

Solidarity Economy as a Pedagogical Praxis of Autonomy

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ABSTRACT

PRISCILLA VAZ: Solidarity Economy as a Pedagogical Praxis for Autonomy
(Under the direction of John Pickles)

This thesis explores the political contexts within which the movement of solidarity economy has emerged in Brazil and investigates the challenges it poses as well as the possibilities it opens up for the movement to push forth its non-capitalist project of society. In particular, I examine the tension between the discourse of autonomy the movement proclaims and the financial-political dependence it shows in relation to ‘progressive government’ of Lula and his party.

My work aims at shedding light to the pedagogical praxis of non-dominant forms of governance being enacted by workers as they organize solidarity economy initiatives to regain control over their livelihoods and political agency. I conclude that in order for one to perceive the emancipatory possibilities that solidarity economy entails one must approach ‘the economic’ in a broader sense, taking into consideration the ontological, political and social dimensions of diverse economies, while avoiding *Lula-centric* and *state-centric* views of Brazilian politics.

To two brilliant activist women
who have been called to inspire
justice-seeker souls in the next world:
my mother and soul-sister, Marlene
and Julie Graham

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Chapter 1

Introduction

In this thesis I will present the main features of what in Brazil is referred to as ‘solidarity economy’(SE) and discuss some of the challenges it faces and possibilities it brings by analyzing the case studies of two solidarity economy initiatives: *Coletivo PsicoUsp* and *Banco Bem*.

In addressing the concept and practices of solidarity economy in Brazil I intend to discuss the grassroots economic and political realities experienced by ordinary Brazilian men and women who, in their daily struggles to survive with dignity, have been enacting diverse forms of economies. More specifically, I aim to shed light to and discuss the diverse forms of autonomous governance that workers are experimenting with in their struggles to emancipate themselves from exploitation and alienation mechanisms inherent to the capitalist development model adopted by Brazilian governments during the ‘Development Era’.

I frame my research questions in terms of three theoretical frameworks. The first is that of post-development (Escobar 2005, 2006, 2010; 2012; Sachs, 2010; Esteva 2001, 2010, Ziai, 2007). I draw on this literature to set up the theoretical framework around which I problematize the ‘development as growth’ model adopted by Brazilian governments in the past four decades while pointing to the consequences it has brought to the labor market and to deepening social inequalities.

The second framework on which I draw is the literature on Latin American studies on autonomy (Esteva¹ 2001, 2006; Zibechi 2010, and Reyes 2012) to raise questions about the implications of the close relationship between the movement of solidarity economy in Brazil and the ‘progressive government’² in regards to the emancipatory nature of the project of society this movement claims to push forth.

The third framework is that of the feminist geographers Gibson-Graham’s on diverse economies (2006), performative economic ontologies (2008), and the work of Freire’s *Pedagogy of the Oppressed* (2011) and *Pedagogy of Autonomy* (2002) to address the issue of how to cultivate subjects of a postcapitalist society which the project of solidarity economy envisions.

Solidarity Economy: an overview

Solidarity Economy (SE) is usually defined as ways of producing, selling, buying and exchanging goods and service whose ultimate aim is not the private accumulation of wealth but rather the sustainability of the livelihood of the families and communities of the workers involved in such economic activities (Singer, 2002). Generally, the term solidarity economy describes various forms of community-based, people-driven and non-capitalist ways of organizing economic transactions and

¹ Some of Esteva’s writings I draw from have not yet been published. The texts were sent by the author to me through personal correspondence.

² By ‘progressive government’ I am referring to Luiz Inacio Lula da Silva- Lula’s administration (2002-2010). The coming to power of a former metalworker, union leader and founder of Brazil’s first nationally strong leftist Party *Partido dos Trabalhadores* (PT)- Workers Party, points to a shift towards a more progressive political scenario in Brazilian politics. However many leftist activists and critics question the extent to which Lula and the PT’s government has really advanced progressive policies. Critics are especially directed against the economic policies he adopted which in many critics’ opinions have meant a mere continuation of previous President Cardoso’s neoliberal program. See (Oliveira 2007; Ansell 2011)

activities that are managed according to the principles of self-management, cooperation and solidarity. Under the banner of ‘solidarity economy’ there are a wide array of economic and social practices ranging from cooperatives, associations, community banks, clubs of solidarity economy consumers, exchange networks and fairs, solidarity finance to fair trade consumption and others.

In Brazil the movement of solidarity economy has been growing and gaining power and visibility. According to the Atlas of Solidarity Economy 2011³, there are now over 21, 000 enterprises whose economic activities are effectively structured and carried out according to the Charter of Principles of Solidarity⁴ Economy and 1, 7 million workers are involved in this sort of economic practice.

These initiatives started sprouting out of the organization of workers in the 1990s as alternatives to face increasing rates of unemployment, sub-employment or job instability that the adopted neoliberal development model caused to the national economy. In the 2000s solidarity economy initiatives converged as an organized social movement congregating experiences of different social movements with associative economy practices around the common discourse that ‘another economy is possible’. The coming to power of the PT and Lula, plus the effervescent political space of the World Social Forum seemed to these movements to constitute a promising context to advance debates and actions toward a new project of society based on ethical economic

³ Secretaria Nacional de Economia Solidaria (September). Atlas da economia solidaria no Brasil 2005-2007. *Ministerio do Trabalho e Emprego*. Retrieved January 2012, from http://www.mte.gov.br/ecosolidaria/sies_atlas_parte_1.pdf

⁴ Charter of Principles of Solidarity economy-Brazilian Forum of Solidarity Economy http://www.fbes.org.br/index.php?option=com_content&task=view&id=63&Itemid=60

alternatives. As an emerging project, solidarity economy has many challenges and limitations to face. However, in this thesis I aim to demonstrate that it may also configure opportunities for experimenting with ways of organizing the economy in ways that re-embed it in ethics and politics by fostering a pedagogical praxis for autonomy, which is a necessary educative process to cultivate the subjects of democratic and sustainable post-capitalist societies.

Theoretical overview

"Brazil has beaten the European countries at soccer for a long time, but beating them at economics is a new phenomenon", reports *The Guardian*.⁵ *The Economist* also reports,

Brazil has now overtaken Italy to rank as the world's seventh-biggest economy. The release of last year's economic figures on March 3rd was cue for much crowing in Brazil. The economy grew by a blistering 7.5%, a rate unmatched since 1988 [...] Dilma Rousseff's finance minister, Guido Mantega, could not resist a little boosterism. Brazil had grown at the fifth fastest rate among the G20 countries, he said, adding that, if its GDP was calculated taking into account purchasing power it has overtaken Britain and France too. And with interest rates and the price of its commodity exports rising, there is no sign of the *Real* weakening. Brazil did not break into the big five last year. But it may well do so during this one".⁶

This news impressed Brazilians and inflated the colonized ego of a people who has for centuries aspired to be as well off as "developed" Europeans. It is true that many have benefited from the economic growth of the past decade. However, a large

⁵ Inman, P. (2011, December 25). Brazil overtakes UK as sixth-largest economy [newspaper]. Retrieved from: http://www.guardian.co.uk/business/2011/dec/26/brazil-overtakes-uk-economy?CMP=tw_t_gu

⁶ Measuring Brazilian economy: statistics and lies. (2011, March 11). Retrieved from: <http://www.economist.com/node/18333018>

number of Brazilians have benefited from it only marginally and millions continue to live under conditions of extreme poverty. A critical analysis of the current development model is timely. As Escobar argues “in many parts of the world “development” continues to be a main social and cultural force to contend with. Significant political battles are waged in its name, and the lives of many and the quality of people’s livelihood are still at stake in such battles” (Escobar, 2012, p. vii).

In problematizing the fable of Brazilian development, I am drawing on a critique of the concept and practice of capitalist development formulated by the post-development school of thought. Post-development scholars state that “the last forty years can be called the ‘Age of Development’. For them, “the Age of Development refers to a particular historical period which began on 20 January 1949, when Harry Truman for the first time declared, in his inauguration speech, labeled the Southern Hemisphere as “underdeveloped areas”. The label stuck and subsequently provided the cognitive base for arrogant intervention from the North and pathetic self-pity in the South” (Sachs, 2010, p. 45). Post-development scholars argues that

This Euro-Atlantic model of development requires social exclusion by its very structure; [...] “development-as growth” has proven itself to be incompatible with the planet as well as with principles of justice and equity [...] economic growth in this capitalist development undertakings feeds itself on both nature and communities and shifts the unpaid costs back onto them as well. The shiny side of development is often accompanied by the dark side of displacement and dispossession; this is why economic growth has time and again produced impoverishment next to enrichment (Sachs, 2010, p.12)

According to post-development scholars (Sachs, 2010; Ziai, 2007), as a historical discourse, although “development” emerged in the early post-Second World

War period, its roots lie in deeper historical processes of modernity and capitalism. It made possible the creation of a vast institutional apparatus through which discourse was deployed, that is, through which it became a real and effective social force, transforming the economic, social, cultural and political reality of societies (Escobar, 2007). The development period is the most recent stage of the era of capitalist globalization, “a historical process which led to the institutionalization of the market economy from mercantilism in the 15th century to the ascension of a mature self-regulating capitalism” (Escobar 2007, p.144). According to Escobar, in its mature form, “the self-regulating market implies, on the one hand, the full commodification of labor, land and money and, consequently, the subordination of all social aspects to the laws of the market and, on the other, the constitution of the economy as an autonomous realm, separate in particular from morality and politics. Once these conditions were obtained, he argues, “the ‘economic view’ achieved preeminence” (Escobar, 2007, p. 145).

In a similar critique to the dominant capitalist economic view which Gibson-Graham calls *the capitalocentric* discourse, she comments that the fall of socialism in 1989, fueled even further references to the “inevitability of capitalist penetration and the naturalness of capitalist domination. The dynamic image of penetration and domination is linked to a vision of the world as already or about to be wholly capitalist- that is, a world “rightfully owned” by capitalism” (2006, p. 121). Her critique emphasizes that this essentialist view of economy “positions capitalism as the universal form or the model of economy to which other forms of economy must aspire” (p. 35). In other words, economy is given one single identity and a specific economic form becomes the very model or definition of economy.

In Por uma outra Globalização Brazilian geographer, Milton Santos, gives his account of the Brazilian development under capitalist globalization. He analyses the foundation of the current development era and asserts that it is founded upon “information and its empire, which has two pillars: the production of images and imaginings. These two pillars sustain the Empire of Money that is structured around the *economicization and monetarization* of social life and of the lives of individuals” (2000, p.16). He further argues that

if we wish to escape the false belief that this world as it is presented to us is true, and if we refuse to accept the permanence of its misleading perception, we must consider the existence of at least three worlds within this “globalized world. The first one is the world as we are misled to see: globalization as a fable; the second one is the world as it actually is: globalization as perversity; and the third one is the world as it may become: another globalization (Santos, 2000, p.16).

Santos states that the realization of the current globalized world of the so-called developed nations and their corporations requires as an essential condition, the exercise of fable creation. He says that fables about the nature, the dynamics and the implications of capitalist globalization and neoliberal projects of economic development are being disseminated through sophisticated information technologies effectively used to impose a “*globalitarism*” (Santos, 2000, p.2), or in Gibson-Graham’s term, a regime of *capilatocentrism* (Gibson-Graham, 2006), on most territories around the planet and Brazil is no exception.

Generally speaking, post-development scholars and other scholars whose work focuses on rethinking economy, such as David Ruccio and Gibson-Graham, point to the possibilities of a move away from the experience of globalization and development ‘as perversity’ (Santos, 2000) towards other ways of seeing the economy and experiencing

development, ones that be more humane, sustainable and ecologically sensitive (World Social Forum, 2001). For them, this shift requires unraveling the fables that undergird *capitalocentrism* (Gibson-Graham, 2006) and its counterpart- the myth of “Development” (Esteva, 2010). One way to contribute to this shift involves theorizing about the ontological, epistemological and political significance of recognizing “diverse economies” (Gibson-Graham, 2006; Escobar 2005, 2007, 2009) in order to open up the space of economic representations and possibilities (Ruccio, 2008), by shedding light to non-capitalist economies that are currently marginalized by *capitalocentrism* (Gibson-Graham, 2006).

In dialogue with Gibson-Graham’s project of “revealing landscapes of economic difference” (2006, p.15), in this thesis I take a further step toward problematizing issues of governance that such alternative economies must face in their effort to survive, grow and flourish. I do so by analyzing the increasingly complex and heterogeneous experiences of solidarity economy in Brazil from three perspectives: (i) solidarity economy as the intersection between a social movement and public policies (ii) solidarity economy as performances of non-capitalist economic ontologies; and (iii) solidarity economy as a pedagogical praxis for autonomy. I find it important to discuss solidarity economy from these three perspectives because in the Brazilian context this concept encompasses three interrelated main issues: (a) power disputes over the democratization of the state in the context of the coming to power of a “progressive government”; (b) place-based and community-driven responses of civil society to the marginalizing effects of neoliberalism”; and (c) the daily pedagogical praxis of political and economic democracy for cultivating subjects of non-capitalist societies.

Specifically this thesis seeks to address three key questions and working hypothesis that have been developed through two field work visits to Brazil in 2011.

1- In the context of a ‘turn to the left’ moment in Brazil what is the relationship between the movement of solidarity economy in Brazil and the progressive government? To what extent does PT’s coming to power facilitate or compromise the advancement of the emancipatory project of society that the movement of solidarity economy claims to push forth?⁷

2- If solidarity economy has become a social movement whose proposition is to enact “another economy possible” by democratic and autonomous forms of governance, is it not a contradiction that solidarity economy initiatives rely on the government for financial and political support?

3- What lessons can be learned from the pedagogical praxis imbued in the dynamics and structure of governance of *Territorio do Bem* and *Coletivo PsicoUsp* about the potential and challenges for cultivating values and dispositions of the subjects of post-capitalist societies?

In order to address these questions, the thesis is organized in five chapters. In Chapter 1 (Introduction), I lay out the theoretical framework around which I articulate a discussion about the “fable” of the Brazilian development. I problematize the general positive evaluation of the growth of Brazilian economy and assess some of the negative

⁷ These questions have been framed in dialogue with a similar question posed by Alvaro Reyes (2012) in his essay ‘Revolutions in the Revolutions: A Post-counterhegemonic Moment for Latin America? *South Atlantic Quarterly*, 111(1), 1-27. doi:10.1215/00382876-1472567
Retrieved from <http://saq.dukejournals.org/content/111/1/1.full.pdf+html>

effects that the model of development adopted in the past four decades has caused to the labor market and how it has impacted the level of social inequality. I also present a brief overview of the movement of solidarity economy and I argue that historically, the origins of what is now known as the movement of solidarity economy in Brazil, started as alternative economic initiatives by workers in response to the structural unemployment and to increasing social inequalities that resulted from the structural adjustment governments adopted to pursue economic growth.

