as capital companies, aimed at profitability in the market and engaged in professionalisation and administrative rationalisation. At the other extreme, small cooperatives in urban outskirts, geared towards the socioeconomic inclusion and satisfaction of basic needs of poor populations, are egalitarian in nature, value their collective self-management and identify with the solidarity economy (Nunes 2001; Anjos 2012). Alongside these various types of “real” cooperatives, false cooperatives, using the cooperative legal framework to intermediate low-cost manpower while preserving the company hierarchy and the division between capital and labour, also exist. Brazilian cooperativism is therefore heterogeneous in regard to the nature and scale of its activities, the complexity of cooperative organisations and, fundamentally, its ideological principles.

In short, on the few occasions where cooperatives carried considerable weight, they faced significant obstacles to maintain their own structure and role as an alternative to the prevailing forms of economic organization. Their predominant function was that of strengthening the market economy, or they were an instrument to compensate for the social ills caused by economic development. In this contradictory context, the solidarity economy gave rise to a new generation of cooperatives, motivated by the belief that, though imperfect, this format was the most comprehensive self-management model of economic solidarity and the basis of a system capable of catering to the needs of workers. To that end, solidarity cooperatives have aligned in favour of a new model that questions the political profile and impasses of the country’s cooperatives, related to inconsistency in their doctrinal principles and historical development. This model would replace traditional cooperativism and recover cooperatives made obsolete by the centralisation of power or created fraudulently, as a corporate ploy to evade social contributions. However, the success of these strategies and the viability of solidarity cooperatives depend on their ability to create socioeconomic environments that strengthen them and convert them into a unique and expandable element within the current economic system.
1.2. Popular economy

The advent of the solidarity economy lies in countering its own historic legacy, whose discontinuity and limited institutionalisation explain why the concept of social economy never took root in Brazil, except in certain academic circles. Nevertheless, this history underlies current solidarity economy practices, where atavistic forms of solidarity, that are little known or recognised, still persist. New forms of collective action have recently joined this social ballast so that, in order to complete this historical background, the changes in Brazilian society in recent decades must be examined. This period saw the emergence of one of the main forms of solidarity economy, both in Brazil and in Latin America: the “popular economy” and its corollary, informality.

From the 1970s onwards, a rapidly growing population of workers pressured by declining economic opportunities in rural areas and attracted by urban industrial growth migrated in vast numbers to cities, where they were faced with the inability to be absorbed by the formal job market and the lack of available instruments for their stable integration into the formal economy. Forced to survive on what could be considered as odd and informal jobs, this contingent changed the urban landscape, expanding poor peripheral neighbourhoods and transforming the existing informal economy (Nunes 2001) into a phenomenon of great magnitude. Informality was no longer neglected as a temporary and minor effect of capitalism, or as a functional element incorporated into the reserve army of labour. It came to be understood as a structural feature of capitalist development, irreversible within the framework solidly established by social exclusion models.

Over the years, the spread and perseverance of informality led to the realisation that it formed part of broader survival strategies, through which informal categories organised themselves and established mobilisation fronts. Indeed, new social movements emerged in the rural-urban fringe, fighting for housing, urban services, income and the right to work. Community initiatives multiplied and gradually aroused the interest of civil organisations, such as Christian churches inspired by Liberation Theology and microfinance institutions, creators of the so-called “women’s banks” (bancos da mulher), predecessors of current solidarity lending initiatives. Grassroots communities, residents associations and family farmer’s associations sprang up, giving rise to the first collective income-generation experiences in the 1980s—the origin of the solidarity economy in Brazil and many Latin American countries.

In this new context, informality was reinterpreted as part of the popular economy, that is, as survival mechanisms for the defence of community ties and associativism. These forms of survival came to be analysed based on their intrinsic rationality, geared towards preserving a “worker’s fund” (fundo de trabalha; Coraggio 1999) through individual and collective strategies that are inseparable from the mesh of social relations of small-scale economic agents. The effectiveness of these strategies depends on the very freedom provided by informality. Thus, the material and social assets typical of the informal economy should not be underestimated, but rather valued for social emancipation projects.

Informal and primarily urban groups account for 30% of the enterprises surveyed by the second National Solidarity Economy Mapping; their share has almost tripled in the last decade. When these enterprises thrive despite their informality, it is a sign that their members have abandoned the traditional attitude of constantly adapting to circumstances and view their activity as a force capable of creating new situations and influencing the pace of their targeted changes. This transformation is favoured by the use of individuals’ primary resources and their
social relationships, converting commensal relationships based on personal ties and customs into an enterprising and solidary economic logic, sustained by cooperative relationships (Razeto 1990). Equipped with this new foundation, informal enterprises mitigate the instability and uncertainty that affect the life of the poor by extending the retention limits of the surplus value they produce. From the point of view of economic culture, these enterprises contribute to the rationalisation of solidarity since they promote its intentional and daily implementation (Gaiger 2006). At the same time, they provide valuable work experiences that encourage the formation of new subjects (Veronese 2008).

In summary, it can be said that popular traditional customs of mutual assistance, alongside the partially institutionalised experiences of associations and cooperatives, are historically the most deeply rooted elements of the solidarity economy, while popular economy functioned as a new and decisive vector in the recent growth rate of solidarity enterprises. The expansion of the solidarity economy over the last two decades would not have occurred, however, without the combination of several structural and cyclical factors, which triggered underlying predispositions towards solidarity in several categories of workers.

1.3. The recent rise of the solidarity economy

The most prominent factors that influenced the solidarity economy within the macroeconomic scenario of the last quarter of the twentieth century are the changes in the pattern of capitalist accumulation and their effects on work relationships, production chains and the global reconfiguration of markets and geopolitics. An additional important factor was the significant crisis that affected the salaried work system, producing waves of massive unemployment and economic insecurity, and driving workers to seek alternative means of income and employment. On an ideological level, the discrediting of socialist experiments and of this revolutionary path challenged the form of intervention of current and political organisations. Following some initial bewilderment and disorientation, this cleared a path towards new social experiences, patterns of analysis and strategic formulation. In Brazil, these problems stopped being rhetorical as leftist political forces came to power and were compelled to answer to their social foundations, primarily workers. In parallel, the evolution of pioneering solidarity cooperative experiences, confirming their viability and ability to benefit their members and social surroundings, awakened the sensitivity of activists and intellectuals and created a stimulating environment in which entities and networks that promote the solidarity economy have grown and multiplied.

In addition to these general conditions, factors closer to the protagonists of these events also intervene. According to a nationwide study (Gaiger 2004), an aspect that favours the formation of solidarity enterprises is that they involve popular sectors with cultural references and genuine leaders who value community life associativism or class mobilisations. Another decisive factor is the compatibility between new proposals for self-management and collectivisation, on the one hand, and the typical popular economic practices that ensure the livelihood of workers and form part of their previous experience, relationship circles and social influence, on the other hand. With rare exceptions, solidarity enterprises do not entirely replace or prescribe existing forms of popular economy. Their main purpose is to reorganise the productive, material and human factors of the popular economy through progressive changes that deviate from its more diminished forms and weaken its subordinate character within the capitalist economy (Gaiger 1996).
Another requirement for the development of solidarity enterprises is the active presence of entities that are efficient in channelling workers’ demands towards associative and self-managing alternatives of socioeconomic organisation. The performance of these external agents is favoured by a political and ideological scenario that recognises the relevance of these demands, ensuring that they permeate significant portions of social movements and political institutions.

The role of encouraging solidarity enterprises was primarily fulfilled by progressive pastoral sections of Christian churches and a range of volunteer activist groups, resulting in the creation of countless non-governmental organisations (NGOs). These organisations played an important role in resisting the military regime and fighting against its economic growth policies, which resulted in the concentration of wealth and social exclusion. A more positive scenario emerged after the democratic transition of the 1980s, when the country’s political reality encountered favourable conditions for citizenship participation and the recognition of social demands by the state. With the far-reaching social manifestations that culminated in the enactment of the “Citizen’s Constitution” in 1988, successive collective mobilisations brought to the stage political actors who had hitherto been relegated to a marginal role (Sader 1988). Amongst them were groups and organisations dedicated to continuing local organisational experiences and defending common interests. In order to overcome their initial dispersion, new broad-gauged programmes started to encourage the multiplication of support institutions and agencies, enabling the convergence of visions and methods of operation.

During the 1990s, the solidarity economy became part of the state agenda. A survey conducted in 2011 (Gaiger 2012a) identified 22 ministries (out of 37) with programmes related to the solidarity economy. Particularly prominent were policies on healthcare, productive inclusion, land reform, security, citizenship and, primarily, the set of policies and programmes of the National Solidarity Economy Secretariat (SENAES), which is part of the Ministry of Labour and Employment. National public institutions, such as the National Bank of Economic and Social Development (BNDES), guaranteed funding for important EES support programmes. In addition, 15 of the Federation’s 27 states carried out some form of solidarity economy initiative. This multitude of initiatives prompted the creation of the Solidarity Economy Public Manager’s Network, favouring the exchange and confluence of policies. A more recent and highly relevant factor was the recognition and incorporation of the solidarity economy into the “Brazil without Extreme Poverty” programme (Brasil sem Miséria), possibly the most cross-cutting and far-reaching government initiative in the country’s history aimed at reducing its severe social and economic inequality.

Thus, the solidarity economy came to successively represent a set of economic practices based on principles of cooperation and self-management, a social movement committed to social change and, finally, a sector comprised of public action. It is therefore a social field (as per Pierre Bourdieu) consisting of four main segments: a) solidarity economy enterprises, aimed at the collective production of goods, service provision, marketing, finance and consumption, organised into associations, informal groups, cooperatives and trading companies owned by workers; b) solidarity economy civil support entities, including NGOs, universities, trade unions and pastoral sectors of Christian churches (the last in a pioneering role from the 1980s onwards); c) state agencies responsible for public funding programmes, particularly the National Solidarity Economy Department, part of the Ministry of Labour and Employment; d) representative and political articulation organisations of these sectors and actors in the form of social movements, trade unions, public sector managers and different sectorial authorities.
2. THE SOLIDARITY ECONOMY ENTERPRISE CONCEPT

2.1. EES: a reference in consensus

The term “solidarity economy enterprise” (Empreendimento Econômico Solidário) and its acronym EES were adopted gradually in Brazil over the 1990s, the same period in which the “solidarity economy” (Economia Solidária) became the preferred expression over other names, such as “socioeconomic solidarity” (Socioeconomia Solidária), “popular solidarity economy” (Economia Popular Solidária) or “self-management economy” (Economia de Autogestão). As its use became more common, it served different purposes—outlining the universe of civil authority expertise or the scope of public policies; ensuring the unity of organisations participating in networks, forums and other forms of social mobilisation; or for academic purposes in empirical research and theoretical studies.

These simultaneous applications of the term have made it somewhat inaccurate, producing a set of language whose underlying meaning understandably encompasses different perspectives, either with analytical purposes guided by findings and explanations about reality or with normative connotations, related to assumptions and goals of transforming reality. On this second front, the concept has been the subject of extensive debate, agreements and revisions, largely on the part of major agents in the field, such as the Brazilian Solidarity Economy Forum, the National Department of Solidarity Economy and the National Solidarity Economy Council, which are legally responsible for outlining the conceptual and programme guidelines of state action and, indirectly, for social movement support institutions. This joint construction produced a widely accepted reference framework, functioning as a common denominator in the essential characteristics (effective or desirable) of EESs.

This convergence advanced significantly at the National Solidarity Economy Conferences held in 2006 and 2010. The Final Document of the 1st Conference states that:

3. Solidarity economy is, therefore, a means of organising production, distribution and consumption based on the equal rights and responsibility of all participants in solidarity economy enterprises. The means of production of each enterprise and the goods/services it produces fall under the control, management and collective ownership of its members. Likewise, there are associations, cooperatives and informal consumer groups, small-scale individual or family farmers and service providers that work separately (each in their own establishment), but are engaged in the joint purchase of supplies, marketing or processing of their products (...). 5. Solidarity economy initiatives have in common equal rights, responsibilities and opportunities for all participants of solidarity economy enterprises; this implies self-management, that is, democratic participation with the exercise of equal power for everyone in decisions, aimed at overcoming the contradiction between capital and labour

(Final Document, 1st National Solidarity Economy Conference, p. 2, authors’ own translation).

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4 The gradual consensual adoption of the term solidarity economy and its underlying vision were the object of a thesis on the sociology of knowledge (Lechat 2004).
5 The National Solidarity Economy Council, created in 2006, is the largest public authority with representatives of organisations from different sectors of the state and civil society. The Brazilian Solidarity Economy Forum (FBES), created in 2003, is an important element of unification for the organisations and is responsible for national conferences and social mobilisations.
These defining characteristics of EESs are specified and listed in the preparatory document for the 3rd National Conference (which was held in November 2014) and incorporate the decisions made at previous conferences. According to the National Solidarity Economy Department and National Solidarity Economy Council, authors of the document, an EES should:

I. Be a collective, single or complex organisation whose members or associates are urban or rural workers;
II. Carry out economic, socio-environmental and cultural activities that are the main reason for the organisation’s existence;
III. Be a self-management organisation whose members or associates collectively manage their economic activities and determine how results are shared through transparent and democratic governance, sovereignty of the board and the individual votes of partners, complying with its statute or internal regulations;
IV. Be a permanent organisation, considering both enterprises in operation and those being implemented; in the case of enterprises being implemented, the group should already be defined and the economic activities, established (p. 21, authors’ own translation).

This understanding regarding the typical features of EESs guided joint initiatives in favour of a new national legislation suited to the solidarity economy. A national campaign for the Popular Initiative Law, led by the Brazilian Solidarity Economy Forum, provides a similar characterisation of EESs to that proposed by the National Congress, particularly Bill 4.685/2012, still under consideration, which establishes a national policy and specific fund for the solidarity economy. Article 4 of this Bill considers solidarity economy enterprises as having the following simultaneous characteristics:

I. A solidarity economy enterprise is a collective, single or complex organisation whose members or associates are urban or rural workers;
II. The enterprise’s economic activities are the mainstay of its existence;
III. The enterprise is a self-management organisation whose members or associates collectively manage their economic activities and determine how results are shared through transparent and democratic governance, sovereignty of the board and the individual votes of partners, complying with its statute or internal regulations;
IV. The enterprise’s members are directly or predominantly involved in achieving its social objective;
V. The financial results of the economic activity are distributed according to the decisions of the enterprise’s members, considering the economic operations performed by the collective;
VI. The enterprise holds at least one quarterly general meeting to decide on issues related to the organisation of its activities; and
VII. The enterprise allocates part of its net operating income to other equal organisations experiencing difficulties in their constitution or consolidation, in favour of community development and for the political, economic and social formation of its members.

Paragraph 1. For the effects of this law, solidarity economy enterprises may take different corporate forms, provided they include the characteristics of caput 4.

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8 This initiative uses a constitutional provision that stipulates the referral of legislative proposals by citizens through a minimum number of signatures.
Paragraph 2. Enterprises whose corporate purpose is the intermediation of the subordinate workforce will not be considered as solidarity economy enterprises.\(^9\)

These examples sufficiently illustrate the existing political convergence surrounding the EES concept. At the same time, they serve to reinforce certain traits that partially differentiate the concept from that of social enterprise, such as: the emphasis placed on the economic function of EESs; the fact that they are managed by the workers (or consumers) themselves, who participate in its activities and are members and holders of capital; the goal of achieving economic results and the legitimacy of their redistribution amongst members, primarily in exchange for the work provided by these members, a criterion that distinguishes this surplus from the private generation and appropriation of profit; finally, the fact that they are self-managed, a concept that goes beyond democratic governance.

In light of their relevance in the ICSEM Project, these differences will be discussed in greater detail below. Nevertheless, it is important to underscore, at this point, a peculiarity of some EESs: as in other countries, there are several organisations in Brazil that can theoretically be classified as social enterprises and whose purpose is to act for the good of others—that is, in the interests of target audience other than their members. In the case of EESs, it is often the members of target audience, such as the unemployed, small-scale family farmers, waste pickers or craftsmen who, of their own accord, decide to act collectively to satisfy their needs and aspirations. Thus, almost all EES members are workers or consumers who are responsible for the management and hold capital from which they withdraw earnings or save on household expenses (Figure 1). There is also a minor presence of non-member participants. These include people affiliated with other organisations that provide regular assistance and form part of the EES’s day-to-day operations, as well as voluntary participants and, in some cases, workers hired in small numbers and with specialised functions, primarily managerial.

![Figure 1 – EES partners](image)

This understanding and these definitions of the concept of solidarity economy enterprise are the result of similar contributions by field actors, on the one hand, and by scholars and academic institutions, on the other hand, thereby obtaining scientific approval for their general

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\(^9\) Authors’ own translation.
suitability to reality, though remaining under the constant scrutiny of studies motivated by different approaches. The expansion of the solidarity economy certainly explains the increased interest of the academic sector, already engaged in the study of similar issues, such as associativism, cooperativism and worker self-management. However, it was the novelty of solidarity experiences, at a time when alternative market economy models had been discredited, that attracted a new generation of academics. Their enthusiasm and boldness eventually overcame resistance and encouraged experienced researchers to look into this new social fact, which could not go unnoticed. Larger-scale studies provided greater theoretical and analytical quality for scientific production as solidarity economy became part of the agenda of research reference centres (Parreiras 2007; Leite 2009; Lima 2012).

A backdrop to this collaborative work between social actors, scholars and public service managers was the democratic change underway in Brazil during the 1980s and 1990s, whose effects are still felt today, primarily because they gave rise to a complex pattern of relationships between civil society and the state (Silva and Oliveira 2011). In this context, different actors, including the leaders of social movements, agents of non-governmental organisations, intellectuals, scholars and government representatives, played multiple roles in accordance with their original social field, their potential for moving from one field to another and their resources in terms of power, whether material, symbolic or political. Thus, scientific studies concerning the solidarity economy are not limited to university campuses. In addition to typical attributes such as working as professors and advisors for academic papers, those who research the theme typically participate in support programmes and debate, as well as in representative and deliberative bodies such as forums and networks; these studies are conducted in connection with demands from the actors, and often related to public programmes that promote or fund analysis and assessments.

Academic activity contributed significantly to ensuring that the social understanding of the solidarity economy was not limited to its apparent traits or grandiose facts, in an arena where political formulations and ideological visions with their peculiar assertive logic prosper, given their pragmatic and normative nature. Thus, going against common perceptions, the first national study conducted in Brazil concluded that the solidarity economy was not a reflexive phenomenon that merely responded to unemployment and social neglect, a situation in which it would fulfil simply a role of variable dependent on the dynamic of the labour market. Rather, its emergence is the result of a set of circumstances, such as the reciprocal relationship between workers that take part in these initiatives and the value they attach to employment alternatives that do not subject them directly to the salaried relations. Once in operation, the enterprises function as laboratories where new challenges arise, including equating individual and collective interests and defining coherent strategies based on consensual decisions. Actual EES practices are not simple solutions and challenge more radical theories on defending permanent self-management or the suppression of all forms of division of labour; in order to be viable, these EES practices require individuals who are not only entirely altruistic, but multifunctional and endowed with all-embracing communicative rationality (Gaiger 2004).

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A unique combined effort amongst academics of different nationalities, initially hailing primarily from Latin America, gave rise to the International Dictionary of the Other Economy (Cattani et al. 2009), reedited in several countries.
Another interesting contribution provided by academic research was that of validating the various circumstances in which EESs begin and develop their activities, leading to the rejection of highly teleological approaches. The diversity of such circumstances remains somewhat concealed, given the prevailing concern of ensuring public visibility for the solidarity economy, which leads to "unifying" it. Moreover, theoretical debate resulting from these emerging facts is centred on their transformative potential, on the possibility of these enterprises further expanding forms of non-capitalist production (Santos 2002a): they correspond to forms of alternative economy, different from capitalist market logic, and of economic alternatives capable of ensuring their social reproduction. Considered as a new social totality, solidarity enterprises might be the artificers of another economy, the main issue that dominated academic debates for a long time (Gaiger 2012b).

Anyway, these possibilities are not secured in advance; they must be understood as trends that materialise to a greater or lesser extent, according to the objective and subjective conditions that affect each organisation, whose development is variable and depends not only on their scenario, but also on the credit they will receive in the future. Regardless of the merit of identifying specific and promising aspects of solidarity economy experiences, under these uncertain and changing conditions, the academic concept of EES should continue to question reality and is primarily useful as a heuristic tool for studying facts.

Thus, to counter the encompassing and somewhat indiscriminate approaches, the recognised diversity of situations has led some academic studies to progressive conceptual depuration, in our case following the seminal formulations of Luis Razeto (1983; 1990; 1993) regarding popular economy enterprises. In the early 1980s this author identified groups in the rural-urban fringes of Chile that collectively created economic organisations. To that end, the groups used pooled personal resources and mutual assistance. Some of these organisations surpassed simple subsistence and achieved better quality of life, in some cases providing margins for economic accumulation and growth thanks to practices and values such as solidarity, cooperation and autonomy. They became popular economy enterprises, in which relationships of reciprocity and cooperation prevailed, as well as a certain hybridism between formal and informal arrangements and between non-market practices and those integrated with the market (Nyssens 1996). Though pressured by survival dilemmas, these organisations took on a role of resistance in the face of political, social and cultural exclusion imposed on their members, the pobladores. Subsequent evolutions meant that these experiences generated lasting employment and income, making them an alternative route for new economic actors. Herein lies the sui generis nature of EES, as the concept was conceived and then introduced in Brazil: it does not encompass all solidarity-driven economic enterprises, but rather those that make solidarity the cornerstone of their internal dynamic and strategies, thereby ensuring their viability and the long-term commitment of their members (Gaiger 1996).