In chapter 2, I present a historical overview and clarify the main institutions and players involved in the Movement of Solidarity Economy in Brazil. I aim to show that the movement is born from a dynamic mobilization from below but it has been consolidating as an organization in national scale and advancing demands for public policies in close articulation with the progressive government that took power since 2003. I critique a *Lulacentric* view which tends to limit analysis of politics in Brazil around the figure of Lula, his party, his government, which generally results in the assessment that social movements have lost their power to mobilize opposition and their capacity to envision emancipatory projects of society. I discuss the examples of the recent national mobilization in opposition to Dilma's Rousseff policies which threatens the agenda and interests of the movement in an attempt to demonstrate that although it is noteworthy that the risk of co-optation is always present, the power to mobilize opposition the movement should have still remains.

In Chapter 3, I present the experiences of solidarity economy being enacted at the *Territorio do Bem* (The Territory of the Well-Being) and discuss the challenges that such initiatives face to consolidate themselves as viable economy alternatives given the

current context of growth of the Brazilian economy under the capitalist development model. I argue that, if from the standpoint of economic results solidarity economy initiatives still face many struggles, from a political standpoint however these initiatives have potential as experimentations of grassroots, participatory and non-dominant forms of governance.

In chapter 4, I present the economic and political-pedagogic experience of *Coletivo PsicoUsp*, an informal, not-for-profit, independent educational institution located on the campus of the University of Sao Paulo in the city of Sao Paulo-Brazil, where I worked as an educator between 2003 and 2010. My aim is to document an example of non-dominant dynamics of governance implicated in managing a solidarity economy initiative in order to provide insights as to how values and dispositions of subjects of postcapitalist societies can be cultivated.

Methods

Cursinho Psicousp- I relied on my experience as a member of the *Coletivo PsicoUsp*, on archival research, and informal conversations with former colleagues and students to compose the narrative I present of this case study. I worked at this organization as an Integrated sociology/ESL instructor from 2003-2008. From 2007-2010, I facilitated a weekly space of dialogue, called Arena Space, where students and educators from different disciplines came together to discuss issues relevant to the well-functioning of the collective: administrative, pedagogical, political, social issues. I took part in all Forums, except for the year 2009. Additionally I participated in four different

committees (curriculum design working group, political-pedagogical project working group, Arena space team and English language team).

Banco Bem- In November 2011, I attended a Conference on Solidarity Finance and Territorial Development at the University of Sao Paulo. At this occasion I contacted Leonora Mol, the president director of *Atelie das ideias* (Atelier of Ideas), the solidarity NGO which founded *Banco Bem*, a community bank based within *Territorio do Bem*, in the city of Espirito Santos, Vitoria. The narrative and analysis of the experience of *Territorio do Bem* that I present in the thesis resulted from archival research from various sources (websites, newspapers, videos, TV interviews with staff and clients of *Banco Bem*, and a documentary) as well as from two skype interviews with Glaucio Gomes, the institutional development manager of *Atelie de Ideas*, besides electronic correspondences with Glaucio Gomes.

With this thesis I hope to provide insights as to how communities and collectives are experimenting with autonomous forms of governing their livelihoods and managing their being together in non-capitalist ways. By revealing landscapes of economic difference and pedagogical praxis of autonomous governance, this research aim to contribute to rendering credibility to non-capitalist projects of society by documenting solidarity economy practices on the ground as well as problematizing their articulation with the state.

Additionally, my scholarly approach to this research was inclined to what Gibson- Graham calls ‘performative economic ontologies’, referring to the role research on diverse economies can play in fostering non-capitalist experiences “by developing new and richer languages of economy and of economic possibility, by cultivating

ourselves and others as subjects of non-capitalist development and by working collaboratively to produce alternative economic organizations and spaces” (Gibson-Graham, 2005, p 15).

Chapter 2-

Solidarity economy: a people-driven paradigm of public policy?

Post-development thinkers refer to the past four decades as the “Development Era”. During this time, Brazil underwent drastic structural economic, social and political changes driven by military governments from mid- 1960s to mid-1980s, right-wing neoliberals in the 1990s and ‘progressive’ governments in the 2000s. In each decade, there was a particular combination of economic policies and political governance frameworks developed to respond to both international and domestic scenarios and forces. It is beyond the scope of this thesis to address the complexity of the economic and political scenarios that unfolded in Brazil in the past decades. However it is important to present a brief historical overview from the perspective of development policies in order to problematize how the development models adopted impacted the labor market and social indicators, given that the effects of economic policies on these two dimensions of social life are correlated with the emergence of what has become known as the solidarity economy project of society in Brazil.

From both economic and political angles we can situate the beginning of the Development Era in Brazil in the period of the military dictatorship from 1964 to 1985. In 1964 the military took over power claiming that they needed to intervene in the governance of the country in order to reestablish political and economic order. The political context was one of increasing polarization of social and political forces during

the government of Joao Goulart (1961/1964). He was considered to have progressive inclinations and his Basic Reform Plan (*Reformas de Base*), which aimed at socializing the profits of large companies towards financing reforms in education, in taxation and in land distribution, was labeled as a "socialist threat" by the military and right-wing sectors of the society. The conflict around the agrarian reform was one of the main points of contention which led to the political crises. They alleged that the coup was the authoritarian solution to the increasing pressure for agrarian reform, opening up the path for the conservative modernization program of the Brazilian economy and that of agriculture in particular (Pochmann, 2005).

The military claimed that the political and economic crisis “should be solved by ‘technical measures’ in order to set up the path for economic growth in an adequate and ‘safe’ fashion” (Gremaud, 2009, p. 375). From a development viewpoint, the military regime period can be divided in two phases. During the first period (1964-1978) the basis for the ‘conservative modernization’ model of development was laid out. It encompassed a period of economic restructuring aimed at increasing public savings with which the state would finance the process of industrialization.

In the first phase the military, supported by conservative civil elites, purged the Congress and labor unions of all dissidents. Thereby freed from electoral pressures and from unions, the military regime enjoyed great latitude in implementing dramatic policy change. It was believed that economic growth should be promoted by the active

intervention of the state in the economy. In this *National-Developmentalist*⁸ *Project* the state strongly intervened in the economy and in development strategies with the aim of accelerating a process of industrialization which was financed by increasing public savings. These extensive public savings were primarily created by large increases in national taxation, which rose dramatically from 16% of GDP in 1963 to over 25% of GDP in the 1970s (Maneschi, 1972, p. 189). Brazil's tax levels were the second highest in a sample of 50 developing countries (Chelliah, 1971, p. 302–303). While dramatically increasing taxes, “the regime also significantly reduced non-investment-related government expenditures” (Krieckhaus, 2002, p.1704), in other words it decreased expenditure with social policies. The state, in short, deeply penetrated society after 1964 and extracted resources on a massive scale. The regressive taxation policies placed the heaviest burden of tax payment disproportionately upon the poorest strata of the population and this pattern of regressive tax policy remained through the following decades (see Table 2, Fig. 1 and Fig.2)

Table 1 -Taxation during the past four decades

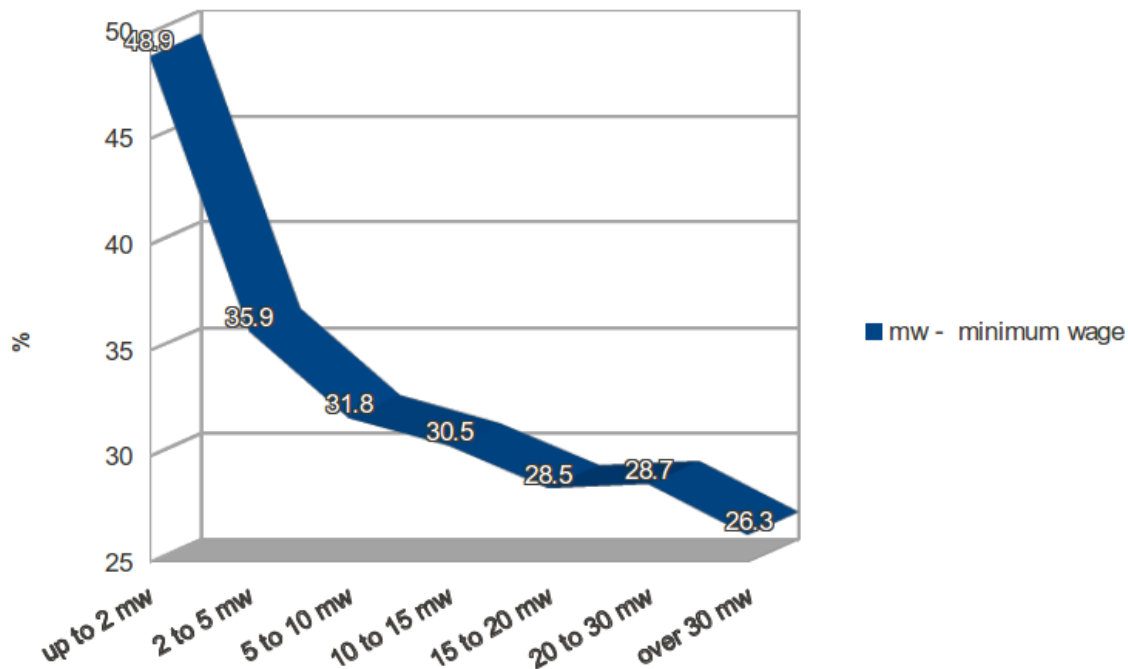
Year	Tax burden (% of GDP)
1960	17.34
1970	25.98
1983	26.97
1988	22.43
1995	29.41
2001	34.36

Source: (Varsano, 2003 in Schneider, 2006, p.31)

The table above demonstrates that taxation in Brazil increased steadily over the past decades and doubled between 1960 and 2001.

⁸ In the National-Developmentalist State, prevailing from 1964 and the 1980s, the ruling class is characterized by a strong alliance between industrial bourgeoisie and public bureaucracy, and the state intervened directly development strategies.(Bresser-Pereira, 2007)

Fig.1- Taxation distribution in relation to family income (2003)

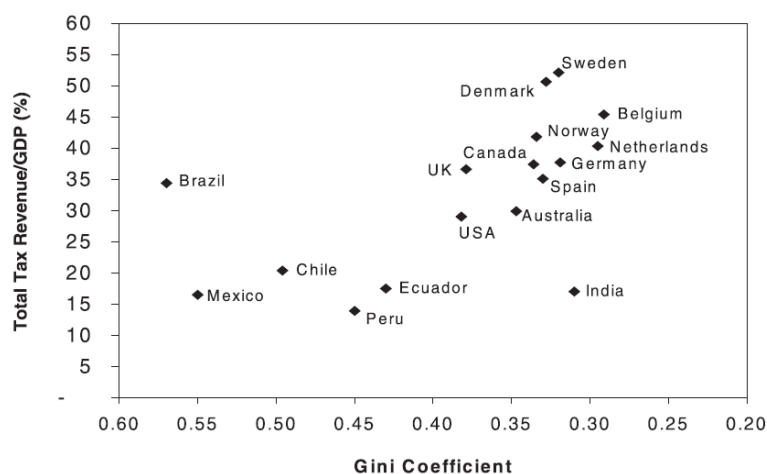


Source: IBGE⁹/POF/Fipe-Working paper n°3/2007 (elaborated by Ipea)

The Graph above shows that 48,9 percent of taxation is charged from families that earn up to two minimum wages, whereas the richest strata of the population, those who earn over thirty minimum wages pay the equivalent of 26,3 percent of the total taxation burden. The graph represents data from 2003 what demonstrates that the model of development adopted in Brazil throughout the Development Era from the 1960s to date has continued to be disproportionately afforded by the poorest strata of the population and this tendency followed during the so-called progressive Lula administration from 2002-2010 (IPEA, 2010, np).

⁹ IBGE- Portuguese acronym for Instituto Brasileiro de Geografia e Estatística-Brazilian Institut of Geography and Statistics.

Fig.2- Tax Burden and Gini Coefficient



Source: Bezerra de Siqueira et al. (2003, p.5 in Schneider, 2006, p.33)

Regressive taxation is one of the mechanisms that explain why in spite of a pattern of economic growth, income concentration and social inequalities persist. (Pochmann, 2005)

Furthermore, no significant investments in social security programs were made. On the contrary, a policy of forced savings created mandatory retirement programs that forced workers to save. The programs consisted of the Worker's Tenure Guarantee Fund (FGTS), which comprised monthly compulsory deposits amounting to 8 percent of the wages of each employee, and the PASEP, which was an analogous program for public sector workers (Syvrud, 1974, p. 260 in Kriekhaus, 2002, p. 1705). These funds were allocated to the National Development Bank (BNDES) and indeed constituted the majority of BNDES funding (Baer & Villela, 1980, p. 435). The funds of BNDES were transferred to the national private sectors and to housing programs that benefited the middle class.

By early 1970s public savings had reached an astounding 10% of GDP. The State managed to increase in public savings by combining three strategies: budgetary savings, state-owned enterprise savings, and ‘forced savings’. These saving mechanisms financed the second period of the *National Developmental Program* (1973-1978) which became known as the period of the “economic miracle” during which economic growth rate reached 14% with an annual average of 10% for the period (Gremaud, 2009, p.385).

The downside of the “economic miracle”, however, was that this strategy of development derived from a theory of political economics known as the “cake theory”, according to which the “cake” should first grow before it could be shared” (Gremaud, 2009, p.392). The “economic miracle,” therefore resulted in further concentration of income and deepening social inequalities. Moreover, heavy taxation on the poorest workers, exclusion of rural workers from labor rights benefits, violent repression of the struggles for agrarian reform, and repressive politics increased discontent among workers from both urban and rural areas, who organized increased resistance against the regime.

As a result of the struggles for democratization, in 1974 the *abertura politica* (political opening) was initiated. An electoral setback in congressional elections followed, making explicit the lack of legitimacy of the military regime that had to start “buying” political support by maintaining rapid economic growth through international debt (Krieckhaus, 2002, p. 1706). Foreign investment “jumped 674%, while remittance of profits jumped by 982%. Payment of annual interest grew by 3.583% as a result of contracting international debt” (Pochmann, 2005, p.31). But with the international

economic crisis of the late 1970s investments were withdrawn in large amounts. Furthermore, due to the end of the dollar parity the previously contracted external debt increased enormously and economic growth stopped.

From the economic standpoint, the following decade of the 1980s became known as the “lost decade”. A process of forced productive restructuring, in a context of economic recession brought about structural unemployment (Pochmann, 2005, p. 32). The failure of successive monetary policies to reactivate the stagnated national economy increased inflation, decreased real wages, and saw the growing popularity of neoliberal ideas. Deploying purely financial measures came to be the way successive governments expected to manage their key concern: inflation. Production became dependent on speculative capital interests, a political economic strategy which aggravated even more the levels of unemployment and social exclusion (Pochmann, 2005, p. 34).