From this perspective, the theoretical concept does not fully encompass EESs by including their different concrete expressions; it rather proposes a reference model for the requirements that these enterprises face to ensure their survival and development. These requirements are not unrelated or contradictory to the enterprise’s internal structure, since it is in this structure that they are most powerful as real possibilities. The theoretical model does not function as a synthesis of the real, but as a valid instrument to question the empirical reality of an appropriate and relevant point of view. In short, it joins Weber’s method of ideal-types.

11 By this, we understand approaches oriented toward an achievement in the future, such as a new society or a post-capitalist economy.
2.2. EES: an ideal-typical concept

According to Max Weber, the ideal-type concept is an analytical construct, neither reality itself nor a reality presumed as authentic or original. “Its primary meaning is that of a purely ideal concept against which reality is measured in order to clarify the empirical content of some of its important elements, and to which it is compared” (Weber 1989, p. 106 – authors’ own translation). The ideal-type combines a set of aspects, relating to a class of phenomena, whose presence is necessary for these phenomena to exist, according to the unavoidable and always partial perspective and theoretical assumptions of the investigator. It is a heuristic tool that seeks the essential, not merely accidental, causal connections of that class of phenomena. Its purpose is to allow comparisons between these statements and individual empirical cases.

For Weber, the use of ideal-types is vital to the social sciences and should be applied to ensure that the interests and assumptions of the analysis are not merely implicit and therefore out of control. Moreover, it would be impossible to investigate issues related to notions like capitalism, democracy or justice without a theoretical frame of reference. As such, the ideal-type clarifies, defines and legitimises the analysis perspective used in empirical cases.

It is no different with the solidarity economy, as demonstrated by Razeto in postulating that an essential peculiarity of these enterprises lies in what the author terms the “C factor”: “the formation of a group, association or community that operates cooperatively and cordially, providing a set of benefits for each member, better performance and efficiency to the economic unit as a whole due to a series of economies of scale, economies of association and externalities involved in communal and community action”. These tangible and positive effects result in “particular productivity given the presence and growth of the community element, analogous to the productivity that distinguishes it and through which other economic factors are recognised” (Razeto 1993, pp. 40-1 – authors’ own translation). As Razeto explains, these statements must be understood as an ideal-type proposition:

> These different aspects of production, distribution and consumption in solidarity economy must be understood as the theoretical expression of biased behaviours, and not as the mature and complete manifestation of what effectively exists in reality. (...) The social and economic theories identify “pure models” which, in reality, do not fully materialise, but exist and operate effectively as partially realised potential, as rationalities that govern and guide behaviours and trends that point to forming identities.

(Razeto 1993, pp. 44-5 – authors’ own translation)

Considering the C factor as a key element of the rationality of EESs means admitting that, in order to increment it as a social and economic force, the success of these enterprises would depend on the correct use of both material and human productive factors. From this perspective, EES are those organisations in which there is an organic combination of

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12 Weber (1989, pp. 107-14) highlights three fundamental characteristics of ideal-types: their rationality (they contain logical relationships and provide meaning for scientists), their one-sidedness (they contain only facets selected for their relevance, mentally emphasised or accentuated) and their utopian or abstract nature (they exist in the realm of ideas rather than phenomena, in which they are never fully embodied).

13 The term rationality means not only that the characteristics identified are frequent, accepted and shared by EESs, but also that they are organically combined and reinforced, establishing an objective dynamics for the action of individuals, a structural pressure to proceed in a certain way precisely because, in the context created, this behaviour is deemed the most logical.
participation, cooperation, efficiency and economic viability. In other words, in this idealtypical economy, success depends on the factors whose positive effect is proportional to the solidarity they incorporate. To that end, work would be fully accomplished as joint effort, assuming bonds of reciprocity consistent with the collective and collaborative nature of EES. Converting the social dimension into economic leverage or specific productive strength provides unique comparative advantages for EES in relation to organisations that are similar but are not solidarity enterprises.

Empirical studies along these lines corroborate the theory that successful organisations fall within a logic based on member involvement in management and work, ensuring a certain level of accumulation and growth, as well as stability and viability. They develop a particular rationality that is simultaneously economic and social (Gaiger 2006; 2007a). According to the successive results obtained by this investigative approach, EESs can therefore be schematically defined as enterprises whose specific virtue lies in integrating the entrepreneurial spirit—in terms of the planned pursuit of results and enhanced productive factors—with the spirit of solidarity. As a result, cooperation functions as an economic rationalisation factor, producing tangible effects and real advantages in comparison to other employment and income options available to the workers in question. A second consideration is that of reconciling an instrumental logic—guided by the realism and pragmatism needed for the economic viability of these alternatives—with an expressive and projective logic—immersed in values and aspirations of personal and social change that demand altruism, involvement and convictions as to the value and possibilities of such transformations (Gaiger and Corrêa 2010).

Figure 2 – Dialectic relationships of the EES ideal-type concept

From the point of view of rationality, in ideal-typical terms, EESs are characterised by these dialectic relationships, on one the hand between solidarity and entrepreneurship and, on the other hand, between pragmatic and projective reasoning (Figure 2). These relationships form the backdrop against which economic activity develops, collective management is achieved and the social mission of these organisations is fulfilled. According to the conceptualisation method applied here, the notable polymorphism of several popular initiatives included in the solidarity economy does not preclude their reduction to these essential traits, in order to identify the properties and relationships that make up their unique structure and dynamic from the perspective of the ideal model. According to Weber, “the construction of ideal-types is not
important as an end goal, but solely and exclusively as a means of acquiring knowledge”,
using only the criterion of efficiency to clarify concrete phenomena, “in their connections,

Thus, it becomes clear that there are two simultaneous applications of the EES concept in
Brazil. The first one refers to the elementary features that organisations must possess to be
considered as solidarity economy enterprises. As demonstrated, these general parameters
were established with reasonable consensus, although they remain subject to questioning and
review in line with the evolution of these practices and predominant forms of understanding.
The second one identifies the properties considered as typical and explanatory for a specific
analytical perspective, serving to qualify, differentiate and compare enterprises. In this case,
the construction and application of the EES concept depends on ex ante criteria inherent to
each investigation.

According to the relevant interests or particular research situations, analytical
conceptualisations may develop into more than one theoretical reference model, extending
some of its elements or adding new aspects when these are compatible with the original
model. In the context of the ICSEM Project, it is important to ensure the comparability between
the EES and social enterprise ideal-types as much as possible:

Even if the term “social enterprise” does not have exactly the same meaning for the
different schools of thought, we delineate our field of analysis as made of
organisations that combine entrepreneurial dynamics to provide services or goods
with the primacy of their social aims. As soon as 1996, the EMES European
Research Network has tried to identify the specificities of social enterprises
emerging at the crossroads of the market, civil society and public policy. Its
approach stresses specific governance models, often found in European social
enterprises, rather than the profile of social entrepreneurs. More particularly, a
democratic control and/or a participatory involvement of stakeholders, including
citizens, reflect a quest for more economic democracy inside the organisation, in
the line of the tradition of cooperatives. Combined with constraints on the
distribution of profits, these specific governance features can be viewed as a way
to protect and strengthen the primacy of the social mission in the organization.

Defourny and Nyssens (2013), pp. 5-7;
compiled by Luiz Gaiger based on excerpts from the original text.

The concept of Social Enterprise (SE) is also proposed in terms of ideal-types, functioning as a
common frame of reference for research teams:

The EMES approach derives from extensive dialogue amongst several disciplines as
well as amongst the various national traditions and sensitivities present in the
European Union. Moreover, guided by a project that was both theoretical and
empirical, it preferred from the outset the identification and clarification of
indicators over a concise and elegant definition. Such indicators were never
intended to represent the set of conditions that an organisation should meet in
order to qualify as a social enterprise. Rather than constituting prescriptive criteria,
they describe an “ideal-type” in Weber’s terms, i.e. an abstract construction that
enables researchers to position themselves within the “galaxy” of social enterprises.
In other words, they constitute a tool, somewhat analogous to a compass, which
helps analysts to locate the position of the observed entities relative to one another
and eventually identify subsets of social enterprises they want to study more deeply.

In order to qualify organisations within the universe of SE, the ICSEM Project grouped indicators into three main dimensions: economic project, social mission and participatory governance. Naturally, the more a given enterprise meets the indicators, the more it falls under the definition of a SE. An enterprise may also perfectly correspond with one dimension, while not matching others.

For the sake of maintaining a certain similarity with this SE reference model, the previously presented EES concept will be displayed within the context of the ICSEM Project using a diagram (see Figure 3) composed of three general attributes corresponding to qualification criteria which, in turn, can be converted into observational indicators. In an effort to maintain balance between the attributes, each of these will be developed into five criteria serving as gradients indicating the variation between the EES observed, in terms of how and to what extent they meet the general attribute.

The first criterion for each attribute is used to preliminarily establish the compliance of the empirical cases with the attribute in question and then whether they can be classified as EES from that perspective. These criteria are consistent with the basic characteristics of EES defined in Brazil via an extensive process of discussion and convergence amongst social actors, as previously mentioned, ensuring their validity and stability. The remaining criteria were gathered through empirical research and the studies mentioned above. The last criterion for each general attribute indicates the highest degree of adequacy that EESs can presumably reach. Although this is a device-specific analysis related to the ICSEM Project, it is estimated that the more properties of each general attribute EESs exhibit, the more they possess the conditions and motives needed to exercise the solidarity rationality pinpointed by the ideal-type EES concept. Thus, the two approaches are complementary.

Combining the elements of the theoretical model with those in the usual definition, which previously outlines the universe of analysis, the concept below was produced, with general attributes (Figure 3) and criteria explained further on:

**EES**

Organisations created and maintained through the voluntary association of workers, consumers or users to meet their needs and shared economic, social and cultural aspirations, with the following characteristics:

1. Economic activity:
   1.1. Continuous economic activity.
   1.2. Economic viability.
   1.3. Common property of capital by the members.
   1.4. Collective management and execution.
   1.5. Work predominantly performed by the members.

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14 The indicators themselves vary according to the methodology and technical conditions of each study. It is therefore preferable to stipulate criteria in a more general manner in the reference model.

15 For an overview, see Gaiger and Corrêa (2010).
2. **Social commitment:**
   2.1. Equal distribution of the gains and benefits amongst partners\(^{16}\).
   2.2. Equitable and collaborative relationships with third parties.
   2.3. Activism in social causes.
   2.4. Initiatives aimed at institutional strengthening and change.
   2.5. Involvement in social transformation movements.

3. **Democratic governance:**
   3.1. Participative deliberation and administration.
   3.2. Identical decision-making power amongst members.
   3.3. Social equality and indiscrimination between partners.
   3.4. Institutional autonomy.
   3.5. Daily involvement in decisions by partners.

![Figure 3 – General attributes of EESs](image)

**Economic activity:**

Economic activity includes primarily the production of goods and the sale and provision of services by the members, in addition to the forms of support for their individual or family-based production, such as the supply of raw materials and equipment or the offer of credit. It also involves the acquisition of consumer goods and services related to housing, health, education, etc. Some EES provide public services, such as supplying drinking water and roadways, or strengthening community entities and associations. Thus, the economy is understood in its wider sense, rather than limited to goods and services produced for the market, and non-monetary activities are not disregarded, provided they involve work and resources.

It is understood that economic activity must be a primary goal for the EES, not sporadic or casual. The question of viability means that the EES must guarantee, mainly by its own means, the continuity of economic activity, assuming the inherent costs and risks without depending on

\(^{16}\) Partners also include participants who are not associated members, such as volunteers and salaried workers.
external inputs that escape its domain. The capital that makes up EES or is used for this activity must belong to the members, in part as common property. Economic activity must involve partners in deliberations, planning and execution, thereby avoiding the technical division of tasks culminating in a social division of work, which separates administrators and executives, as well as intellectual and manual workers. Finally, the work is expected to be collective, performed largely by the members, without strong dependence on volunteers and without making use indiscriminately of a salaried workforce, due to the intrinsically asymmetrical nature and utilitarian tendency of these relationships.

**Social commitment:**

Social commitment implies that EESs develop activities of public usefulness, not restricting themselves to generating benefits for their members and not acting against collective interests. It corresponds partly to the “social mission” dimension of the ICSEM Project, a current term used in the social economy in the North, and sometimes used to consign the primacy of the social aim of enterprises over their economic purpose. In the case of EESs, there is a strong association between the social and economic dimensions, and no predominance of one over the other. Postulating otherwise causes the problem of implicitly conceiving economics as “antisocial” (or at least disconnected from social and collective aspects), consequently reducing it to the capitalist market and its utilitarian logic. Within a substantive and plural framework of the economy, the social and economic aspects are integrated, with different doses and modes, a relevant uniqueness of solidarity economics (Gaiger and Laville 2009).

Another unique feature of EESs is that their social aim is often implicit, with no precise target\(^1\). This social aim functions either as a generic motivation that engenders concrete initiatives related to specific circumstances, either as an ethical yardstick of their practices or still as a justifying principle of their economic activities\(^2\). To explain these connections, it is important to highlight once again a peculiarity of the solidarity economy: while, in the social economy, many not-for-profit associations and organisations strive for a social cause benefitting persons in situations of deprivation who are often not the initiators of the initiative, in the solidarity economy, it is generally the same people, poor or discriminated, that organise themselves to collectively defend their rights and interests. Their success in this undertaking means fulfilling a social function, on behalf of low-income individuals lacking resources. Thus, it makes sense that surpluses from the economic operations of EESs be directed to remunerating work performed by the members as well as improving the well-being of people and communities located within the field of action of the EES.

In this respect, the criterion of equitable distribution of the financial results of economic activity amongst partners, mostly consisting of EES members themselves, does not contradict the requirement of limited or prohibited redistribution of surpluses adopted by the EMES Network. The purpose of this restriction, usual in conceptions of the North, is to differentiate the social economy from the logic of capitalists companies, which distribute their profits according to the capital invested by shareholders (that is their members) and attempt to maximise their investment gains:

\(^{17}\) If it were not for the elasticity of social engagements of EESs, the term Project, common in Brazil, could be applied, having in this case the care of alleviating its teleological load.

\(^{18}\) Like, for example, the dissemination of agro-ecology, the value given to handcrafts or the promotion of fair trade.
Indeed, according to the EMES criteria, the field of social enterprises includes organisations that are characterised by a total non-distribution constraint and organisations which may only distribute profits to a limited extent, thus avoiding a profit-maximising behaviour.

Defourny and Nyssens (2012), p. 22.

The criterion, therefore, is not contradictory with the fact that work in social economy or in the solidarity economy be remunerated (by means of advancing profits in Brazilian cooperatives) or that partners be rewarded according to the volume of their economic transactions. Nor does it impede limited distribution of profits amongst partners (via profit distribution), or that there be any type of remuneration for the capital invested or transferred by partners to the enterprise. However, unlike social enterprises, whose members and beneficiaries often belong to different categories, in the case of EES in general both coincide. Thus, the sharing of profits amongst partners does not conflict with the social mission of the EES, since it takes the form of income and other benefits provided to workers and consumers who take part in economic activity, and is therefore a counterpart of their work and participation in the enterprise, and not capital dividends.

The social commitment of EESs extends to their links with other organisations, since such relationships must observe the principles of equality, collaboration and justice. It is exemplified in fair trade and technical inter-cooperation, which stimulate overall economic solidarity. The third criterion related to the social commitment of EESs is their involvement in specific causes, such as combatting poverty and gender inequalities, defence of traditional peoples and communities, environmental sustainability and local development. Institutional actions refer to the struggle for public recognition of EES demands and the adoption of laws and other institutional provisions that contemplate them. Such institutional actions suppose involvement in political and economic organisations among EESs, such as networks and forums, and imply the capacity to take specific actions, designated by a number of authors as institutional entrepreneurship (Lawrence and Suddaby 2006). The last criterion, related to the involvement of the EES with transformation movements aimed at constructing emancipatory alternatives, reveals the degree of critical positioning and transcendence that the EES recognises or seeks to imprint in its actions.

Democratic management:

The alternative character of EESs supposes innovations in the hierarchical structure and power relationships that predominate in conventional organisations, especially economic ones. Democratic management stimulating participation and ensuring that fundamental deliberations be taken by the partners is the form best adapted to the collective and egalitarian nature of the solidarity economy. Democratic management can take serval forms, ranging from the classic principle of “one partner, one vote” to the equal participation of men and women partners.

19 To the North, this clause applies to not-for-profit associations, foundations and organisations, and to a lesser extent, cooperatives (See Bouchard et al., 2011: 39, 101-103, 107 and ss.).

20 In this respect, EESs might be classified as “not-for-profit private organisations” (Evers & Laville 2004).

21 This approach was suggested to us by Jean-Louis Laville and Isabelle Hillenkamp.
Different mechanisms can ensure that management involves the participation of partners, starting with the free and direct election of managers, the periodic renewal of the board of directors and regular consultations and meetings. Equality among members in decision-making implies that this does not depend on their shares of capital or their economic operations in the EES. It is also necessary to guarantee that the participation of partners is not affected by social inequality, especially in terms of gender, generational aspects or aspects linked to race and ethnicity. This has been done sometimes by means of coercive measures or positive discrimination policies approved by the members of the EESs. But for their decisions to be effective, EESs must be institutionally autonomous, maintaining under their control the different and inevitable interdependencies in respect to external organisations and agents. The daily involvement of partners in decisions, the last criterion of this general attribute, provides EES with the additional characteristics of self-management, in which the mechanisms of direct democracy stand out (Mothé, 1980).

3. TOWARD SOLIDARITY ECONOMY MODELS

3.1. EESs and similar organisations

According to the criteria stipulated in each general attribute of the theoretical model, EESs that adopt self-management practices, engage in social transformation movements and function based on the collective work of members. A number of studies on this “superior segment” of the solidarity economy have demonstrated that, in such cases, entrepreneurial and solidarity behaviours merge better, establishing mutuality settings and favouring compatibility between individual and collective interests in the area of labour management and organisation. Rather than representing an obstacle or additional cost, self-management exerts a positive effect on economic performance, resulting in greater satisfaction of personal expectations (Gaiger 2004). At the same time, constructing social alternatives shows the importance of projective reasoning, a factor that drives greater political activism in EES (Gaiger 2012c). To evoke these characteristics, enterprises implementing self-management practices can be designated as “alternative self-managed enterprises” (empreendimentos alternativos autogestionários, or EAAs).

In the imagery of players pledged to promote the solidarity economy as an alternative or even a substitute to the current economy, EAAs attract considerable interest and tend to be seen as an example for the entire solidarity economy. Although they indeed embody more advanced socialisation of the means of production, the exercise of power by workers, and involvement in issues of general interest, the analysis of this type of EESs must be conducted with care, given the larger and more heterogeneous set of organisations considered within the solidarity economy as a whole.

Thus, if EAA can be considered, under certain theoretical conditions, as non-capitalist or anticapitalist expressions of a social mode of production, it is necessary to recognise that they consist of a unique event—among other events in the solidarity economy—whose occurrence depends on particular circumstances, not generalised or transferable from one case to another. Taking EAAs as a superior reference and deriving normative consequences from it bears the risk of idealising the solidarity economy, and condemning to irrelevance other existing manifestations of the solidarity economy. “Metonymic reasoning” (Santos

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The concept derives from a study on Karl Marx’s theory on production modes (Gaiger 2007b). It means that in EAAs, the principles and economic organisation objectives change, as well as relationships between individuals, in terms of the means of production, the work process and their results. As a consequence, a new rationality presides over factor productivity.

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2002b) such as this would deprive us of examining this plurality of initiatives, in their different meanings and development possibilities. By contrast, widening the comparative horizon, rather than narrowing it, favours the identification of hybrid or “defective” cases—by this reasoning, peripheral in relation to the ideal-type concept of EES—that are also of interest.

The construction of models that do not involve value judgments, as proposed by the ICSEM Project, offers a pathway in this direction. The first step, in relation to the recently exposed problem, would consist of delimiting the scope of the concepts, clarifying their frontiers and relationships. We can visualise the various concepts schematically as concentric circles (see Figure 4):

a) At the centre are the EAAs, which are more advanced organisations from the viewpoint of the typical traits of the solidarity economy, according to the theoretical framework used here. In the typology to follow, most EAAs are organisations whose primary function is to guarantee work and income to their members. Nevertheless, this is not the most frequent empirical case.

b) In the intermediate circle, encompassing the first, we have the set of EESs, in accordance with the previously proposed criteria. We include in the solidarity economy the organisations that meet at least the first criterion of each attribute (compliance with the other criterion varies among empirical cases).

c) Organisations that do not meet the criteria of each general attribute but nevertheless meet some criteria can be considered as peripheral, but related to the solidarity economy, and are represented in the outer circle (“Related sectors”). They include inter alia hybrid situations, in which the characteristics of the solidarity economy intertwine with characteristics of the market economy, public economy, family economy or community economy. They also include defective cases, which lack certain characteristics of the solidarity economy, such as equality of power amongst partners or the exercise of a permanent economic activity.

Figure 4 – The scope of concepts

![Figure 4 - The scope of concepts](image-url)
In more general terms, a varied set of organisations in this third circle partially conform with general EES attributes but lack one fundamental criterion of the solidarity economy: they are not initiatives genuinely created or driven by the free and autonomous association of the workers themselves (or consumers), at least not the same that engage in economic activities. These organisations are created by third parties (citizens or entities), on which workers or beneficiaries are functionally dependent, even when they take part in the organisation. Such organisations typically involve the following cases:

1) Family or semi-family organisations of the popular economy, in which the work is collective, but not open to free adherence or carried out under equal conditions. They generally fail to observe the criteria of democratic management and do not always comply with social commitments, but rather are limited to the search for profits needed for their own survival.

2) Entrepreneurial cooperatives, whose partners usually own private businesses, where the hiring of workers predominates. They give priority to their economic objective and are driven primarily by the logic of the market. They comply with the cooperativist criteria of democratic management, but their social dimension is normally restricted to defending cooperativism, without involving other actions that do not have an instrumental usefulness for their economic interests.