From the political standpoint, however, it is important to note that a vibrant civil society organized in different segments: rural workers, unions, the theology of liberation ecclesiastical communities, the black movement, and clandestine leftist parties strongly resisted the authoritarian regime and denounced the structural social inequalities that resulted from the *national developmentist* model. The international and domestic economic crisis, plus civil society organized opposition against authoritarianism ruined the basis upon which the dictatorship regime stood- high economic growth, repression and censorship, culminating in the democratization campaign (*Diretas Ja*), the end of the military regime in 1985 and the drawing of the new democratic constitution which incorporated ample civil, political and social rights.

In 1985 a civilian president was elected indirectly by the military and the transition to democracy concomitantly meant a transition away from the intervention on the State in the economy, in one word: neoliberalism.

During the 1990's, right-wing Presidents Collor (1990-92) and Fernando Henrique Cardoso (1994-2002), deepened the adoption of neoliberal policies as the Washington Consensus became dominant. The opening of the economy was justified by the need for "efficiency and modernization" that a free market economy would foster. A massive program of privatization of key state enterprises, deregulation of the labor market, "flexibilization" of labor rights, and reduction of the social, productive, and redistributive functions of the State feature some of the neoliberal measures that effected the national economy. The center of gravity of the economy became the monetary/ financial policy, the Central Bank became independent of political control, interest rates rose and investments were channeled to sectors of high and quick return. Unemployment rates increased and the government implemented only compensatory and localized governmental programs to mitigate the deleterious effects on the labor market (Pochmann, 2005, p. 36). This repositioning of Brazil in the global capitalist economy increased unemployment and the informal economy while consolidating Brazil among the nations ranking top positions in social inequality indicators (see Tab.2)

Table 2- Table showing the increase of unemployment and of the informal economy

Items	1980	2000
I. Organized labor market	59.2	45.6
Capitalist economy	47.5	37.5
Employer	3.1	3.9
Formal employee	37.5	28.2
Formally self-employed	6.9	5.4
Public sector economy	11.7	8.1
II. Non-organized labor market	38	39.4
Informal waged labor	13.6	20.9
Informally self-employed	15.2	11.3
no pay or self-sufficient producer	9.2	7.2
III. Unemployed	2.8	15

Source: (Pochmann, 2005, p. 52)

Within this neoliberal framework the capitalist market was increasingly viewed as the only means to promote development. As Berthoud (2010, p.78) argues “efficiency is preferred over social justice as a means to an end, but also sometimes, as an end in itself, as is well illustrated by the attempts of the IMF and the World Bank to impose a worldwide view through the process of structural adjustment. Their explicit objective was to inculcate solely economic motivations in the rich as well as in the poor” (Berthoud, 2010, p.78).

The 2000s, a period during which Luis Inacio Lula da Silva (Lula) was the president, represents an interesting moment in the political history of Brazil. For the first time in over forty years, one popularly-elected Brazilian president passed the sash of office to another. Luiz Inácio Lula da Silva’s election was historically significant for Brazilian democracy in several ways. At the most general level his inauguration symbolically sealed Brazil’s transition to democracy.

As for the PT, even though it has relied heavily on state-supported unions to grow, it is the first important Brazilian party to be formed largely autonomously from state influence or by political or economic elites themselves (Meneguello 1989; Keck 1992). The party grew out of a confluence of union, Catholic Church, and social-movement activism in the 1970s and early 1980s, and matured into an organization that catalyzed, mobilized and channeled an extraordinarily broad network of individuals who sought political change, locally and nationally.

The fact that for the first time Brazil's leader not only boasted considerable personal popularity but also led a highly institutionalized political party with deep roots in society makes one raise a question about whether the coming to power of this progressive government represents a turning point in the political and economic history of the country. What differs about the experience of a Lula/PT administration, and what difference, if any, has the Lula/PT government made for Brazilian development and democracy?

The PT remains a novelty in Brazilian politics, despite its moderation over the 1990s and the experience of the Lula administration. Any evaluation of Brazilian democracy under Lula must therefore not only focus on policies enacted and those that were left on the table and the stability of executive-legislative relations, but more importantly on the tension between government policies and performance and how well the administration measured up to the aspirations and hopes of the PT and its supporters. The PT is known to be an organization committed to social reform. Has their victory and the substitution of elites thereafter significantly altered the orientation of social policies? (Samuels, 2007)

Almeida (2005) argues that regardless of the governmental rhetoric concerning the founding character of its social policies, the PT administration consist of a mix of continuity and change of emphasis and ways of management. On the one hand, prioritizing income transference policies favoring the poor seem to be, up to now, the most distinctive feature of the PT administration's social policy, which differentiates it from what had been done in terms of welfare policies at a federal level. However, such policies imply a conception of social protection and a style of politics that are quite distant from the general expectations of reformist policy that the PT administration was supposed to implement.

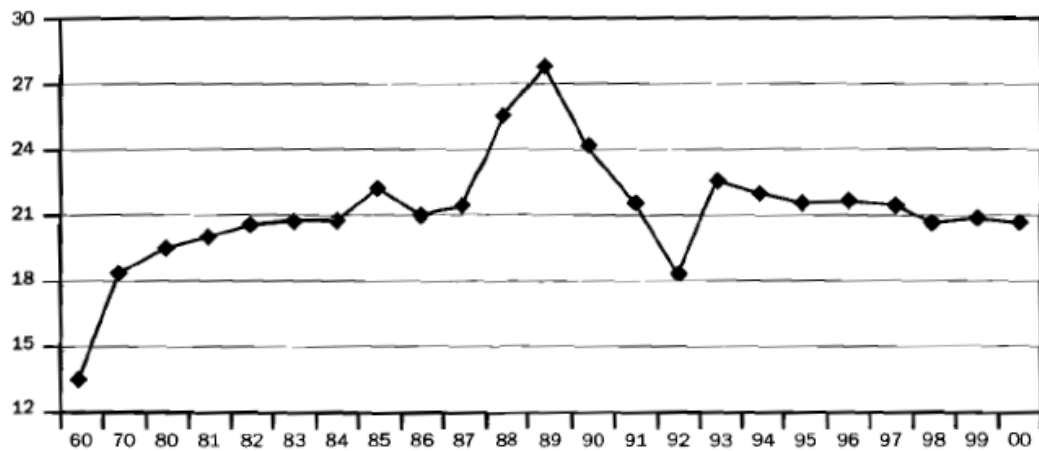
On the other hand, the government's leftist critics tend to miss an important point. Lula's critics, who claim that the government has failed to enact an "inversion" of government priorities, ignore substantial evidence that Brazil's poor have enjoyed improved living standards under the Lula government, including a sizable real increase (if not a doubling, as of late 2006) of the minimum wage (e.g. Ferreira et al. 2006; Couto and Baia 2006). As Samuels argues, "it is true that some of these indicators have been improving for years, and it remains unclear what is distinctly leftist or even *petista* about many aspects of these programs, but without looking at the political impact of government economic policies and distributivist programs, it becomes extremely difficult to interpret the strength of Lula's political support among Brazil's lower classes" (2007, p.10).

The PT's left wing, along with other parties in the president's electoral coalition, harshly criticized Lula's pragmatism. The administration's critics perceived a disjuncture between its economic policies and its political and social support bases, and

they reacted viciously at their perceived abandonment or betrayal. Some disillusioned *petistas* even concluded that Lula had actually converted to neoliberalism. Whatever the case, Lula's choice to adhere to conservative economic policies precluded substantial advances in the realm of social policy. Among the aspects which indicate that in spite of change, the overall structure of the development model based on concentration of wealth and social inequality still remains is that fact the Brazilian growth in the past decade was largely based on neo-extractivist export-oriented agribusiness while the main feature of economic inequality, concentration of land, remains almost intact.

Roughly speaking 'Development as economic growth' was the goal of each of these arrangements over the past four decades. As already mentioned above, it is beyond the scope of this thesis to address the complexities of the economic and political scenarios configured along the Development Era and the various responses of Brazilian governments to them. My intention here is simply to outline a few core characteristics of the main scenarios in order to highlight some of the recurrent negative implications of the Development-as-growth model to Brazilian workers and society. It is crucial to reveal the adverse implications for the labor market, especially during the 1990s when neoliberal policies increased unemployment and deepened social exclusion. It is also essential to note how the project of development-as-growth, despite of its mutations in each decade, has evolved based on dynamics that create or worsen income inequality and social exclusion (see Fig.3).

Fig.3- The evolution of the level of income inequality between 1960 and 2000)



Source: Pochmann, 2005, p.55)

Pochmann (2005) elaborated the graph displayed above using data from the Brazilian Institute of Geography and Statistic (IBGE), which shows the evolution of income inequality between the 40 percent poorest strata of the population and the 10 per cent richest segment of the population during the period from 1960 and 2000.

From this broad perspective, it is clear that while Brazil registered, on average, one of the highest rates of economic growth in the world between the 1960s and the 2000s, it did not generate equivalent positive social results. Instead, successive governments traded-off social justice for economic growth.

The response of workers and organized civil society to such deleterious impacts on labor markets and on principles of social justice took different forms at different times. But here I want to focus on responses to unemployment and job instability especially along the past decade as they converge emerging as a social movement organized around a common struggle to foster a new model of development based on what in Brazil is referred to as a 'solidarity economy'.

The solidarity economy encompasses a variety of economic alternatives that workers have been putting in place to survive and retake control of their livelihoods in the face of economic exclusion and political alienation. The emergence of the solidarity economy movement results from the synergy between responses of workers to two aspects of the historical processes set forth during the “Development Era”: an economic one and a political one- unemployment and deteriorating labor relations and labor conditions, on one hand; social inequality and exclusion of workers from power-sharing on the other hand.

The solidarity economy movement involves various sectors of civil society, such as ecclesiastical communities, the landless movement, students and workers unions and progressive policy-makers that have accumulated experiences of popular resistance since the 1970s when they shared common struggles against the military regime; the 1980s when they partook in the democratization process¹⁰ and in designing the new constitution; the 1990s against the massive neoliberal program of privatization and attacks on labor rights; and more recently in the 2000s to dispute decision-making arenas and resources with neoliberal interests within the State currently governed by a ‘progressive government’ that these sectors worked to elect.

The movement of solidarity economy (SE) is the most recently organized social movement in Brazil operating on a national scale. Practitioners and supporters of SE assert that the movement’s economic and political experiments point to a larger emancipatory project of society and that its transformative potential lays in its integrated approach to social change. That is, it proposes a model of development that

¹⁰ The Military regime ended in 1985. The New Constitution came into effect in 1988.

re-embeds the economy in its political, societal, ethical dimensions (Gadotti, 2005). It involves multiple and diverse segments of the social movements in Brazil that have accumulated experiences and shared histories of popular resistance. Furthermore it involves interventions both at a micro-level between practitioners of SE and their communities/political spaces and at a macro-level between practitioners of SE and the state.

In order for one to understand the heterogeneous and diverse levels of governance of the solidarity economy movement it is important to lay out a historical overview and briefly present the general structure of the movement, naming some of its main players, networks, forums and institutions of governance.

Historical overview of the SE Movement

As the *Atlas da Solidarity economy in Brazil*¹¹ (2011) shows there are 21,846 of Solidarity Economy Initiatives around the country, over 1.7 million workers organize their labor following SE principles, and there is a trend for their consolidation and expansion. These enterprises/initiatives have been gaining visibility as a social movement which has entered institutional spaces to advance its agenda at all levels of

¹¹ The Atlas of solidarity economy in Brazil was created based upon information contained in the National System of Information on Solidarity Economy (SIES). The survey encompassed information on 21, 859 solidarity economy enterprises catalogued in the SIES system and related to the characteristics of the enterprises such as: the type of commercial activity, levels of revenue, access to credit, forms of management, etc. The survey and mapping research was sponsored by SENAES (The national secretariat of solidarity economy) and FINEP (The Finance Agency of the Ministry of Technology and Science) and carried out by five national organizations and the working group on mapping of solidarity economy of the Brazilian Forum of Solidarity Economy. Information was collected from 2933 municipalities, representing 53% of the total number of municipalities in the country.

the State. A document¹² in 2006 by the Brazilian Forum of Solidarity Economy (FBES) says that the growth of the Solidarity Economy as a movement takes a significant leap with: “the World Social Fora a privileged space where different actors, organizations, initiatives and solidarity economy enterprises were able to develop an integrated work that resulted in a demand presented to newly elected president Lula to create a National Secretary of Solidarity Economy (SENAES)”.¹³

The emergence of the Movement of Solidarity can be traced back to the first World Social Forum (WSF) which took place in the city of Porto Alegre in 2001. At that moment networks and organizations from a variety of associative practices of the popular segments: the landless movement, students, churches, unions, universities, credit cooperatives expressed interest and the need to create a space within the WSF where they could share the experiences and challenges of associative economic practices.

On that occasion they formed a working group on solidarity economy (WG-SE) composed by twelve national organizations and networks: the Landless Workers Movement (MST / CONCRAB); Network of Technological Incubators of Popular Cooperatives from several universities (Network ITCPs); Central Worker’s Union (ADS / CUT)¹⁴; UNITRABALHO, National Association of self-managed enterprises (ANTEAG), Brazilian Institute of Social and Economic Analyses (IBASE), Caritas

¹² Brazilian Forum of Solidarity Economy (2006). The management and organizational experience of the solidarity economy movement in Brazil. Retrieved from http://www.fbes.org.br/biblioteca22/Brazilian_Solidarity_Economy_Movement.pdf

¹³ Brazilian Forum of Solidarity Economy: <http://www.fbes.org.br>

¹⁴ Of which Lula is a founder.

Brazil, Brazilian Association of Microfinance Institutions (ABICRED), Brazilian Socioeconomic Solidarity Network (RBSES); Institute of Alternative Policies for the Southern Cone (PACS), Federation of Organizations for Social and Educational Assistance (FASE), and the network of policy-makers who support associative economic practices. The WG-ES sought unity within a diversity of popular economic experimentations, favoring the construction of the identity that became called solidarity economy.

In 2002, the working group (WG-SE) prepared a document entitled "*Solidarity Economy Strategies for Development*" which contained the general principles and guidelines of solidarity economy. It was approved by the first plenary of the solidarity economy movement and sent to the newly elected President Lula, demanding the creation of a National Solidarity Economy Secretariat within the Ministry of Labor. This institution was created by Lula in 2003.

In January 2003, the II Plenary of SE movement was held at the World Social Forum. The role of the WG-SE as the interlocutor of the movement with the newly elected government was ratified and an agenda of mobilizations to foment debates on solidarity economy principles and practices all around the country was set up.