3) Third sector entities, according to their usual definition in Brazil (Gaiger 2009—see below, point 4.1). They encompass charitable or social projects, such as philanthropic associations, foundations and NGOs. They stand out for their fulfilment of a social mission, of public interest, but do not always develop an economic activity or are not always governed democratically. Entities that operate in the solidarity economy, seeking to promote EES, are habitually called “support and promotion entities” (Entidades de Apoio e Fomento, or EAF).

The proposal of EES models must not be restricted to the exemplary case of EAA, but neither should it be indiscriminately enlarged to related organisations, similar in some aspects but not classifiable in the solidarity economy. It must be recognised that the task of identifying EES models faces a number of problems in Brazil.

3.2. National mapping of the solidarity economy as an empirical basis

The first of these problems is linked to the lack of wide-ranging information on solidarity economy enterprises. In general, surveys were conducted non-systematically, impeding extrapolations and comparisons between data. Thus, little can be said about the statistical population of the solidarity economy; nor is it possible to infer, based on such records, sufficiently homogeneous types of EES, taking into account either their specific characteristics or the legal framework to which they are subjected.

The inconsistency of records compromises the analysis of the sectors that have a stable regulatory framework and a reasonable degree of institutionalisation, such as cooperatives. Existing large-scale statistical series, such as the Brazilian Economic Census, equate them to other companies and offer very scarce and irregular specific information. The Organisation of Brazilian Cooperatives (Organização das Cooperativas Brasileiras, or OCB), their main representative body, has information on the different branches of cooperativism, particularly in terms of the evolution of the social framework, jobs and the main economic figures, but these data are provided only by associated cooperatives, on a voluntary basis, and are subject to omissions and discontinuity. Furthermore, official administrative records do not allow
discrimination of the real nature of cooperatives, and they do not assess their democratic and solidarity character\textsuperscript{23}.

This lack of information is not disconnected from the history of cooperativism. National cooperative legislation was established during the military regime, by Law 5.764, of 1971. It bowed to the interests of entrepreneurial cooperativism, a sector that keeps the Organisation of Brazilian Cooperatives (OCB) under control. The law is very generic; it aims to promote and regulate cooperativism, but imposes bureaucratic demands that hinder the formalisation of solidarity enterprises. Because of its historical origins and political profile, the OCB lacks legitimacy to attract cooperatives from new sectors, which explains the emergence of independent currents, such as the Confederation of Agrarian Reform in Brazil, linked to the Landless Rural Workers Movement. For similar reasons, cooperatives identified with the solidarity economy keep their distance from the OCB, usually providing information only for strictly legal bureaucratic purposes, in accordance with their regulatory body’s requirements.

The case of associations is similar. Their legal framework, as mentioned, is extremely ample: with few exceptions, it encompasses the entire gamut of individuals that unite to engage in common activities and have no economic objective. Their activities can include remunerated professional and generate economic dividends, provided they constitute a means to fulfil the social goals of the associated entity and are not a source of private enrichment of the members. To make their activities viable, they are allowed to contract or create subsidiary companies, which can have another judicial nature and be profitable. Thus, the associative legal framework leaves the door open to a series of ambiguities and contradictions, although it contains an element of considerable interest to the solidarity economy: the power of decision must be exerted under equal conditions by associated individuals, with no interference from their shares of capital or from their economic participation in the associated entity.

Community centres in peripheral urban areas, culture and leisure centres and large professional sports’ societies, such as football clubs, are under registered under the legal form of associations. Given the impossibility of normalising such a vast and heterogeneous set, the functioning of each associated body is regulated according to its specific activities, in accordance with the respective regulatory framework, for which the associated judicial status makes no significant differentiation. Like third sector organisations (Fernandes 1994), associations are negatively defined in Brazil, more for what they are not (or cannot be) than for what characterises and unifies them. This sector has no specific morphology, identity, or general representative bodies. Only some very specific administrative records are available, but no statistical information is available\textsuperscript{24}.

\textsuperscript{23} The phenomenon of the increasing number of false labour cooperatives significantly inflated the figures of this sector and resulted in numerous criticisms, in addition to feeding scepticism of cooperativism itself. Since statistics do not distinguish between authentic and false cooperatives, this mission is the exclusive responsibility of supervisory agencies, whose involvement has led to contestations regarding their excessive severity and the fact that they are based on inappropriate legislation, which does not differentiate cooperatives from other companies.

\textsuperscript{24} Statistics encompass only not-for-profit business foundations and associations, whose sum is roughly equal to the third sector in Brazil. The latest study on this issue (IBGE 2012) reported more than 290 thousand institutions of this type in 2010, equivalent to 52.2% of the total number of not-for-profit entities registered with the General Registry of Brazilian Companies (CEMPRE). These statistics highlight the difficulty already encountered for the third sector: it is not possible to quantify and compare such disparate entities such as community initiatives, NGOs, philanthropic associations, foundations and any other entities, whose only common features are the fact that they are private and that they have no profit motive.
The situation of informal EESs is definitely the most discrepant. Not only in Brazil, but in Latin America as a whole, informality is a trait of the popular economy, and a crucial aspect of the solidarity economy. Within informality, in its peculiar social logic, are a number of habitual forms of popular solidarity that must be understood, especially in urban areas\(^{25}\). In informality we face forms of the economy which can be considered as instituted, judging this fact from the viewpoint of guideline compliance (even though such guidelines are sometimes implicit), which determines a standard for business. It involves, therefore, organisations deprived of a framework in the national legislation; they do not function without rules, though; rather, they are auto-regulated. There are practically no statistics on them\(^{26}\).

However, even if there were encompassing statistics on the most common organisational forms of the solidarity economy, under the current conditions of conceptualisation, such statistics would be largely inappropriate. Indeed, EESs generally adopt one of the institutional forms available—basically, the association or the cooperative—only because there is a lack of adequate alternatives, adapted to their objectives and their \textit{sui generis} dynamic. This is a palliative solution, which is accepted in order to escape informality; it does not reflect an authentic adhesion for the chosen forms. For this reason, the solidarity economy in Brazil has not identified with the associative or cooperative sectors, although it borrows from their organisation modalities. There is no associative or cooperative movement in the solidarity economy, but rather a unanimous clamour for the Brazilian regulatory framework to evolve and for new legal forms, compatible with real organisations and with the innovations inherent to this field, to be created.

Under these conditions, it would not be advisable to consider the institutional forms as reliable indicators of actual solidarity economy practices, in contrast to what is generally done in relation to associations, cooperatives, mutuality and social companies. This option is appropriate to the realities of the North, whose history produced such forms. In Brazil, one should seek alternatives to this institutional approach, which takes advantage of established and formalized forms of economy. Before this, it is necessary to review the practices of solidarity, to then deduce the reasons why its agents adopt the institutional formats that are foisted upon them or somehow left to their choice, when they do not reject them and maintain their own solutions, even if informal. A previous task, aimed at elucidating the conditions and proposals of the economic solidarity, must precede the assessment of institutional formats in which the spirit of solidarity manifests itself.

This task, which we consider as an \textit{interpretive} approach\(^{27}\), has been carried out on the basis of analysis of the data obtained in the Second National Mapping of the solidarity economy, completed in 2013 with the registration of approximately 20,000 EESs. The mappings, which were carried out to make up for the lack of information, occurred between 2005 and 2007, and between 2010 and 2013. Although they are partial surveys, both mappings covered the

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\(^{25}\) In accordance with the second national mapping, 59\% of informal EESs are concentrated in urban areas.

\(^{26}\) To date, the only available statistics are those provided by the Brazilian Institute of Geography and Statistics (IBGE), a body responsible for conducting official surveys on the informal economy. Surveys were carried out in 1997 and 2003 (IBGE 2005).

\(^{27}\) According to Max Weber, understanding \([\textit{Verstehen}]\) consists of reconstructing the motivational chain that explains the behaviour of agents from their point of view. It consists of interpreting actions based on the meaning attributed to them by the agents and also considering the affinities they establish between those meanings and their own interests (See Weber 1994-2000).
entire country, including rural zones and remote areas, with the aim of identifying little known realities, not valued and poorly integrated to organised segments of the solidarity economy. The desire was to reach remote areas of the country and convert protagonists of all experiences into recognised players. Hundreds of entities were involved in the data collection, including several universities, in an unprecedented collaborative work in the country.\footnote{28 Data from the second mapping were analysed by Universidade do Vale do Rio dos Sinos, under the coordination of Professor Luiz Inácio Gaiger. Both the conceptual basis and methodology can be consulted at www.sies.mte.gov.br, a website where aggregate data and access links to micro data can be found. Results of analyses have been progressively released at sies.ecosol.org.br/}

To list their target population, the mappings used a set of criteria, seeking to include the largest number of potential solidarity enterprises. In order to be included in the study, an enterprise had to develop a permanent economic activity, be the property or under the control of freely associated individuals, and these individuals had to be put in charge of the activity objective (production, service provision, commercialisation or consumption) by means of collective management processes. The hiring of non-member workers should only be sporadic. Not without reason, these criteria coincide with the consensual definition of EESs adopted in Brazil, discussed in section 2.1 above.

One of the most valuable contributions of the mapping has been to confirm the existence of a host of organisations in which solidarity functions as an ethical value and as a key factor of rationality. As was determined from examining the data, self-management and cooperation in EESs ensure their efficiency and viability, without creating contradictions with the principle of equitability and the expectation of well-being of their members. The rule does not apply uniformly, but has a direct relationship with the degree of long-term success and viability of the EES (Gaiger 2007a, 2011; Anjos 2012). Therefore, it establishes a standard, whose compliance in a significant number of cases results in decisive support for the ideal-type concept of EES previously proposed, as well as for other similar modelling.

### 3.3. A preliminary typology of EES

The previous reflections are the basis for the method used to identify EES models in Brazil. As mentioned before, to advance in such matters, in the current conditions, an interpretive analysis of the solidarity economy is required, differentiating organisations according to the goals pursued by their members, their life contexts and their motivations. The work done consisted of exploring the data of the second solidarity economy mapping, as a current and representative information basis, in order to identify significant variations in the solidarity practices and proceed to their quantification and comparison. The analysis of the main regularities and variations allowed advancing one step further towards a preliminary typology that embodies the concerned variables, classifying EESs according to ordering principles.

The first stage of the work consisted of taking the totality of mapped EESs and applying on them the previously evoked theoretical analysis prism, aiming at distinguishing EESs according to their correspondence with the three general attributes of the reference model. General trends were identified, which connect EESs with the economic activity, social commitment or democratic management criteria; the same has been done with the solidarity and entrepreneurial practices.\footnote{29 This kind of tests depends on the information within the database, what prevents the use of some criteria or imposes the use of approximate indicators.} However, typical situations were not observed; in other words, no EES groups corresponding in a singular and recurrent way to certain criteria and attributes.

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could be identified. Thus, it was not possible to visualise which models exist and which EESs would be coherently associated to them. The facts suggest that the dividing lines are simultaneously connected to several variables, hindering the formation of consistent groupings when EESs are seen in their setting.

A second effort consisted in not applying the reference model directly on raw data, that is, to the mapping variables and to the totality of the EESs. It was sought to group EESs according to previously observed similarities (in previous mappings analysis and other studies), used in the creation of hypothetical types. This typological structure was then put to the test of the data, in order to test its empirical adherence and allow for the due adjustments. Types and subtypes of EESs were then identified.

Before presenting them, it is important to highlight that in its aim of separating and distinguishing, the formulation of typologies is faced with additional difficulties in the case of the solidarity economy. The first difficulty lies in the fact that multiple simultaneous economic activities, sometimes related to non-economic aims in the strict sense, are observed in EESs; it is not trivial, by any means, to elucidate which one of them typifies the *raison d'être* of the EES. Secondly, EESs present considerable structural and functional complexity; within these enterprises, collective and individual activities—whose importance differs amongst the associates—are combined. Finally, the boundaries of economics, which are normally imprecise, are even more diluted here, bringing up a conceptual problem, which is old and insoluble at first sight, about the specific characteristics and the limits of what is considered as an economic activity.

In such conditions, in order to analyse EESs, we should consider that the economic segments of activity are already fairly varied, as are the organisational forms. As an illustration, previous research about the associative entrepreneurship of workers (Ferrarini and Veronese 2010; Gaiger and Corrêa 2010) highlighted significant diversity: EESs encompass several segments—such as urban waste recycling, food, sewing and production, craftwork, craft fishing, industry (in the case of companies recovered by the workers after bankruptcy)—and types of initiatives—such as community banks, informal groups in peripheral communities, consumer organisations and initiatives organizing the collective use of goods and services by the associates, trade or exchange of products or services (including exchange clubs). Considering the variety both in terms of organisational forms—informal groups, cooperatives, associations, small businesses or trading societies—and in terms of origin of the workers, it is possible to imagine the degree of difficulty in covering this complexity in a typology. The effort geared towards this direction, however, still ongoing, is justified in the sense of bringing more clarity to the constitutive characteristics of EESs and to the social relations that are established in this plural context.

The proposed typology\(^{30}\) is composed by three levels, organised in the following hierarchy:

**First level – EESs’ main aim and general characteristics**

EESs are separated into five types, according to the main social and economic aim that they pursue for their members (besides the benefits extended to the collectiveness), which presumably means that they correspond to differentiated work and income situations and that their members belong to specific social categories, from the point of view of their occupation and socio-professional profile.

\(^{30}\) For this analysis, EESs in normal operation registered in the second mapping were counted \((N = 17,776)\), whereas the EESs in process of implementation or restructuring were disregarded.
Second level - Nature of EESs' main collective economic activity

The five basic types defined at the first level are divided into subtypes, according to the specific nature of the main collective economic activity of the EES, or according to the consumption item or service offered or to the social benefit pursued.

Third level – Means of organisation

The previous subtypes are further divided into sub-sub-types according to the organisational form adopted by the EESs. At this level of the typology, the legal characteristics are seen as both symptomatic of other peculiarities of EESs and determinant of their dynamics and the mutual relations with the economic and social life of the members.

The main characteristics of the five types that correspond to the first level of the typology, as well as some of their most relevant subtypes (highlighted in the figures), are the following:

**Type 1: EESs for service provision and community development**

The main collective activity of EESs of the first type aims at providing goods, services, and benefits (such as financial credit, domestic consumption items, sociocultural and educational services) in favour of the well-being of their members or to foster the associative and community development of the area where the EESs are located.

This type corresponds to 8.8% of the EESs registered in the national mapping. This is where the oldest EESs, with 10 to 30 years of existence, are concentrated. They are located predominantly in rural areas and their members are mainly family farmers, followed by social policies beneficiaries and traditional peoples or communities, such as riparian populations.

Amongst the declared reasons for their creation, the search for financial and technical support offered by government programmes and civil entities stand out, along with philanthropic motivations and community involvement. In their social body, male members are predominant; even when they participate in the EES for the large majority, it does not characterise a labour occupation or a source of income.

The range of goods and services provided is highly varied, encompassing finance (general financial services, social benefits transfer, personal and productive credit), consumption (community orchards, manufacture of domestic items, food preparation), social services (water provision, professional education courses, health services, transportation, art and leisure

31 Social policies include retirement and pension schemes, unemployment compensation, conditional income redistribution programmes, such as Programa Bolsa-Família, and Benefícios de Prestação Continuada (Benefits of Continued Rendering), geared towards people who do not have their own means of financial support, the elderly (over 65) or people with disabilities that prevent their participation in society.

32 The concept of traditional peoples or communities, common in the field of public policies and social movements, refers to culturally distinct social groups that see themselves as such and have their own means of social organisation. This is for example the case of the indigenous people and craft fishermen who occupy and use territories and natural resources as a condition for their social reproduction, making use of knowledge and practices generated and transmitted by tradition. The riparian populations (ribeirinhos) live close to rivers; craft fishing is their main livelihood activity, in addition to small farms for their own consumption and extractive activities.
activities) and association development (creation of projects, construction and maintenance of social offices and community physical spaces, community radios, provision of Internet access).

Type-1 EESs (Figure 5) are mostly associations; the second most frequent organizational form is that of cooperatives (in financial activities). These forms correspond to historical modalities of social solidarity; they were probably more numerous a few decades ago. In a certain way, they witnessed waves of solidarity previous to the outbreak of the solidarity economy, which started in the 1990s, as discussed in section 1. They are less frequent nowadays, but research findings (Gaiger 1996) indicate that these enterprises generate other initiatives, including other types of EESs. They are farther from the urban centres and from organised civil society. They have less participation in social mobilisations directly connected to the solidarity economy and, for this reason, they are less present in debates and on the claim agendas of forums and other intervention structures in the public setting. However, as emphasised before, they are part of the associative popular ballast of many current experiences.

Figure 5 – Most frequent type-1 subtypes
**Type 2: EESs supporting the productive activities of members**

The main collective activity of type-2 EESs is to provide services, resources or benefits for the individual or family economic activities of their members, in areas such as product exchange, trade and collective use of equipment or productive infrastructure.

This is the type with the largest representation in the mapping, equivalent to 25.9% of the total of EESs. It presents a predominance of EESs located in rural areas and concentrates old initiatives, with 10 to 20 years of operation—an average activity time slightly inferior to that of type-1 EESs. The main reason for their creation is related to the access to financing and other forms of support for their associates' economic activities. The proportion of associates that work in the EES is larger than in type-1 EESs, but likewise, for the majority, it does not represent a major source of income. In addition to the predominance of family farmers, a proportionally high presence of some traditional peoples or communities, such as the quilombolas[^33], is noticed, when compared to the other types.

Type-2 EESs' main activity is the support to agricultural/livestock activities; they provide machines, premises, several implements and inputs, besides the traditional means of sharing productive land, such as “pasture funds” (fundos de pasto), and collective equipment, such as “flour houses” (casas de farinha)[^34], common in the countryside. They offer products and technical specialised services, especially accounting, agronomic and veterinarian services. Many EESs are dedicated to trade the individual production of associates, who include craft fishermen and collectors of recyclable material; in this last case, the EESs also assume the function of work and income generation. Men are more numerous than women in these enterprises—a fact that reflects the sexual division of labour and the cultural standards that are still valid, especially in rural areas.

Type-2 EESs clearly illustrates the fact that the solidarity economy works as a means to leverage and strengthen the productive activities of different categories of low-income workers through their free association and collective participation in the enterprises. Its role consists of counterbalancing the inherent frailties of small production, resulting of its diminished scale of activity, its constant undercapitalisation and its technological gap, among other factors.

[^33]: Quilombolas are ethnic-racial groups of black ancestry, related to the historical resistance to the slavery regime, active until 1888. They generally occupy land of old quilombolas—territories that the slaves used as a refuge and started to live on—and have legal property rights on such territories.

[^34]: “Pasture funds” (fundos de pasto) are areas commonly used for the breeding of goats and sheep freely in native pasture. This century-old practice is maintained by traditional peoples and communities in the caatingas and cerrados in the Northeast. “Flour houses” (casas de farinha) are premises for milling manioc flour, a basic food item for populations in the countryside. Flour houses are used by community, in a rotation system amongst several families or through transfers, generally overpaid with the product itself, to the owner of the place.
The most common activity in type-2 enterprises is the provision of services and equipment of collective use—a segment characterised by a broad predominance of associations and a certain presence of informal ventures (Figure 6). It is followed by a trade activity, in which associations are predominant as well, but with a larger number of informal ventures and with a few cooperatives. The third activity is the exchange of products and services, which is different than from trade since it does not imply the use of currency. In this subtype, associations are predominant, and there are also a few informal ventures.

**Type 3: EESs providing work and generating primary income for their members**

The main collective activity of type-3 EESs consists of the production of goods, trade, or service provision and represents the occupation and the most important source of income for the EES' members. This activity is developed, at least partially, based on the socialisation of the production means and the collectivisation of work, be it in execution or management tasks.

Type 3 covers 18.9% of the EESs. Type-3 enterprises are located predominantly in the urban universe. These EESs are more recent than the average of the mapping; organizations with up to 15 years of operation are prevalent in this group. The main motivation for the setting up of type-3 EESs is the creation of a refuge against unemployment, but also the search for economic organisation alternatives in which the workers are business owners, without depending on bosses or third parties. Almost all associates work in the EES. These enterprises
are active in economic sectors\textsuperscript{35} connected to agriculture and related services, to the manufacture of food products and various products and to retail. In such EESs, the number of beneficiaries of public policies drops and the share of women among participants is larger than in types 1 and 2, even though it remains inferior to the general average of the mapping.

The main feature of these EESs is that they tend and manage to pay wages to a majority of their workers, who are in most cases associated members for whom the EES represents the main source of income. All of them are work EESs, and most of them operate in the production of goods—a subtype in which associations are predominant and, in smaller proportions, informal ventures (Figure 7). Cooperatives and trading companies also appear in this segment, with significant presence in relation to their total numbers in the mapping. Fewer EESs of type 3 are dedicated to service provision; in this subtype, the predominant forms are the same as in the case of “production EESs”, with a relatively more prominent presence of cooperatives. The third work activity of type-3 EESs is related to trade; in this case, associations and informal ventures stand out.

\textbf{Figure 7 – Most frequent type-3 subtypes}

\begin{center}
\includegraphics[width=\textwidth]{figure7}
\end{center}

\begin{itemize}
\item \textbf{Type 3 (18,9\%): Primary source of work and income for the members}
\item \textbf{Production (78,2\%):}
  - Associations: 1,361 EESs
  - Informal: 986 EESs
  - Cooperatives: 254 EESs
  - Companies: 32 EESs
\item \textbf{Services (13,2\%):}
  - Associations: 185 EESs
  - Informal: 118 EESs
  - Cooperatives: 128 EESs
\item \textbf{Trading (8,5\%):}
  - Associations: 136 EESs
  - Informal: 113 EESs
\end{itemize}

* Percentage of the total number of EESs / ** Percentage of type-3 EESs / *** Total number of EESs in the subtype.