In June 2003 the III Plenary of Solidarity Economy was held in Sao Paulo and representatives from 17 states attended it. It was during this Plenary that the Brazilian Forum Solidarity Economy Forum (FBES) was created. In addition to defining the composition and structure of the FBES, it was also decided that the FBES had the mission of fomenting debate and mobilization around the country to support existing

solidarity economy enterprises and to support new ones according to the Charter of Principles and the Platform of Struggles¹⁵ also approved by the III Plenary. It was decided that from that point on FBES would be the interlocutor of the movement of Solidarity Economy with the newly created Solidarity Economy National Secretariat and that “the relation of the movement with the government should be based on a qualified dialogue to avoid compromises to the autonomy of the movement”.¹⁶

During 2004-05, state conferences of the movement were held and representatives chosen to attend the first National Conference on Solidarity Economy in Brasilia in 2006. At the National Conference the main goal was to discuss the needs and challenges faced by solidarity economy enterprises and elaborate proposals of public policies necessary to strengthen solidarity economy initiatives/enterprises and enhance conditions of possibilities to advance with experimentations of a solidarity economy development model for the country.

Main players

Three segments compose the SE movement: solidarity economy enterprises/initiatives; advisory and fostering organizations (incubators); policy-makers that support programs clearly focused on the solidarity economy.

a) Solidarity economy enterprises are the leading performers and the target of the movement, making up most of the representation in all the FBES decision-making

¹⁵ http://www.fbes.org.br/index.php?option=com_content&task=view&id=62&Itemid=59

¹⁶ http://www.fbes.org.br/index.php?option=com_content&task=view&id=61&Itemid=57

levels. Solidarity economy enterprises comprise a variety of associative economic practices: cooperatives (of production, services, consumption, commercialization and solidarity credit); popular associations; recovered factories; exchange clubs (using or not a social currency); community banks; solidarity supply chains; solidarity tour agencies and many others.

b) Advisory and fostering organizations (incubators) compose the second segment of SE movement which is organized as not for profit associations (NGOs) or universities extension groups (incubators). They render support and develop services to incubate or assist existing solidarity economy enterprises, either in the form of training/workshops (technical, economic and political), or in the form of direct support (legal consultancy, project development and/or credit offer).

c) Policy-makers that support programs clearly focused on the Solidarity Economy form the third segment of the Solidarity Economy Movement in Brazil. This segment is represented at national level by a network of elected officials and policy-makers. Their network has a seat in the FBES National Coordination.

Governance structure of the movement of SE

The National Coordination Board is the major decision-making authority within FBES. It consists of representatives from sixteen national organizations and advisory networks, in addition to three representatives from each of the twenty-seven states of Brazil. Two of these three state representatives are part of the segment of the solidarity economy enterprises and one is either a supporting organization (NGOs,

incubators) or a policy-maker. The National Coordination Board, therefore, is made up of ninety-seven members (27x3 +16) who meet twice a year.

The National Executive Secretariat of the FBES carries out the decisions made by the National Coordination Board and executes the daily political articulation with other movements and the federal government. It oversees the implementation of public policies for SE. The Executive Secretariat of FBES is composed of thirteen people out of which seven are representatives of solidarity economy enterprises; five are representatives of the National Networks and Organizations that promote SE initiatives; and one is a representative of the Brazilian Network of Solidarity Economy's Public Policy-Makers.

There are also **Working Groups** which are of a predominantly technical and operational nature. They are constituted by members of the National Coordination and of renowned organizations or experts in the thematic areas. It is a mixed organization (government and society) of great importance to the FBES and to SENAES. WGs have the role of carrying out more in-depth discussions raised by the FBES and/or SENAES National Coordination and prepare materials to “feed” the mobilization and the debates of state and national conferences. Finally, WGs also draw public policies for SE in each of the eight thematic areas: communication; SE survey; legal frame; public policies; production, commercialization and consumption; international relations; solidarity finance; and training in SE. A similar structure of working groups is replicated at the state and municipal levels.

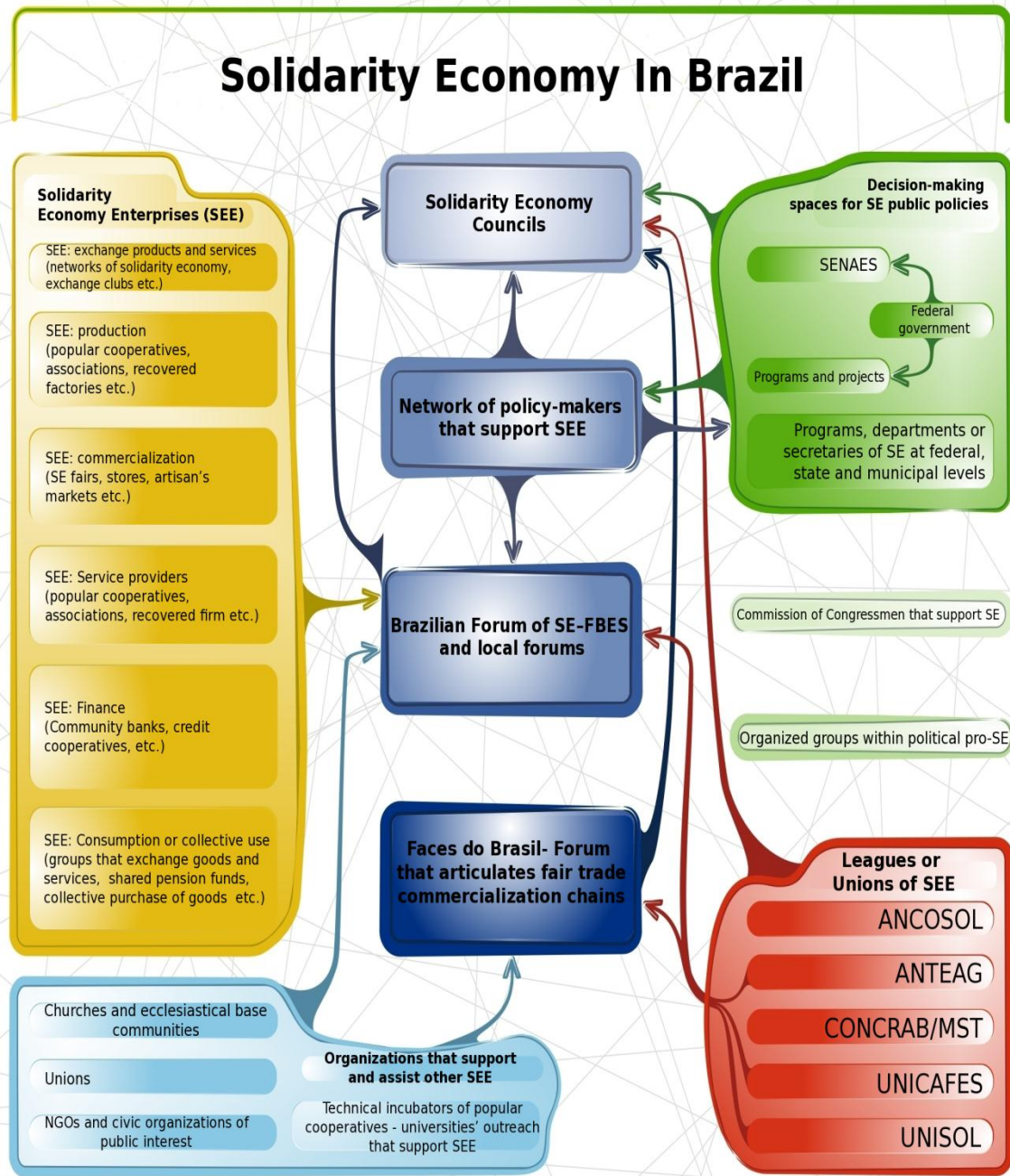
Solidarity Economy State Forums

In Brazil, the SE state forums are organized in all twenty-seven states. They provide the capillarity and the organicity of the SE movement nationwide. State forums have independent and heterogeneous governance structures and find themselves in different stages of formation. State Forums are in charge of organizing SE events such as solidarity economy fairs and training/workshops within each state. They also work to include the principles and projects of solidarity economy into the local public sphere, for example in development strategies for agrarian reform, for employment policies, education and social security policies etc.

Regional Meetings

The FBES holds Regional Meetings in the five regions of Brazil (North, Northeast, Midwest, Southeast and South) with the purpose of strengthening the state forums by exchanging experiences in management, political articulation and sustainability. Additionally, they foster the implementation of productive chains, promote cooperation among the state forums by allowing for states that have more advanced organizational structure exchange their experience with those in the early stages structuring.

Fig.4- Organogram chart of the solidarity economy movement in Brazil



Source: FBES-<http://www.fbes.org.br>

Public policies for solidarity economy: “the battlefield”

The fact that the “public sector” is considered a segment of the SE Movement raises an intriguing question: What does it mean for a government to be a segment of a social movement?

The close relation between social movements and the so-called ‘progressive governments’ in the “turn to the left” in Latin America is an issue of much relevance. In the case of Brazil it seems to be particularly complicated. Some, such as Zibechi, believe that “there are countries such as Brazil, in which there is a clear crisis in the social movements that cannot be separated from the economic and political strength of that country as an emerging economic force” (2010, p.35). Likewise, Brazilian leftist sociologist, Francisco Oliveira, also asserts that “Lula has played to dissolve or pretended to dissolve social conflicts. Today what we see it in Brazil is a major consensus. There is *Bolsa-Familia* now, so people think there has been change... try to convince those who get *Bolsa-Familia* that this social policy is the way the government kidnaps their political agency” (Oliveira, 2005)

Such analysis of the state of social movements in Brazil is widespread, both within the country, as well as abroad. But here I want to argue that in order for one to be able to see the potency and possibilities that the SE movement may represent as an emancipatory project of society, it is necessary to move away from the *Lulacentric* discourse.

Lulism is the Brazilian phenomenon implicated in the political context of the “turn to the left” which took place in Latin America in the past decade. It is almost a

consensus among activists of the Brazilian social movements in general and of the SE movement in particular that the coming to power of President Lula represented an opportunity to push forward progressive projects of society. Practitioners of solidarity economy for instance, generally judge that by creating SENAES former President Lula signaled his support to the movement and to its noncapitalist project of society. They see it as Lula's opening up of an institutional space for the movement to channel its demands, engage in dialogue with the government, and participate in designing public policies in the benefit of the solidarity economy initiatives. Furthermore representatives of the government actively participate in and co-organize committees, forums, events of the Movement of SE.

The great majority of entrepreneurs, intellectuals and activists involved with SE argues that the close involvement of the government with the movement is a necessary, indispensable condition for strengthening the movement and for laying the ground for a non-capitalist project of society. Engagement with the State on an increasing basis means to most of them that the movement has gained strength, relevance, power and it is moving in the right direction to advance its project.

Others, however, like Sergio Rosa, one of the coordinators ITCP-USP sees that the participation of the government as part of the movement may explain the setback of the radical discourse against capitalism and the decrease of creative initiatives to foster autonomous economic activities both in regards to the capitalist market as well as to the State. It is important to make it clear that even the most enthusiastic viewers of Lula and the Worker's Party rule can hardly deny the fact that his economic policies followed the same neoliberal macroeconomic policies as the former right-wing President Cardoso.

So, why is it then that in Brazil social movements in general and the Movement of SE in particular seem to strongly support and deliberately aim to involve the government in their projects of social change? Is the SE movement in Brazil oblivious to that fact that Lula and the PT government further consolidated the neoliberal model of development it opposes? Is it that social movements in Brazil have completely sold out to the extent that a few reformist policies are enough to dissolve the most radical demands and keep the movements subservient?

I believe that we can attempt to answer some of these questions more critically when we link Gibson-Graham's critique of *capitalocentrism* in regards to economy to a critique of *Lulacentrism* in regards to Brazilian politics. Gibson-Graham uses the term *capitalocentrism* to refer to:

The dominant economic discourse that distributes positive value to those activities associated with capitalist activity and signs lesser value to all other processes of producing and distributing goods and services, by identifying them in *relation to* capitalism as being the same as, the opposite of, the complement to, or contained within. A *capitalocentric* discourse, she says, condenses economic difference, fusing the variety of noncapitalist economic activities into a unity in which meaning is anchored to capitalist identity. (Gibson-Graham, 2006, p.56)

Likewise *Lulacentrism* in regards to politics in Brazil refers to the dominant political discourse that gives most attention, relevance and meaning to political

activities and analysis identified in *relation to* the figure of Lula as being the same as, the opposite of, the complement to or contained within his political program, charismatic power or field of influence. This *Lulacentric* view presumes that in Brazil the horizons of politics are fully comprehended by a map that includes only party politics, elections, populism and co-optative or dissipating political dynamics. According to this view all polity is materialized in the realm of State politics and, in the past decade, it has gravitated around one political subject- Lula or his party. In doing so, such perspective condenses a diversity of political subjects, imaginaries and actions into one single political identity- a co-opted civil society. Those who hold this view tend to erroneously conclude that all potential for emancipatory projects and possibilities in Brazilian society have been tamed or subsumed in state-centric politics.

In this chapter I want to show why it is important to question the hegemonic *lulacentric* discourse so to liberate our political analysis from the shadow of mainstream political thinking- of the right and of the left- and stop evaluating politics with respect to Lula or the worker's party alone and remove the single focus that only perceives the connections of political agents to the State. Instead we must wear multi-focal lenses in order for us to grasp the transformative potential of diverse non-dominant forms of governance that are also enacted in spaces of politics situated away from and beyond the domain of state-politics.

A battlefield: multiple perspectives

One will find several different names and concepts for economic alternatives to the neoliberal approach to economy which have been spearheaded by unemployed and

poor workers around the world: popular economy, social economy, solidarity economy. But the principle of self-organization or self- management is a key one for each of these concepts. Autonomy is the defining factor that differentiates economy from a solidarity perspective from that of the capitalist perspective. There are intense debates among practitioners of SE concerning the issue of autonomy. Here I will briefly present multiple perspectives that came up during a weekly meeting of a solidarity economy organization I visited and where I carried out interviews during a field research trip to Brazil in December 2011, ITCP¹⁷ at the University of Sao Paulo.

At that meeting¹⁸, I posed the question: If SE is a proposition to create “another economy possible”, “another world possible”, through radically democratic and autonomous forms of governance, is it not a contradiction that most solidarity economy initiatives around the country depend on the government for financial and political support?

17. Technological Incubators of Popular Cooperatives (ITCP's) lay in the category of one of the three segments of the Movement of SE: advocacy and support organizations. In almost every public university in the country there is at least one of such incubators of SE enterprises. They provide technical and political support and sometimes financial assistance to groups of workers who wish to start up a SE enterprise. They also support existing SE enterprises by engaging in education and political activities with them.