\textsuperscript{35} The economic sectors mentioned in this type and the following are related to the National Classification of Economic Activities (Classificação Nacional das Atividades Econômicas, or CNAE), adapted by the Ministry of Labour and Employment to the solidarity economy (CNAE-ES).
Type-3 EESs are frequently considered a role model in the solidarity economy, since they meet, in theory, all the requirements of an alternative production conducted by the workers through self-management and partial or full socialization of production means. Indeed, it is in this type that alternative self-managed enterprises (EAA) are concentrated; their occurrence, though, as previously seen, depends on specific circumstances that should not be generalised in all type-3 EESs, and even less so in type-4 and type-5 EESs.

**Type 4: EESs providing work and income complement for their members**

The main economic activity of type-4 EESs is related to the production of goods, trade, or service provision, but unlike what was the case in type-3 EESs, work in the enterprise and the income it generates have a complementary character; the members’ primary income is connected to another economic activity or originates from work-independent revenue.

Type 4 encompasses 20.2% of the mapped EESs. As in type 3, there is a larger proportion of EESs located in urban areas. These are, on average, more recent EESs, with less than 10 years of activity. Their main motivation is to obtain a complementary source of income. The number of associates that work in the EESs is slightly inferior than in type-3 enterprises. The main economic sectors in which they are active are practically identical in both types: agriculture, livestock and related services, manufacture of food products, textiles and various products, and retail sales, with a specific focus on activities related to the production and trade of craft products. Amongst the EES’ members, the number of retired workers and pensioners is higher than in other types and so is the proportion of women. These are, on average, the EESs with the smallest number of associates.

Type-4 EESs are dedicated almost exclusively to the production of goods; there are only a few cases of service provision or trade EESs (Figure 8). Among type-4 enterprises, unlike what is the case among type-3 enterprises, informal ventures are predominant, followed by associations and, in the third place, cooperatives. Trading companies emerge with a minimum level of significance only amongst production EESs.

Even though, in some cases, these EESs may increase the work revenue they offer, acquiring more importance and being converted into type-3 EESs, this is not the general trend. The expectations of the associates, resulting from their current income sources and their possibilities of productive integration, summed to the frailty of such EESs, in general small, informal, and with low yield, are factors that contribute to their position of not having a primary economic role for their members. On the other hand, they act as spaces for the establishment of social connections, such as experiences of social participation that foster the formation of new subjects (Ferrarini & Veronese 2010), notwithstanding the daily adversities faced in sharp poverty situations, both in rural areas and in urban peripheries. These EESs also seem to play a significant role in promoting the economic activation of beneficiaries of income redistribution programmes, a fact that would represent an essential step for overcoming their economic dependence (Ferrarini 2008).
**Type 5: Work EESs with insufficient payment of members**

The main collective economic activity of type-5 EESs is the production of goods or service provision, but they are not able to generate appropriate income for their associates because they do not provide enough work, or due to the low compensation amounts offered.

Type-5 EESs represent 18.5% of the total. They are located in rural and urban areas and they have a fairly variable time of operation, so it is not possible to classify them as older as or more recent than type-3 and type-4 EESs. Among the reasons for their creation, the main ones are the goal of recovering bankrupt private companies—which results in the “factories-recovered-by-workers” phenomenon—or the purpose of strengthening ethnical groups, a fact related to the presence of traditional peoples and communities in the solidarity economy. Their difficulties in providing appropriate compensation to the associates show in the fact that one quarter of these associates, on average, do not have work within the EESs. Approximately 40% of the EESs have one or more associates out of work, while the remuneration of others is considered insufficient, for being too low or discontinuous.

The economic activity sectors of type-5 EESs do not differ from those of type-3 and type-4 enterprises: agriculture, livestock and related services, food products manufacture, various products, textiles, and retail. However, their monthly average yield is visibly lower, as well as the warranties and social rights that are offered to their workers. Almost 90% of these EESs work in the production of goods, with a broad predominance of the associative legal regime.
There is also a considerable number of informal enterprises and a lower share of cooperatives. Service provision EESs are divided between associations (the most frequent legal form in this subtype), and informal organizations.

**Figure 9 – Most frequent type-5 subtypes**

![Diagram showing the breakdown of type 5 EESs into production and services, with details on associations and informal organizations.]

* Percentage of the total number of EESs / ** Percentage of type-5 EESs / *** Total number of EESs in the subtype.

It might be presumed that type 5 corresponds to an initial phase of operation of EESs that provide work and income generation, whose later evolution would conduct them to types 3 or 4. However, this is not always the case: there are EESs in this category that have been in operation for several years and have not succeeded in evolving into type-3 or 4 enterprises. In those cases, type 5 represents an organisational standard, rather than expressing only momentary difficulties. Such a situation bears witness to the magnitude of the economic, social, and cultural challenges that these initiatives have to overcome. Such challenges constitute an adverse and persistent frame that affects the economy of the popular sectors in a general fashion, as demonstrated by the high indicators of insolvency and mortality of the micro and small companies in Brazil (SEBRAE 2007).

* * *

The identification of these five basic types of EESs (Figure 10) remains subject to adjustments throughout the subsequent steps of the analysis. Still, it provides an overview of the general profile of the EESs from the perspective of the aims that they pursue for their main partners, namely their associated members (workers, consumers, users), and the results which they seek to achieve.
Amongst other aspects, the typology makes it very clear that the current legal forms in the solidarity economy do not correspond to homogeneous standards: there are associations, informal ventures and cooperatives that are very different, according to the circumstances and the goals pursued by the EESs. It does not mean, however, that the adoption of one form or another happens randomly. It would be enough to consider its unequal distribution amongst the five types, which demonstrates that they correspond to highly variable preferences and development conditions of the EESs.

**Informal EESs**, which have internal rules but are not framed by legal regulations, stand out among enterprises with good production activities that represent the main source of work and income for their associates, but also in enterprises offering a complementary source of income for their members or offering an insufficient compensation to their associates. They are also frequent among EESs offering support to the productive activity of their members, through trade or through the collective use of goods and services. **Associations**, which are predominant in the EESs set, also represent an important share of production EESs whose purpose is to offer primary work and income to their members. Nevertheless, they are not the most frequent, proportionally, amongst the EESs that achieve appropriate compensation for their members. Their presence is stronger among EESs providing support to the productive activity of the associates, particularly through the collective use of goods and services by the associates or through trade. They are also a frequent option among EESs active in social service provision and community development. **Cooperatives** stand out amongst EESs active in the field of production or service provision and whose aim is to constitute the primary source of income.
and work for their members; they are also present amongst EESs representing a complementary source of work and income for their members. Cooperatives also have a significant presence among trade and finance EESs. Trading companies, which have scarce presence in the mapping, are dedicated mainly to production and service provision; they are more frequent among enterprises that constitute the main source of work and income for their members; some are enterprises providing complementary work and income to their members.

Globally, it is possible to assert that type-1 and type-2 EESs, connected to the offer of goods and services, show more clearly their community connection and their social commitment, whereas type-3, type-4 and type-5 EESs, whose function is to ensure work and income to their associates, prioritise their economic activity. All types present considerable social and political involvement in networks, forums, and social movements.

4. DEVELOPMENTS OF THE STUDY

In order for this work to result in the proposition of EES models, the typology presented will be refined in two successive stages. In the first stage, the characteristics and the degree of homogeneity of each type will be analysed in detail in order to clarify their peculiarities and their structurally distinctive features. References to databases complementary to the mapping and to correlate studies will also be used in order to improve the typology, thereby making it effectively representative of the solidarity economy in Brazil. In the second stage, the types of EES and their main concrete expressions will be subjected to qualification criteria of the EES ideal-type concept regarding its structuring logic and general attributes, as presented before. EES models in Brazil, consistent with the theoretical presuppositions and with the empirical data available, will result from this comparison between the types of EES and considerations on their degree of consistency and relevance in the current scenario of the solidarity economy.

Consulting data external to the mapping and the bibliography on topics related to the solidarity economy will be useful to better contextualise it in the setting of social and economic organisations different from private or public companies. This activity is also important because it considers other types of initiatives that might be qualified as hybrid or “incomplete” types regarding the EES definition (Figure 4), but judged in some cases pertinent to the field of social enterprises. To this regard, one conceptual approach related to the solidarity economy should be preliminary discussed: the third sector.

4.1. The third sector

In Brazil, the third sector is a common concept, which has been in the limelight since the 1990s (Fernandes 1994). Organisations of different origins and with different types of operation have been framed into the third sector. According to the canonical definition, such organisations have in common the fact that they act on public interest topics and issues, are autonomous from the standpoint of their constitution, management and dissolution and are not profit-oriented. With such a scope, the third sector is inevitably heterogeneous. Combining morphological and institutional criteria with an interpretive approach of the action principles and logic present in it, it is possible to distinguish three subsectors in the Brazilian case:

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36 Additional statistic information, complementary to the national mapping, are available about recovered companies, agricultural reform settlement cooperatives, recycling cooperatives and associations, and solidarity credit cooperatives.
• A broad range of charitable or associative entities, without direct connection with the recent phenomenon of the third sector. They comprise traditional organisations of philanthropic and assistance character, corporate entities or community entities geared towards culture or leisure and also other non-state institutions, for instance consumption cooperatives, hospitals, and schools. Such initiatives are mainly connected to their specific fields of expertise, only keeping a common identity in a very broad sense, which removes from them both the possibilities and the reasons of joint action.

• The business foundations and institutes guided by the social responsibility focus. Their action normally complements social policies, addressing issues included in what such organisations define as “the social awareness agenda”. This subsector fosters the more critical approaches to the third sector, which sees them as parts of an artefact of the dominant classes, driven by compensatory mechanisms that soften the social costs of the economic model, mainly the ones of neoliberal programmes. From this perspective, the third sector would favour the privatisation of the public sphere and the weakening of the state as the primary democratic space of interest transaction and deployment of universal policies.

• The non-governmental organisations, NGOs, whose action is normally guided by social transformation goals. In some cases, acting together with private companies and other organizations, they drive social inclusion projects targeting low-income populations, with a view to their integration via consumption or via the development of entrepreneurial skills addressed to the market. In other cases, NGOs maintain a critical approach to the market and the general structure of the capitalist economy, betting on the collective strength of their beneficiaries and encouraging the adoption of democratic making-decision processes. This subsector includes the aforementioned entities of support to and promotion of the solidarity economy (entidades de apoio e fomento, EAF). Due to the vision of the third sector exposed in the previous paragraph, many NGOs reject their link to the third sector.

On the one hand, third sector organisations are private-law entities that do not seek to generate pecuniary benefits for their members, but to respond to collective demands of public interest. They take on then a determined social mission and fulfil it, based on values of gratuity, respect of human rights, equality, etc. They are articulated among them through decentralised horizontal connections respecting the plurality and the singular vocations of each organisation. From this perspective, there are matching points between the structures and the working logics of the third sector and those of the solidarity economy. In both cases, these initiatives excel in terms of institutional autonomy, preference for creating networks instead of pyramidal and hierarchical structures, and commitments with society.