¹⁸ The questions raised and political positions presented in the debate that follows reflect the views of workers/educator of the *Incubadora Tecnológica de Cooperativas Populares* (ITCP) of the University of Sao Paulo, an incubator of solidarity economy enterprises. Although officially it is an institution of the University of Sao Paulo, Interviewees say that “it has very loose connections with the administration of the University of Sao Paulo. In spite the fact that their building is located within the campus of the University of Sao Paulo in fact they are an autonomous organization”. Most workers (they call themselves educators) are students and alumni students of the University. They do not get funds from the University to do their work nor do they have institutional support from the University. All their funds come from grants they apply for. And in this fact lays an apparent dilemma and around which heated debates arise continuously. The fact that for the collective to run its activities it mostly relies on grants given by the state institutions, such as: the Solidarity Economy National Secretariat, The Ministry of Education, Ministry of Environment, and state enterprises, such as Petrobras or BNDS, as well as from other local or international NGOs or otherwise private foundations and even banks such as IBID, places them in face of a contradiction. The collective itself is not financially autonomous. Such dilemma is one of the most important challenges enterprises/organizations of solidarity economy face.

Participants presented multiple stances while answering to this question. I find it relevant to portray some of them here because most of the opinions/arguments raised at this meeting reflect larger debates posed in forums/conference of the movement as well as in the literature.

In elaborating a response to that question Joao¹⁹, one of the educator at ITCP, argued that collectives of workers may find support in state or private institutions, but cooperation between them does not exist only because of financial and political support from the government. In fact, he argued,

experiences of cooperatives and autonomous organization of workers for purposes of collective production and co-management of resources and outcomes of their work have existed for centuries, with and without support of the State, in association with the State or in opposition to the State, under the rules of parties of the left and of the right. It is not from the State that the quest and work for change comes from. We do that. Sometimes we do that in confrontation against the state; sometime in cooperation with it... it depends on the political moment we are living in.

Building up on his argument, Carlos added his view that

social movements do not exist outside of the social world, which contemporarily means a world designed by the logics and interests of nation states and capitalist firms”. Instead, he argued, social movements emerge from within such a social world, therefore autonomy of social movements does not necessarily mean absolute refusal to relate to state power.

I intervened in the discussion to make a comment which Alvaro Reyes cleverly articulates this way: “If the state after the arrival of the progressive governments became a viable battlefield within which movements could press for change, it must be noted that this battlefield was also shared by the institutions and projects of global

¹⁹ I chose not to use real name of participants, and instead give anonymous identities.

capital” (Reyes, 2011, p.11). The intensity of the discussion elevated at this point showing that this topic is of utmost relevance not only to this collective but to social movements in general given the current political moment in Brazil.

Antonio presented his concerns about the real risk of cooptation of the movement, acknowledging that “in capitalist societies the function of the state is to protect and guarantee the interests of capitalism, and that it operate to be at times responsive to demands of non-capitalist projects only to the extent that non-capitalist projects remain “marginal” and “tamable”. However, he continued “the state is a space where resources and control over them is concentrated. Those resources are used to finance and maintain capitalist interests. Thus we have to enter the public spaces to retake control over the management of resources and dispute access to them with corporations”.

Solidarity Economy: a new paradigm of public policy?

Practitioners of solidarity economy (not only the co-optable ones) know from daily experiences that the consolidation of non-capitalist, not-for-profit-driven economic experimentations in a reality where the market is “colonized” by capitalist logics of competition, exploitation of labor, private concentration of resources and profits encounter many barriers. It is hard for non-capitalist enterprises to find the conditions (financial, legal, technological etc.) to get off the ground and consolidate themselves as economically efficient alternatives. Therefore, practitioners who see in a closer dialogue with the public sector an opportunity to expand the conditions of possibilities (access to credit at lower interest rates, change in the legal framework that

regulates cooperatives, subsidies for family agriculture, repossession of unproductive *latifundios* for agrarian reform etc.) evaluate that an intersection of the movement with the government does not necessarily compromise the goals and principle of autonomous projects that they aim to advance. For them, relationship and even negotiations with the state, when informed by logics and political actions that oppose the dominant nature of state politics can be considered a viable political strategy for non-capitalist projects.

Complementarily, practitioners reaffirm that strategies to advance the SE project of society involves most of the time mobilization to oppose the government when it takes actions contrary to the interest of SE or imposes public policies disregarding the movement as an interlocutor, thus overseeing its principles and agendas. Such is the case with the current national reaction against a proposed legislation presented by President Rousseff without any dialogue with the movement of SE. The legislation in question is the PL865/2011.²⁰ It would create the Ministry of Small and Micro-Enterprises and it would transfer the National Council of Solidarity Economy (CNES) as well as the National Secretary of Solidarity Economy (SENAES) from within the Ministry of Labor to place it under the administration of the Ministry of Micro-Enterprises to be created. The Movement of SE and its supporters largely discussed this proposed legislation in all states at municipal and state forums as well as at the national forum and presented a letter of strong disapproval to President Dilma Rousseff. In the letter it said that “ this project represents not only a setback in the struggles advanced by

²⁰ Movimento de Economia Solidaria rechaza PL 865/11.
http://www.adital.com.br/hotsite_economia/noticia.asp?lang=PT&cod=55452

the movement since 2003, but that is an anti-democratic attempt of imposing a law that affects Solidarity Economy without previous consultation of the Movement, disregarding its current challenges, agenda and perspectives for the future. Thus, this project is totally contrary to the interests of SE in Brazil”.²¹

The letter affirmed that “the project does not pay attention to the specificities of SE and the demands of the Brazilian Forum of Solidarity Economy [...] it dissolves the possibility of having a centralized and specific set of public policies vital to strengthening solidarity initiatives in local and national scales”.²² The letter also reiterated the claim for “a Ministry of Solidarity Economy to be created along with a National Fund for Solidarity Economy as decided by the Movement during the II National Conference of Solidarity Economy, in 2006”. Finally it requested that adjustments in the Constitution be made in order to set up the legal apparatus necessary to facilitate SE startups, protect and foment SE enterprises taking into consideration their specificities as a non-capitalist model for development”.²³

Deeping its contention against the government on this issue, the movement organized discussions in all state forums and decided to launch a national campaign to collect signatures supporting a Federal Law of Solidarity Economy through a popular initiative. A popular initiative is a process through which civil society elaborates and approves a legislation to regulate issues of its interest so long as it does not alter the already approved national budget plan for that year. In order for the proposed legislation

²¹ idem

²² idem

²³ idem

to be presented as a popular initiative at least 1% of the electorate²⁴ of each state has to approve of it and sign it. This mobilization to collect signature create opportunities for conversations and debates about the agenda e strategies of SE movement in every state of the nation.

This mobilization points to three important aspects which demonstrates that in spite of its close relation with the government, the movement of solidarity economy does maintain its autonomy to mobilize society and oppose the government: first, it demonstrates that involvement with the government instead of dissipating the articulation of the movement of SE and its power to organize opposition, it has actually facilitated the organization of networks of SE in national scale, which can now mobilize opposition faster and more effectively when necessary.

Second, it restates the fundamental difference between solidarity economy as a project for a non-capitalist society and the logics of capitalist economy. The movement launched this campaign because it acknowledges that the government does not understand (or pretends not to understand) that distinctively from capitalist microeconomic entrepreneurship, solidarity economy proposes a non-capitalist model of development. Practitioners and activists state that “Solidarity Economy mostly involves micro-enterprises, but despite of being micro and small enterprises, their economic and political goals radically differs from those of capitalist micro-enterprises which start small, but may ultimately aspire to become capitalist corporations.

²⁴ A total of two million signatures must be collected.

Solidarity economy requires institutions of governance different from that which regulates capitalist enterprises.”²⁵

Lastly, the national mobilization does not only have a contention/opposition nature. It serves primarily as a strategy to mobilize practitioners and supporters of Solidarity Economy to engage in dialogue with Brazilian society about what Solidarity Economy means and what are its advantages in relation the capitalist economic model. While collecting signatures, activists and practitioners will have opportunities to talk about solidarity economy, its logics, its dynamics, its challenges and possibilities as an emancipatory project of society.

The campaign was launched in August 2011 and at this point we do not know whether those 2 million signatures will be collected and the National Law of Solidarity economy will be sanctioned or not. But what is most relevant about this mobilization of SE Movement is that it organizes the struggle and support for a new model of development in which the design and implementation of public policy are people-driven. It is too early to say that mobilization of the movement of solidarity economy in Brazil will succeed in advancing a new paradigm of public policy but this national mobilization of workers may signal to those concerned about possibilities for emancipatory projects in Brazil that the struggle is ongoing and although there are setbacks the movement of solidarity economy does how the power to mobilize opposition when political decision from the government ignores or threatens its agenda and interests.

²⁵ idem

Conclusion

The coming to power of a progressive government in Brazil was a process of many years of struggles for social change. Entering into the State- ‘the battlefield’ as Reyes (2012) refers to it- with the goal of occupying democratic spaces opened through political battles was part of the process of contest against conservative elites and neoliberalism and that can be seen as advancement of the struggles of social movements for the democratization of the State. The extent to which this democratization process is attending the expectations of the movements that worked to elect this progressive government remains an issue for much debate. In Brazil assessing this particular issue seems especially complicated as the election of PT and Lula already happened within a context of increasing moderation of their discourse and political agendas. To mention only one symbolic example of the fact that social movements while campaigning to elect Lula and PT already knew that the ‘battlefield’ would be shared with the neoliberal interests of status quo is that Lula had Jose de Alencar of the Liberal Party (PL), one of the most renown businessmen in the country who chaired the National Confederation of Industries as his vice-president. Furthermore, although the PT has showed a bigger emphasis on social policies than any other governments, the foundation of the model of development as growth remains: priority to monoculture agribusiness for exportation over family agriculture; concentration of land, environmentally unsustainable development project interventions, thus Brazil keeps “sustaining unsustainability” (Goncalves, 2012; Boff, 2012).

However, it would not be correct to say that social movements did not expect to push further toward the radical democratization of State. While it is important to

problematize the overlap and interpenetration of social movement actors and actions with conventional political participations and political parties, it is also important to consider that there may be validity in the perception of progressive actors on how this very interpenetration also configures opportunities to advance projects of significant social change.

In this chapter my intention was to demonstrate that the interconnection between the movement of solidarity economy in Brazil and the ‘progressive government’ reveals a tactics of this movement to combine mobilization outside of the space of the state with conventional politics in order to influence governmental actors to designing public policies necessary to foster and protect solidarity economy initiatives while laying the ground for experimentations of an emancipatory project of society.

I also tried to problematize the ‘development-as-growth’ model adopted during the past decades in Brazil and make a critique of the deleterious effects it had on the labor market and show how in spite of almost continuous economic growth during the Development Era, social inequalities only increased or in the best of cases the positive economic results did not fully translate into positive social indicators. This point is especially relevant to the analysis of the development model adopted under PT’s government. If on one hand, for the first time, institutional space was opened for debate and public policies have been designed to support an alternative model of development- that of solidarity economy- and that may point to the an opening to the possibility for a new paradigm of people-driven public policies; on the other hand, it must be highlighted that the current dominant model of development continues to function as to

benefit for the most part traditional and emerging elites, national and global capitalist interests, at the expense of the principles of sustainability, equality and emancipation.

I also tried to argue that in spite of major challenges and limitations the mobilization of the movement of solidarity economy points to possibilities of gradually advancing a post-development project. Its intervention seems important because it is articulated in two levels: at the macro-level through engagement with state politics informed by an agenda decided from the grassroots level at municipal and state forums; and at the micro-level within the space of the solidarity initiatives in the daily practice of cooperation and self-management as well as between the initiatives and communities within which they operate.

In short, my aim in this chapter was to demonstrate that in the Brazilian context, the concept of solidarity economy refers to an emerging larger project of post-development that aggregates and involves (from its inception as a concept a decade ago) different arenas of political actions: civil society, the state and universities. An increasingly unified movement of solidarity economy articulates networks of solidarity economy enterprises, policy-makers favorable to this development model and research centers. These three segments are organized in forums, networks and coordinating bodies whose mobilization and political actions provides support for existing and start-up enterprises of solidarity economy while advancing its demands for public policies necessary to advance this model of development at all level of the State- locally and nationally. Thus, although at the bases of what is called Solidarity Economy in Brazil, there are “units” of community economy economic experiences (Gibson-Graham, 2006)

the concept of solidarity economy in Brazil designates a fairly complex and rapidly advancing larger project of post-development and post-capitalist politics.

In Chapter 3, I will focus on the experiences of solidarity economy at the micro-level, that of individuals and their communities, to pose the question of whether the claimed emancipatory potential of the solidarity economy project really reveals itself on grassroots battlegrounds.

Chapter 3

***Territorio do Bem*²⁶: queering finance and reinventing territory**

“What really sustains us when factories shut down?
When floodwaters rise, or when the paycheck is not enough?
We often survive by self-organized relationships of care, cooperation and community”.
(Miller, 2006, p.13)

When “we say solidarity economy or economy of solidarity we are deliberately expressing the need to include the notion of solidarity both in economic practices and in theories of economics” (Migliaro 2007, 319). For Migliaro practitioners and advocates of solidarity economy integrate both terms with a very precise meaning: “Because we are used to thinking about economy and solidarity as pertaining to different domains of discourse and affairs, when we correlate those two terms we tend to establish a nexus between them in a different way” (Migliaro, 2007 p.319). He argues that:

often times we are told to organize in solidarity as a way to mitigate the deleterious effects of the economy, to emend the gaps it creates, to solve certain problems that economy fails to resolve. In other words, we suppose that solidarity must come *after* the economy has done its job and completed its cycle. Within this understanding, first comes the time of the economy, when products and services are produced and distributed. Once production and distribution are completed, in the aftermath solidarity must take action to help those who have been worked against and underprivileged. To this perspective, therefore, “solidarity is performed with the results of economy activity- products, resources, goods, services- but it is not enacted in economy itself, in economic processes and structures (p. 320).

²⁶ Territorio do Bem translates in English as Territory of the Well-Being. The word BEM, means well-being. It is used in most programs, events, and actions in the *Territorio do Bem* as a means to circulate and reinforce the political purpose of activities organized by *the Forum do Bem Maior, Banco Bem* or *Atelie de Ideias*: that is the well-being of the communities of the territory.

Conversely, what practitioners and advocates of solidarity economy hold is that:

Solidarity must be incorporated in economy itself and that it be enacted in each of the phases of the economic cycle: we should produce with solidarity, distribute with solidarity, accumulate and develop in solidarity. The idea is that “solidarity be instilled in all economic processes in such way that it transforms from within and structurally the economy, thus generating new and real forms of equilibriums (p.320).

If such is the deep meaning and essential content of solidarity economy one may ask: in which concrete ways will the active function of solidarity be manifested in the economy? On the one hand, the economy has many aspects and dimensions and is constituted by multiple agents, processes and activities. On the other hand, because solidarity manifests itself in different ways, a solidarity economy cannot have a single definition or a particular mode of organizing economic activities and enterprises.