On the other hand, in general, third sector organisations fail to comply with requirements of both EES and SE (social enterprise): in the first case, because they do not belong to people who are associates and who work in the organisation, doing their activities themselves, except maybe in the case of the managers; in both cases, because they do not always develop an economic activity and because their management democracy is variable, being often mitigated or relegated to formal procedures. In certain cases—foundations, for instance—the institutional and economic dependency on the companies responsible for their creation is obvious.

Newer business initiatives, acting together with civil society, may have as eventual outcome the creation of new organizations somehow comparable to SEs or EESs. What the literature has called social business are private companies that develop projects aimed at low-income
individuals, enabling them to achieve a better integration in the market so as to alleviate poverty, inequality and social exclusion (Comini et al. 2012). In some cases, a practical result is the implementation of small businesses owned by the beneficiaries, like cooperatives, or with elements of self-management, whose success is supposed to transform the standards of living of that population and insure its economic sustainability. However, there are flagrant problems in respect to the control exercised by the company that is largely responsible for the project, thereby reproducing situations of dependence and even loyalty to its brand. Requirements of both the ES and the EES, such as institutional autonomy, democratic governance and collective participation, often stay in a secondary plan. In addition, these enterprises are almost exclusively market-oriented, despite the market’s failure to solve the problems of poverty (Teodóso & Comini 2012, p. 419), resulting from the very logic of markets and the structural dynamics of oppression and exclusion.

To qualify some third sector organisations as SEs, or even as EESs, would not be impossible. In the immediate plan, it shall be considered as an empirical issue—indicators should be defined, and organisations analysed in light of such indicators. However, there are background problems, starting with the fact that the broad influence reached by the third sector in recent years is related to the trivialisation of the concept, converted into a type of vade mecum through procedures which are subject to evident objections: a) defining the third sector by exclusion, in relation to the first and second sectors, thus ignoring completely historical contexts and the spaces reserved for non-private and non-state initiatives, which are extremely variable; b) framing into its scope initiatives with different origins and natures, disrespecting the improprieties of such inclusions, which in turn remove the necessary unit for the said reality to be referred to by a sole concept; c) underestimating the fact that the state crisis and the overvaluing of the market are not disconnected from political strategies assumed partially by the actors that align themselves to or are framed into the third sector.

Moreover, the trajectory of the solidarity economy is similar to that of the social economy in Europe; by including EESs at its core, just like the European social economy included the recent field of the SE (Nyssens 2006), it contrasts with the original focus of the third sector proposed in the Anglosphere, which connects that concept to the non-profit sector and to voluntary work, in opposition to the economic sector, where profit, trading and utilitarian relations would be the rule. The criticism contained in the approach of the ICSEM Project of this arbitrary reduction of the whole economic logic to the purpose of profit highlights the differences of facts and perception between the North-American experience and the European experience (Evers & Laville 2004) and favours a common North-South perspective: improvements in life conditions require generation and sharing of benefits between the partners of the organisations that promote them, which supposes a differentiation between the capitalist logic, on the one hand, and profit and other means of economic production and surplus generation, on the other hand.

In more general terms, it is possible to question whether the factors that boost social organisations, in their relations with the market and the state, could be appropriately understood from the notion of sector, in the sense of a specific field of practices that are built by differentiation and autonomy from others. The perspective of the plural economy appears to be more appropriate (Laville 2006) in this regard; within the plural economy, different initiatives coexist—hybrid ones, in the sense of manoeuvring simultaneously distinct economic logics and in the sense of having a social and political dimension integrated to their strictly economic action. The social or non-profit nature of some of these initiatives would be better understood inside this totality, not as a characteristic of independent sectors.
4.2. Plurality of economic principles

The concept of plural economy evokes one of the important developments expected by the ICSEM Project: to situate the SE models—in our case the EESs—in the contemporary economic scenario, without restricting the latter uniquely to the propellant role of the market and to the state's regulatory function:

In such a perspective, we follow Polanyi (2000 [1944]) and a historical and anthropological approach. Without denying the importance of the profit motive characterising the capitalist economy, Polanyi also highlights other economic practices, not oriented towards the accumulation of profit: redistribution, reciprocity and household administration. In a similar vein, several European third sector scholars have discussed the "welfare mix" as made of shared responsibilities amongst various types of actors. On such a basis, some have proposed a "triangle" representation, which we have slightly adapted to better understand the relations amongst those actors and their respective logics of action. The first typology in this triangle distinguishes different kind of actors: the state, private for-profit companies, and communities (in which we can include households in the European case). The second typology embedded in the triangle highlights the resources and rationales on which these actors rely to develop their activities; indeed, if we follow the substantive approach of Polanyi and other converging contributions, the economy must be seen as “plural” and characterised by various forms of exchange, regarding different economic principles: market, redistribution and reciprocity.

Synthesis of Defourny and Nyssens (2013) produced by Luiz Gaiger based on the original

As it is possible to see in the welfare triangle (Figure 11), reciprocity and domesticity appear unified as a unique concept, which is presumably pertinent in the European context. However, each of these principles has its own meaning for Polanyi (Polanyi 2000; Polanyi et al. 2012). It is relevant to have in perspective their peculiarities at the moment of covering and understanding the diversity of current economic logics present not only in Brazil, but in the totality of the countries in which the popular economy fulfils an important role, be it through informal businesses or small family-owned companies, or through communal structures, connected in general to a determined territory and to relations between people and families, which are maintained throughout time.

Referring to reciprocity, Polanyi alludes to the presence of symmetric groupings, nurturing means of mutualism that are institutionalised. The many later theorisations on reciprocity have led to a broad capturing of the concept, dissociating it from the symmetry relations and including various situations, amongst them the negative reciprocity. However, extending the concept of reciprocity to the point of encompassing such broad human relations entails a risk of depriving it of its specificity and losing trace of that reciprocity which marks the importance of social connections, decisive in many situations. A more restricted understanding favours the distinction between reciprocity and domesticity, a highly important step to understand the solidarity forms of economy, whose family and community roots are unequivocal. It also makes it clearer that the peculiarities of the EESs lie in their being based on reciprocity, without rejecting their hybrid nature of organizations simultaneously activating other principles.
Domesticity is related to primary sociability environments of human groups, intended to ensure their survival and vital reproduction. In this environment, constituted in modern contexts by the family nucleus, the social connections are legacies, more than something chosen, and they are created according to pre-existent criteria of precedence and authority. The social core involved, trapped into a territory or family relations of kinship or affinity, works through direct interpersonal interactions, in contexts that are at the same time characterised by intimacy and social asymmetry.

In this case, social relations are characterised by what Razeto (1990, pp. 65-6) names commensality inside a closed group, constituted by bonds beyond the economic, where the flows of goods and services meet the individual needs, which are shared or sanctioned in common, in a context whose integration degree merges the individualities and subordinates them to the collectiveness. The bonds, once established, reproduce themselves frequently in a broader scale, which dilutes the borders between family and community and transplants the commensality relations to other environments of relative proximity, such as circles of acquaintanceship, work groupings, class organisations and other kinds of association.

The principle of domesticity was effective in all societies, with changeable roots and matrix. In modern times, it can be integrated into the democratic way of life when it is not surrounded by authoritarian or despotic elements and be incorporated into universality and isonomy. In this case, its self-organisation principles favour the associative life, articulating mutual-aid, social
cooperation and collective mobilisation. In conjunctures of democracy restriction, it can work as a relatively protected space, of coexistence of bonds and common values. For this reason, especially in countries of the global South, it has been a source and supporter of the popular expressions of the solidarity economy.

Life, however, does not remain secluded in family-based or primary nuclei, without larger groupings: the family cannot survive without larger networks of kinship; small agricultural production, without community support; domestic units, without external bonds; and workers, without their class organisations. Thus, the social bonds extend to a transition sphere between the primary and secondary sociability, and its cycles widen in space and time.

In this broader integration sphere between individuals and groups, material life depends to a large extent on the cooperative relations, that is, on the voluntary association of people who are independent from one another, "with the explicit intention of doing jointly certain economic activities, whose benefits will be equally shared amongst all participants" (Razeto 1990, p. 67; authors’ own translation). Going from commensality to cooperation is a development requirement for companies founded on free association, which entails, in current conditions, acknowledging the respective singularities of the family configurations and the associative configurations, distinguishing commensality from cooperation. In the field of actions, it is vital to direct the material and relative assets offered by commensality towards the strengthening of cooperation.

In the connection between these two sociability spheres, precisely, the principle of reciprocity comes to play, in the sense that is attributed to it in the present text, in a maussian (Mauss 1974) interpretation of Polanyi’s writings: relations established between groups or people thanks to mutual provisions, whose sense lies in the willingness to create or to keep the social bond, generating voluntary commitments in the long term, way beyond contractual obligations. Distinguishing reciprocity from domesticity allows for a clearer understanding of their manifestations and for identifying the lines between them, lines that could either sum up primary and secondary solidarities or result in ambiguities and contradictions.

Complementarily to that, returning to the welfare triangle, it would be convenient to maintain the distinction made by Polanyi between the exchange principle and the market (Polanyi 1977, p. 42). In general, the exchange is indeed identified, without further considerations, with the modern market economy, in which it has unquestionable prevalence in its contractual variable and as a price-forming mechanism. However, in its common meaning, the market is omnipresent in societies: it consists of a system that serves voluntary transactions, resulting from interests, according to the usefulness of the objects of the exchange for the parts involved. It is, in principle, just a relatively pacific method of acquiring non-available goods, which Polanyi prefers to call trade in order to emphasise that exchange, in its common form, is subject to established rules, fitted or slotted socially, from the modern form of the market, in which the exchange principle has autonomy and thus engenders a market society.

Therefore, it may be useful to use an alternative analysis scheme (Figure 12) that includes the four principles of economic action; the peculiar configuration assumed by the market economy, the public economy or the social economy would result, in each historical reality, from the integration of these four principles. The SE or EES models could then be examined according to the way in which they activate and combine the economic principles, considering, in particular, the primacy of reciprocity. By making use of the appropriate observational indicators, it would be possible to place in this plural economic space specific types of EESs, such as production cooperatives, farmers’ markets, or recycling associations, mentioned as examples in Figure 12.
This kind of analysis would contribute to demonstrate the extent to which the reciprocity principle contained in the solidarity economy reissues Polanyi's quadrangular scheme, at the same time that it acts on other fundamental pieces of economic behaviour: on custom, in that the reciprocity principle values freedom amongst equals; on self-interest, when pleading symmetry in the interchange relations and introducing principles of binding value; on obligation, when it fosters the awareness and voluntary implication in the benefit of the common good. This way, it would respond to the unconditional criticism of Polanyi to capitalism, concerning the destruction of social relations, degradation of the human habitat and even the aesthetic impoverishment of everyday life. Given its initiatives, the solidarity economy would again give rise to the essential responsibility feeling of "humans with humans" (Polanyi et al. 2012, p. 24).
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