In this chapter, I discuss some of the facets of the solidarity economy as they are engendered on the ground, as people reorganize geographies of autonomy stimulated by solidarity economy practices. I will do so by referring to the example of the *Territorio do Bem* (The Territory of the Well-Being), an area that now encompasses eight *favelas* in the city of Vitoria, in the State of Espirito Santo, southeast region of Brazil. *Territorio do Bem*, is the name given to this region by the “prosumers”-producers-consumers/dwellers of that area -- where their social currency, *Moeda Bem* (*Well-Being Bills*), was issued by their community bank, *Banco Bem* (*The Bank of the Well-Being*). It has been circulating since 2005. At the *Territorio do Bem*, *Forum do Bem Maior* (Forum for the Greater Well-Being) has involved residents of eight communities that are underserved by public services and disadvantaged by capitalist markets in a communal form of governance and in collective action to foster

endogenous and territorial development. Through the *Forum do Bem Maior*, citizens of *Territorio do Bem* are attempting to reinvent the economy by-re-embedding finance into the political and social life of the communities and by using it as a tool for designing and carrying out a community-driven strategy of local development.

The narrative and analysis of the experience of *Territorio do Bem* in this chapter results from archival research from various sources (websites, newspapers, videos, TV interviews with staff and clients of *Banco Bem* and a documentary) , two interviews with staff²⁷ of *Atelie de Ideas* and electronic correspondences.

Banco Bem- queering finance

In November 2011, I attended a Conference on Solidarity Finance and Territorial Development at the University of Sao Paulo, Brazil. I attended because of several solidarity economy initiatives, but that of *Banco Bem* (Bank of the Well-Being) seemed particularly interesting to me as an example of the attempts to redesign the meaning and purpose of financial activity. In a short but inspiring presentation Leonora Mol, the president director of *Atelie das ideias* (Atelier of Ideas), a local NGO based within *Territorio do Bem* explained how a group of thirty-eight seamstress women started a financial institution. She explained that in 2002 she got to know a group of women who used to gather in a plaza of a favela in the neighborhood of *Sao Benedito*, in Vitoria, State of Espirito Santo. The gathering was a space for chatting, sharing concerns and personal stories. The women sewed while chatting. When Leonora asked them whether they would sell the clothes they were sewing, they answered that they

²⁷ Glaucio Gomes. Institutional development manager of *Atelie de Ideas*. Skype informal conversation on April, 4th 2012 and Skype interview on May, 20th 2012.

were sewing because they appreciated spending that time together. Some of the women however, said that it was a good idea, since some of them were unemployed, but they did not have money to invest in the material necessary to start sewing for sale.

Leonora suggested that they get together to go to a bank and to get a microcredit loan. Some of the women did go to two commercial banks in downtown Vitoria to try to get a loan. But in every commercial bank the credit managers asked the same standard questions: are you a client of the bank? Do you have a clean name? Do you have proof of residency? To which questions they answered: no. Thus, they were denied the microcredit loan. One of them suggested that they should stop by the church²⁸, where someone may be able to lend them the money. They were able to borrow the equivalent of US\$ 200 from a “good soul”, with which they bought items to start sewing clothes they would sell at the local market. They sold their production at the local fair of artisans. The result was a clear income of R\$ 800 (US\$ 440). They reinvested, produced more clothing, sold it and increased their revenue steadily. As their savings augmented they thought that they should go to a bank in downtown to open a savings account. This time, however, the credit agent did not turn them away. One of the women told the credit manager: “that’s ironic, sir! When we wanted a loan from the bank you came up with all sorts of restrictions and you wouldn’t lend us your money. Now you will take our money without any restrictions...” In protest they decided not to deposit their money in any of the commercial banks that had denied them access to credit, nor keep it at the atelier but instead they lent part of the money for neighbors to start a carpentry business in the neighborhood and invested the remaining sum.

²⁸ Caritas is been supporting solidarity economy initiatives for many years. It is one the sixteen national organizations that has a seat in the Brazilian Social Forum of Solidarity Economy (FBES).

When the carpenter paid them back, they lent it this time to a bakery in the neighborhood, then to a small grocery shop in *Sao Benedito*... and that was how these seamstresses started not only their own solidarity atelier, but also a solidarity community financial system. Through networks of solidarity – from the “good soul” at the community chapel who lent their first microcredit, then their collective association and production, to their solidarity in lending the outcome of their labor to other producers, they found ways not only to self-employ and generate their income, but to also contribute to the development and well-being of their community.

In 2003 the women founded an NGO called *Atelie das Ideas*.²⁹ They started working closely with the association of neighbors of the community *Sao Benedito*. The solidarity microcredit scheme started involving an increasing number of small entrepreneurs in the community. In 2004, they attended a Seminar on Solidarity Economy and heard from the experience of the first community bank in Brazil, Banco Palmas³⁰, which had started printing its own currency. They envisioned that they could replicate that experience in their community as well. A team from *Banco Palmas* came to Vitoria to give workshops and train them in this community finance technology.

Following the workshop the women submitted a project to the development program of the county of Vitoria. Their project was approved and they got a grant in the amount of US\$ 8,000³¹. That amount of money they used as a ‘reserve’ in national currency to the *Moeda Bem* (Well-Being Bills), the social currency that they started printing. That is how *Banco Bem* was founded by *Atelie de Ideas* in 2005.

²⁹ Atelie de Ideas: - <http://ateliuedeideas.org.br>

³⁰ Banco Palmas - <http://www.bancopalmas.org.br>

³¹ Glaucio Gomes. Informal conversation on Skype, April, 4th, 2012.

Bank agents of *Banco Bem* started negotiating with consumers and small shops in the neighborhood the use of the social currency- *Moeda Bem*. It opened three lines of credits for:

Consumers: people of the community who may need very small loans to cover basic needs in an emergency, for example: if cooking gas or milk runs out; if someone in the family needs to purchase medication etc. People can talk to the bank agent and get up to 50 Bens (U\$ 25) microcredit loan free of interest rate.

Producers: small business owners who are self-employed individuals who wish to boost their businesses or start up a solidarity enterprise can get up to 1.500 Bem or 1.500 Reais (U\$ 750) in microcredit loans. Loans can be paid off over several months at 0, 75% to 1% an interest rate.

Housing: low-income families who wish to build or reform their homes. Families may get up to 5.000 Bem (U\$2.500) at a 0, 75% to 1 % interest rate.

How does this financial scheme work?

One of the most important differences from private commercial bank's microcredit schemes is that community banks do not apply the same exclusionary protocol that commercial banks do. Contrarily to the standard policy informed by calculus of risk and owned property that translates into requests of consumer record check and proof of residency, the policy of community bank is one based on trust and conviviality. When one comes to the bank to request a loan, that person is asked to provide names of three people of the community who the bank agent will visit to consult with them whether they would approve or disapprove that person of obtaining a

loan. The agent may ask whether there is domestic violence or drug abuse in the prospect borrower's household in which case the loan could be disapproved. The bank agent may also ask the references if that person is engaged in community service, if he/she is trustworthy and if ultimately they would trust to lend their own money to that person. Positive responses to questions such as these would confirm the approval of the loan.

Another obvious difference is, of course, the very low interest rates: 0,75%- 1% as compared to commercial bank that varies between 8%-16%³² and interest-free loans for consumers- who may get very small loans for basic needs emergencies, a sum which commercial banks do not even lend.

Producers have incentives to get microcredit loans (which they can get either in *Bem* or *Reais*, the national currency), because they facilitate access to credit at a much lower interest rate. When producers and shop owners get credit from the bank, as part of their contract, they accept to give 2%-10% discount to consumers who come to buy at their shops using *Bem* bills. Consumers, in their turn, have incentives to buy products at these affiliated shops in the community using *Bem* bills because of the discount. Prosumers can come to the bank and exchange *Reais* and *Bem* on a 1:1 rate.

Microcredit schemes have been implemented in poor communities all over the world by private banks, governments, NGOs and many of such schemes have failed to change the economic and social conditions of the people it served. So, one may ask: what is new about this particular finance scheme that *Banco Bem* has set up?

³² Governo Federal- <http://www2.planalto.gov.br/imprensa/releases/governo-federal-reduz-taxas-de-juros-do-microcredito>

First, unlike private banks, government programs or even other community banks in the country, *Banco Bem* is managed by the community itself, by the very people who benefit from its services. It is run by the *Forum of Bem Maior* (Forum for the Greater Well-Being), a political body of representatives nominated by the communities of each of the eight favelas where *Banco Bem* has clients. *Forum do Bem Maior* started from the initiatives of *Banco Bem*, or more precisely from a concern of the women of *Atelier of Ideas* who founded and managed *Banco Bem*. They were concerned with fact that if *Banco Bem* were to be a genuine community bank, then the larger community should be involved in co-managing it. As Glaucio Gomes, the current institutional development manager, mentioned in one of the interviews the women started talking to community leaders and organized a meeting during which together they decided that a space should be created where the community leaders could discuss the politics, agenda and policies of the bank and make decisions over what would become the guidelines for the its economic, political and social policies and strategies.³³

Second, unlike other microcredit schemes that use national currency, the use of a community currency whose circulation is limited within *Territorio do Bem*, stimulates consumption and production within those communities economies, therefore retaining capital and wealth within the territory. Instead of going downtown to buy some goods at Walmart, for example, people can buy at shops in the favelas and get discounts. The advantage is that it raises internal demand, thus creating needs for more supply, which in turn creates more jobs for people of the favelas, generating more income for families. In other words, it fosters a virtuous cycle of endogenous and territorial development.

³³ Glaucio Gomes. Skype interview on April, 4th 2012.

A larger territorial zone comprising now eight favelas where “prosumers” of *Banco Bem* trade using *Bem* bills became known as *Territorio do Bem* (Territory of the Well-Being). *Territorio do Bem* is the area of governance of the *Forum Bem Maior* (*Forum for the Greater well-Being*). The Forum rules over several important aspects of communal life such as the policies and administration of the *Banco Bem*. It organizes collective work for revitalizing dump or degraded areas in the communities, it promotes cultural/educational activities in the favela, it elects representatives to sit at board committees of public policies in different sectors of the municipal and state governments and carries out several other activities in the benefit of the well-being of the community.

The third distinctive feature of *Banco Bem* is that it has spearheaded not only growth of economic activity, but it goes far beyond providing loans. Its ultimate goal is to increasingly involve members of the communities in a larger and long-term project of local development. For example, in 2008, *Forum Bem Maior* involved the communities in a large participatory research project in which community members visited households and businesses in the communities to diagnose challenges/needs and identify available resources and economic potentials. Based on the reports of the research and survey, *Forum Bem Maior* planned with the community a strategic community development plan, the *Plano Bem Maior* (*The Plan for the Greater Well-Being*) which serves as a guideline not only for determining the priority areas and actions of *Banco Bem*, but also as a reference document that orients dialogues and actions with residents, negotiations with local policy-makers for public investments and cooperation with local, national and international partners.

Since 2005, *Banco Bem* has lent R\$ 630.000³⁴ (350.000 U\$) to small businesses and to consumers within *Territorio do Bem* with a clear political objective of disseminating the principles of solidarity economy. Hundreds of direct and indirect work has been created and more income has been generated within the community of *Territorio do Bem* where 31 thousand people live. According to Glaucio Gomes around three thousand residents³⁵ have benefitted directly and indirectly from the services of *Banco Bem*.

Plano Bem Maior (The Plan for the Greater Well-Being) orients decision-making and actions aimed to foster whole community development. Programs in different areas involve an increasing number of people and partners. One of the priority targets for actions was diagnosed to be the improvement of housing conditions. Therefore, *Programa Bem Morar* (Program for Good Living, their housing Program) has been created. Through this program, housing is financed at a lower costs- around 25%³⁶ less than those constructed by public housing programs- and are built using as much sustainable technologies as possible, such as “biological bricks, dry toilet system etc.”³⁷ Since 2006, 127 families had loans to reduce risks and vulnerability of their housing conditions, amounting to a total of U\$ 203,000 in housing loans. Another criterion for approval of housing credit is that construction workers from *Territorio do Bem* be hired to do the job.

³⁴ Cirandas- <http://cirandas.net/nesol-usp/noticias/moeda-social-movimenta-economia-de-cidades-e-ajuda-moradores>

³⁵ Glaucio Gomes. Interview on skype, April 4th, 2012.

³⁶ Leonora Mol- <http://www.ashoka.org.br/blog/2010/09/15/leonora-mol/>

³⁷ Atelie de Ideias- <http://www.ateliedeideias.org.br/bemorar/index.html>

Banco Bem has expanded its activity so significantly that it has been able to set up contracts with the Federal bank, *Caixa Economica Federal*³⁸ so that people in *Territorio do Bem* may choose to receive salaries or fund transfers from government program, such as *Bolsa Familia* in *Bem* bills. Clients can also receive their paycheck and pay electricity, water and phone bills using *Bem* bills.

Territorio do Bem: a geography of autonomy

In *The Cultural Turn and the Conjunctural Economy*, Pickles (2000, p.1) gives an account of the cultural turn that anti-essentialist economic geographies share with world anthropology and cultural studies which implies “a concern to avoid essentializing, reductionist, non-contextual economic models.” He points to the fact that in this epistemological shift “essentialist notions of the economy and reductive analytics of markets are reworked in terms of complex determinations, interdependence, path dependence, and contested power relations.” He argues that due to the cultural turn ‘context’ has become a central category driven in part by an ethnographic sensibility towards place, regional specificity and complexity, and a careful attentiveness to the social relations that sustain them.” (p. 1). I find that turning to ‘context’ is a useful analytical approach to discuss the issues around solidarity economy and the case of the *Territorio do Bem*.

In discussing the experience of the *Territorio do Bem*, my intention is to raise questions regarding the challenges that solidarity economy initiatives may face in practice to fully realize itself as viable economic alternatives and as praxis of autonomy

³⁸ This policy is not exclusive to *Banco Bem*. Many community banks have set up similar agreement with the Federal government. Currently there are in Brazil 51 community bank, according to the portal of Banco Palmas.

for the workers involved. I work with the definition of solidarity economy adopted by the *Atlas of Solidarity economy 2011* as the reference for my analysis. The *Atlas* states that: “Solidarity economy involves all of those economic activities- production, distribution, consumption, savings and credit- that are organized and carried out by workers through collective and self-managed forms of governance” (Atlas, 2006:11). I complete this definition with another one given by SENAES³⁹- “Solidarity economy entails the reversal of the capitalist logics by opposing the exploitation of labor and natural resources and by considering the human being in its integrity as the subject and purpose of economic activity”.⁴⁰

In Brazil, the movement of solidarity economy finds experiences to draw from and potential to build its project on the daily dynamics of the livelihoods of dwellers of favela. Grounded on everyday realities of communities who are excluded from the accumulation of capitalism, discourse of communal solidarity tend to shift from being understood only as an strategy to survive economic victimhood into a more powerful one which asserts communal solidarity as potency and a tool for endogenous territorial development. When talking about the experience of *Territorio do Bem*, Glauco argues that cooperation arises from reciprocity that is prompted from relationships between family members, friends and neighbors. He explains that:

in a typical Brazilian favela these are fundamental relationships that configure networks of support reciprocated on a daily basis [...] in a favela we need to help each other in order to survive, there is an empirical need to build relationships of solidarity and that facilitates the formation of social capital more than in other communities. This cooperation has a characteristic of resilience that is typical of life in an

³⁹ SENAES- Solidarity Economy National Secretariat

⁴⁰ SENAES- http://www2.mte.gov.br/ecosolidaria/ecosolidaria_oque.asp

urban Brazilian favela [...] It has much to do with a culture of intimacy according to which private spaces have no clear boundaries, one does not know where his/her space starts and where that of the other begins [...] families share terrains, people build houses as an extension of a brother, an aunt or a friend's constructions [...] this shared experience of resilience and intimacy helps to create an environment, a sociological environment, in which bonds of cooperation are stronger and that facilitates the formation of social capital which is a valuable asset to solidarity economies. So, I am saying that the history of urban favelas in Sao Paulo, in Rio, in Vitoria and other capital cities contribute to creating a positive context for that which we call solidarity economy, because relationships of solidarity do not need to be artificially invented it is already there, it will only be potentialized".⁴¹

The example of *Territorio do Bem* is an interesting example of how place continues to be important in the lives of many people, perhaps most, if we understand place in the sense Escobar (2001, p. 140) refers to it as "the experience of a particular location with some measure of groundedness (however, unstable), sense of boundaries (however, permeable), and connection to everyday life". In fact, *Territorio do Bem* does not refer to a specific territory in the sense of a geographically bounded location. It is rather a political naming for a territory in the city of Vitoria, within which cooperatives, NGOs, associations and solidarity enterprises involved in the network of solidarity economy activities coordinated by *Banco Bem* and *Forum Bem Maior* are located.

The process through which the Forum Bem Maior was formed reveals the dimension of collective and autonomous governance presumed in the definition of solidarity economy that we are using. Glaucio narrates the moment when the staff of *Atelie de Ideas*, itself a solidarity enterprise that founded and administrated *Banco Bem*, concerned with the involvement of the community with *Banco Bem* decided that it was important to reach out to formal and informal community leaders, if the bank was to

⁴¹ Excerpt from a skype interview that happened on May, 20th 2012.

become a community bank in the genuine sense of the term, that is not only placed within the territory of the favela but co-managed by its people. Glaucio tells us that

“Leonora, the director of *Atelier of Ideas* and Denise, the community development coordinator of *Atelie de Ideas*, started inviting people like the president of the neighborhood association, leaders of the association of social and cultural organizations, religious leaders, a well-known and respected elder who sells popcorn at the central plaza of the community, artist youth, people whose opinions are respected and who in fact influence the daily construction of a communal ethics and ethos. One evening they all came to an auditorium and that is how the Forum was created. Several meetings took place every other week, always in the auditorium and they discussed what was the bank, how could it and should it serve the community and gradually more and more leaders joined the forum and that collective slowly gained cohesion and matured. The word about forum spread through all the favelas”.⁴²

The fact that it was the Forum who decided to start calling the area where the eight favelas are located as *Territory do Bem* instead of Poligonal 1 which was how the county authorities named the area as an urban planning and management designation, points to the kind of process of community economy building that Gibson-Graham suggests: “many alternative economic movements and practices are explicitly about re-socializing economic relations” (2006, 79). It reveals a new political discourse grounded in visions of sociality and conviviality that brings about new economic identities. People self-declared as citizens of the *Territorio do Bem* as a result of a new perception of their economic interdependence and collective agency as subjects of a solidarity economy. As Glaucio reports, the Forum decided that “we don’t want to be called *Poligonal*. What makes us a territory is the fact that we are all somehow related

⁴² Glaucio Gomes. Skype interview. May, 20th, 2012.

to *Banco Bem*. Thus, we are the *Territory de Bem*. Now even the mayor calls it *Territorio do Bem*”.⁴³

In inquiring Glaucio about the economic dimension of their solidarity economy experimentations, I posed the question: how do you evaluate the economic results of the solidarity enterprises that *Atelie* has incubated? Are they successful as non-capitalist economic initiatives?

He gave a straight forward answer: no. And he went on,

I will give the example of the solidarity enterprises that *Atelier* has incubated, but they reflect the same challenges that many other SE initiatives around the country are facing. These initiatives were fostered based on an ethics that completely ignored the market, I mean it was thought that it was enough to valorize the knowledge and skills of the people and give some support for them to start producing and selling with no regards to the market... So, they ended up closed down. Out of the seven enterprises that *Atelier* helped to launch, only one is working and we are trying our best to reactivate two others. If they do not find a way to coexist with the market, they will not be able to resist the struggle against an aggressive capitalist market, even if there is organic resistance of the workers”.⁴⁴

The challenge that Glaucio points to is in fact a key one to the solidarity economy model given that it is a non-capitalist model that is trying to develop within the context of a booming capitalist economic growth in Brazil that has increased opportunities of formal employment which include social security protection and guarantees of minimum wage (see. Tab 3). The table below confirms Glaucio’s point. In fact there has in fact been an increase in formal employment and social security protections between the period of 2004-2008.

⁴³ Glaucio, *idem*.

⁴⁴ Glaucio, *idem*.

Table 3- Increase in formal employment and social security protection (2004/08)

Table 2: EAP absorption according to age groups. Brazil: 2004 and 2008

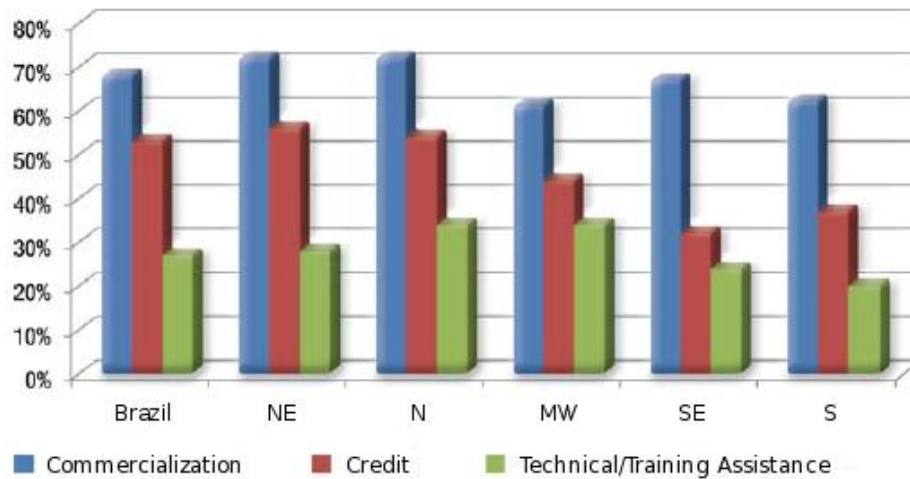
Occupational status	15 to 24		25 to 54		55 and over		15 and over	
	2004	2008	2004	2008	2004	2008	2004	2008
Unemployment	18.0	15.5	6.4	5.2	2.7	2.1	8.9	7.1
Formal employment	29.1	35.2	39.0	43.7	17.1	20.2	34.3	39.1
Informal employment	25.6	26.6	14.3	13.5	10.7	10.3	16.7	15.9
Formal domestic work	0.8	0.6	2.3	2.3	1.1	1.4	1.8	1.8
Informal domestic work	5.4	4.3	5.3	5.2	3.6	4.3	5.2	4.9
Employer	0.6	0.7	4.5	4.8	7.0	7.1	3.8	4.2
Self-employed	7.9	7.4	22.1	19.7	38.7	36.2	20.3	19.0
Unpaid	10.4	7.1	3.6	2.9	4.8	4.3	5.4	4.0
Subsistence farming	2.1	2.5	2.4	2.6	14.0	13.8	3.5	3.9
Own home construction	0.1	0.1	0.1	0.1	0.3	0.3	0.1	0.1
EAP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Source: IBGE-PNAD, 2004 and 2008.								

Glaucio goes back to the example of the enterprises incubated by *Atelie*,

the women who worked in the solidarity enterprises that closed down were very poor, they had very low levels of formal education and the level of productivity was very low, especially because the training in solidarity economy is very “light”, I mean it does not impose capacity building, it has an ethics of respecting the skills that the workers have or want to develop. Furthermore, some of them had to deal with health problems in the family, drug addicted children and other issues, so they needed a regular source of income and to make enough money to provide for their families, something that they were not able to get from their solidarity initiatives.

In fact, Glaucio’s analysis is partly confirmed by the data collected in the national survey of solidarity economy. Among the challenges that SE initiatives face, is the reality that 72% of the initiatives interviewed in the survey mentioned the difficulty of commercialization as their main challenge, followed by the difficulty to access credit (56%), and lack of technical, administrative or legal support (28%).

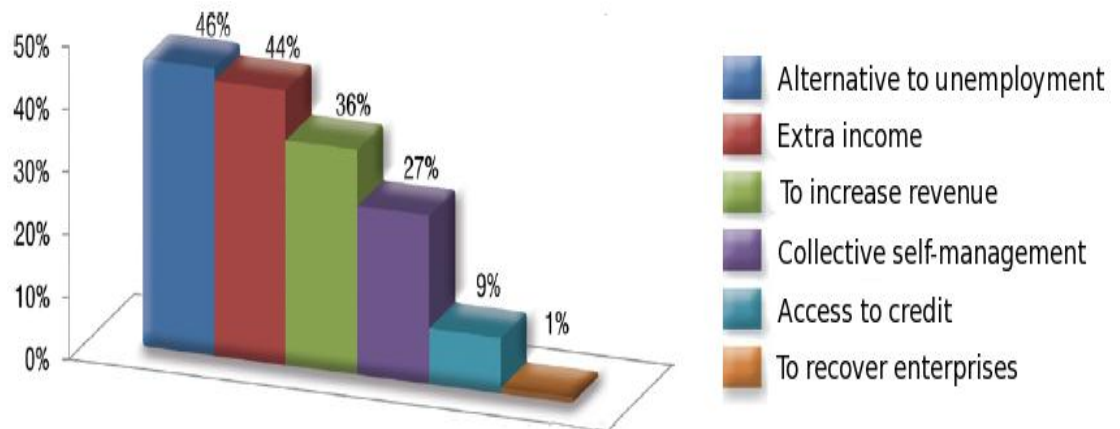
Fig.5- The main challenges solidarity economy enterprises face



Source: *Atlas of Solidarity Economy, 2011, p.50*

This clearly suggests that there are major challenges for the consolidation of solidarity economy initiatives especially because, among the main reason for starting up enterprises, practitioners suggested that their goals were to create an alternative to unemployment (46%) and to complement household income (44%).⁴⁵

Fig.6- Reasons for start-up a solidarity economy enterprise

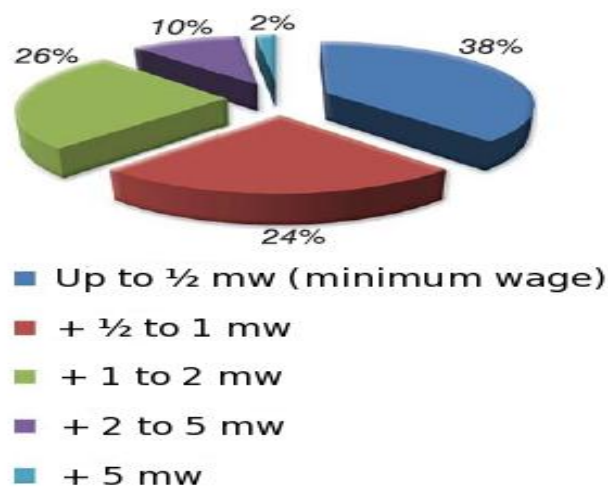


Source: *Atlas of Solidarity Economy, 2001, p.46.*

⁴⁵ Three other reasons mentioned were: to increase income (36%), to engage in a collectively and self-managed activity (27%), to have better access to credit (9%)

In the survey out of 21,858 initiatives, 15,105 of them (69, 1%) declared that they had revenue above zero. The monthly average of revenues of these enterprises is U\$ 12,000. However, when enterprises were stratified in terms of revenue, the lowest strata comprising those enterprises which had monthly revenues of up to U\$500 (a total of 3,628 enterprises) declared average monthly revenues of U\$ 260. In regards to generating income for the associates, 59% of them declared that associates get some income. Among the initiatives that declared revenue, 38% pay wages up to one minimum wage, 24% pay wages up to half of a minimum wage. Therefore it results in a total of 62% whose share per associate was equal to or below one minimum wage.

Fig. 7- Average revenue levels of solidarity economy enterprises



Source: Atlas of Solidarity Economy, 2011, p.45.

The data displayed above shows that solidarity economy initiatives face major challenges to consolidate themselves as viable economic initiatives. Because, historically, the main goal of this associative form of labor is to be an alternative source of income for the workers, the low level of revenue of the majority of SE enterprises makes explicit how difficult the struggle challenging it has been to find alternatives

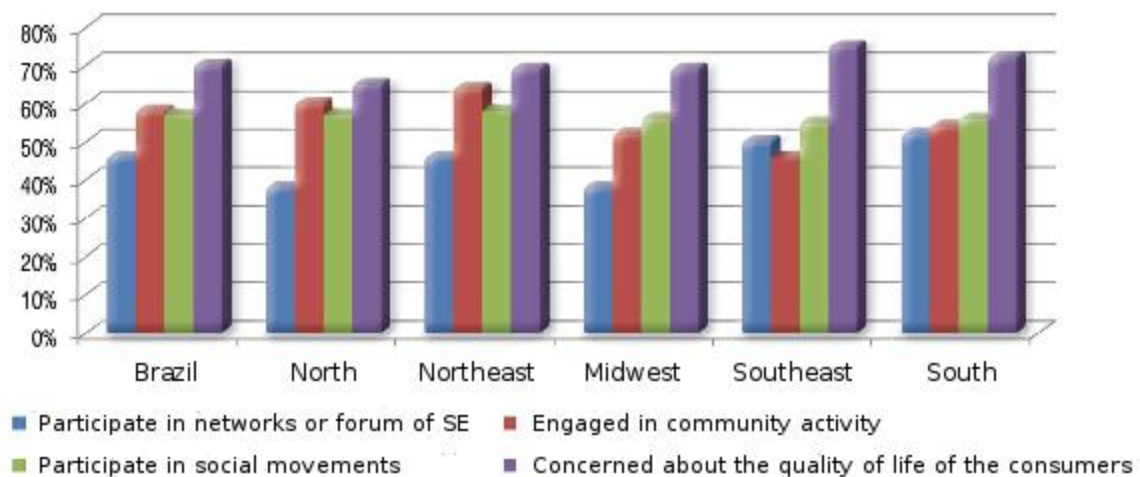
non-capitalist ways of living. However, in spite of these major challenges it would be wrong to conclude that the mobilizations for proposing and enacting a solidarity economy development model for Brazilian society have failed or are doomed to fail. One would hastily come to this conclusion only if he/she does not take a critical stance to think about economy and development from a more holistic perspective.

Over the past ten years or so, a body of work has emerged in economic and development geography that focus on the “ontological, epistemological and political significance of recognizing ‘diverse economies’” (Smith, 2010, p. 2). Smith explains that the central aim of much of this work is to decentre capitalism- to consider the broad range of economic activities and practices that constitute economies in their fullness”(p.8). Gibson-Graham, for instance seeks to recognize the interdependence of a broad variety of economic and so-called “noneconomic” activities. She questions the practice of singling out certain activities as necessarily or invariably more important, more independent, more determining of economic health and distinguishing them from those that are more expendable, dependent, and less determining within the economy.

When we look at the project of solidarity economy through a lens that sees the economic in broader terms, it becomes clear that despite the challenges SEE face in generating income and wages, SE initiative’s differential feature as economic activity has been the ethical and political commitment that orients the workers involved to align labor with principles of justice and autonomy. One will see that 57, 7% of the initiatives in the survey declared that they are involved with other social movements, 45, 7% that they are part of solidarity economy forums and networks, 56, 8% that they are engaged in social or community activities and 70% of the initiatives affirmed that they are

concerned with the quality of life of their consumers and members. Among the kind of activities done by the advocacy and supporting organizations, 54,49% involve education on SE principles and strategies and struggles, 56,51 % mobilization and articulation of networks.

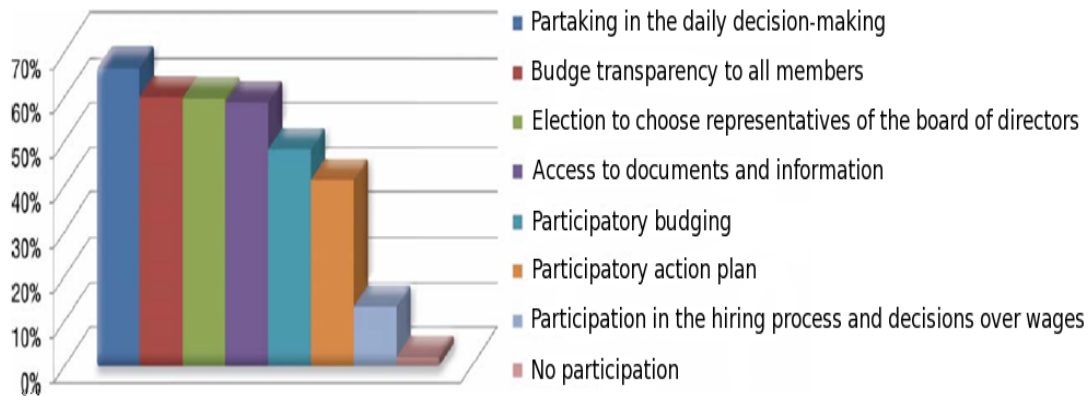
Fig.8- Social responsibility and political commitment



Source: Atlas of Solidarity Economy, 2011, p.47.

Another important aspect of SE is that it entails a pedagogical praxis of democracy and non-dominant form of governance. An important indicator of the collective forms of governance that SE promotes is that 73, 6% of the initiatives affirmed that they have regular assemblies or meetings at least every three months, out of which 48, 2% declared to have monthly assemblies or meetings. Furthermore, in 66% of the enterprises' members affirmed that they take part in the decision-making process on a daily basis, in 60% of the initiatives associates choose those who will manage the enterprise, in 61% of them there are participatory budget planning and decision are made in assemblies, and 60% declared that associates have access to all information and documents of the enterprise (see Fig.12).

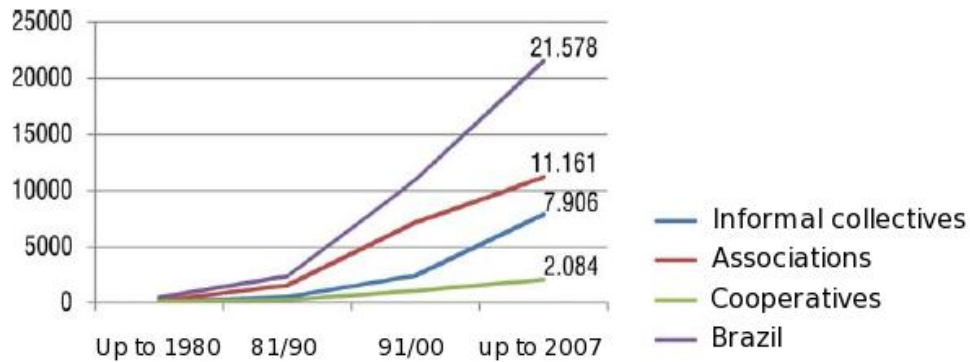
Fig. 9- Forms of participation in the collective management of SE



Source: Atlas of Solidarity Economy, 2001, p.51.

Additionally, we must also take into account the fact that the organization of associative economic practices around the identity of solidarity economy is a recent phenomenon. Most of initiatives started their activities in the early 1990s and there has been a trend for expansion. SE has expanded most significantly in the northeast region, one of the poorest regions in the country, what may be indicative that solidarity economy represents a search for alternatives of good-living from below.

Fig. 10- Increase on the number of solidarity economy over time



Source: *Atlas of Solidarity Economy*, 2011, p.49

Going back to the experience of *Territorio do Bem*, it must be noted that although Glaucio acknowledged the challenge for solidarity economy enterprises to consolidate as an alternative of stable and sufficient income for their entrepreneurs, he also highlights the potency for social change that the experiences of SE have revealed. He illustrated this by the success that *Forum do Bem* has had in involving a large number of favela dwellers in a participatory and radically democratic exercise of a non-dominant form of governance. He tells us that,

It took only experimentations of solidarity economy in favela *Sao Benedito*, spearheaded by *Atelie de ideias*, for a truly participatory process of political mobilization to be launched. I am talking about the formation of the *Forum do Bem* and the role it is playing to involve the communities of territory in thinking about, planning together and implementing strategies for endogenous and territorial development. If the economic impact is not as significant as we would hope for, the political impact has been huge. It is the forum that decides the economic and social policies of *Banco Bem* and makes decision to improve the well-being of the communities. The forum organizes collective work to clean up former dump areas and revitalize them, it brings policy-makers to the territory to discuss what should be done to collect trash, to avoid the spread of dengue, to promote cultural events or to revitalize the school. People of the community are making-decision based on a strategic plan, *Plano Bem Maior* (The Plan for the

Greater Well-Being), and constructing a shared vision of good-living for residents of the Território do Bem where thirty-one thousand people live [...] a praxis of radical democracy is taking place on ground... The Territory of the Well-Being no longer sells votes.”⁴⁶

In short, both the challenges and possibilities for a solidarity economy project of society can only be understood when we turn to the context. In the current political and economic context of capitalist economic growth in Brazil and of increasing geopolitical influence of the country in the global economy, solidarity economy initiatives are facing major challenges, especially because the majority of initiatives start-up only with the capital of their associates (65%)⁴⁷ or from donations (22%). That explains why the movement of solidarity economy finds it important to enter the public sphere to contest public resources with capitalist corporations. Proposing and pressing for public policies for solidarity finance is one of the strategies of the movement, along with demands to create a legal framework to adequately regulate SE, for example to make it possible for the government to purchase SE products and services.

Again one has to turn to context to see the possibilities as well. Brazil has complex and heterogeneous economic, social and political realities. Contesting projects of society are constantly in dispute. When judging diverse economies from a macro-level or *capitalocentric*⁴⁸ perspective some may share opinions with Ellen Meiskins Wood “capitalism has become a truly universal system.... not only in the sense that it’s global, not only in the sense that just about every economic actor in the world today is

⁴⁶ Glaucio Gomes. Skype interview, May, 20th 2012.

⁴⁷ *Atlas of Solidarity Economy*, 2011.

⁴⁸ Gibson-Graham, 2006.

operating according to the logic of capitalism, and even those on the outermost periphery of the capitalist economy are, in one way or another, subject to that logic [...] it has penetrated just about every aspect of human life and nature itself” (1997: 1 as cited in Pickles, 2000:6). However, when we turn to the rich diversity of contexts of Brazilian society, of which *Territorio do Bem* is a great example, we can see that “diversity is there in all economic spaces and times.... even within capitalist practices, a wide variety of notions of value are always simultaneously at work, always informing economic action” (Lee, 2010: 118 as cited in Pickles, 2000:6).

Conclusion

In this chapter, I attempted to outline some of the challenges that SE face and the possibility that they entail by discussing the experience of *Banco Bem* and arguing that diverse economies can only be understood when we situate them in their context, so that we can assess them in all their dimensions: economic, social, political, spatial, temporal.

I also argued that at the *Territorio do Bem* interconnectedness is being articulated around diverse forms of economic practices mediated through the social currency *Bem*. This has had the effect of redefining the sense of territoriality for congregated communities. As Thrift tells us “it is clear that space is intimately wrapped up in these attempts to deepen the political – in redefining what is meant by the public sphere, in fashioning spaces of participation in which generosity can be tested.... “at *Territorio do Bem* we are experimenting a practice of democracy as much more than just the act of voting”, tells us Glaucio. Most of these experiments do not work but

gradually, very gradually, as they are pushing forward the boundaries of political practice” (2002, p. 297).

For Harvey (2008) the question of what kind of city we want cannot be divorced from that of what kind of social ties, relationship to nature, lifestyles, technologies and aesthetic values we desire. The right to the city is far more than the individual liberty to access urban resources: it is a right to change ourselves by changing the city. It is, moreover, a common rather than an individual right since this transformation inevitably depends upon the exercise of a collective power to reshape the processes of urbanization.

This is precisely the exercise that the communities of *Territorio do Bem* have been carrying out. Through a practice of solidarity economy these communities are “seeking to overcome isolation and reshape the city in a different image from that put forward by the developers, who are backed by finance, corporate capital and an increasingly entrepreneurially minded local state apparatus. In the *Territorio do Bem* ordinary man and women have been cultivating capacities to imagine, desire, and practice non-capitalist ways of being. In designing finance for care they are raising a conversation about possible worlds, about other ways of relating, understanding and creating [...] they are designing tools, interventions, practices and narratives of non-capitalist ways of being.

-Chapter 4-

Solidarity Economy as a Pedagogical Praxis of Autonomy

“the gap between means and ends is closed
when the shape of the struggle is also the shape
of the society the struggle attempts to create”
(Esteva 2010)

Introduction

My motivation to write this chapter stemmed from a desire to produce the kind of “solidarity-based geography” that geographer Don Mitchell argues for. That is “a critical geography that reconnects both with its activist roots and with progressive activists and ordinary people around the globe” (2006, p.16). Mitchell argues that “one way that Leftist geographers can re-radicalize their critical geography, and an important way they can make it activist again, is by developing self-consciously “people’s geographies”, a *popular* and *popularizing* geography (p.16).

In articulating geographical theory about power, economy, and social justice with my previous experiences of activism I intend to produce geographical knowledge by deploying a language that is accessible to ordinary people and to put it in the service of people’s political movements, in the service of their struggles, and in the service of men and women who, like my former colleagues and students, seek to understand how the world they live in came to be and what they can do about it.

Underlying my analysis of solidarity economy as a pedagogical praxis to cultivate subjects of postcapitalist society is both a critique to the dehumanizing and oppressive dynamics through which capitalism structures the world and a Freirian premise that the ontological vocation of human beings leads to a pursuit of becoming more fully human.

My conviction in the transformative potential of popular education and my desire to contribute to theorizing and to enacting solidarity economies stem from the understanding that while the problem of humanization has always, from an axiological point of view, been humankind's central problem, it now takes on the character of an inescapable concern given the context of a world increasingly organized around the oppressor-oppressed dichotomy that takes multiple forms as the dominant capitalist theories and practices produce an unjust order.

I find it relevant and timely to investigate the interconnections between popular education and solidarity economy and to discuss the possibilities they represent to the incessant struggle for the oppressed (individuals and collectivities) "to regain their stolen humanity" (Freire, 2010, p.42). Thinking with Freire I assume the premise that the concern for humanization leads to the recognition of dehumanization not only as an ontological possibility but as an historical reality. He argues that "as individuals perceive the extent of dehumanization, he or she may ask if humanization is a viable possibility" (Freire, 2010, p.43). For him, "within history, in concrete, objective contexts, both humanization and dehumanization are possibilities for human beings as

uncompleted beings conscious of their incompleteness” (p.43). But while both humanization and dehumanization are real alternatives, only the first is people’s vocation. Although this vocation is constantly negated, he says, “yet it is affirmed by the very negation. It is thwarted by injustice, exploitation, oppression and violence of the oppressors, it is affirmed by the yearning of the oppressed for freedom and justice, by their struggle to recover their lost humanity” (p. 44).

Undergirding my argument about real possibilities for non-capitalist, non-oppressive projects of society is the Freirian view that dehumanization, which marks not only those whose humanity has been stolen, but also (though in different way) those who have stolen it, is a *distortion* of the vocation of becoming more fully human. Thus, although this distortion occurs within history, it is not an historical vocational (Freire, 2010). From this point of view, the struggle for the emancipation of labor, for the overcoming of alienation, for the affirmation of men and women as subjects of economy, politics and history which the project of solidarity economy entails can be seen as an ontological drive of oppressed men and women towards their humanization.

In order to counter the oppressive dynamics imbued in the capitalist concept and realization of the economy, men and women need to liberate themselves from the very structure of thinking that has been conditioned by the contradictions of the concrete existential situation by which they were shaped. As Freire explains:

the oppressed, having internalized the image of the oppressor and adopted his guidelines are fearful of freedom. Freedom would require them to eject this image and replace it with autonomy and responsibility. Freedom is acquired by conquest, not by gift. It must be pursued constantly and responsibly. Freedom is not an ideal located outside of man; nor it is an idea which becomes myth. It entails the indispensable condition for the quest for human completion (2010, p. 47).

In other words, in order to surmount the situation of oppression, people must first critically recognize its causes, so that through transforming action they can create a new situation, one which makes possible the pursuit of fuller humanity. This process of *conscientizacao*, requires a pedagogical praxis of liberation: “the action and reflection of men and women upon the world in order to transform it” (Freire, 2010, p.79).

Likewise Gibson-Graham has noted that if once she believed that the economy was depoliticized largely through its representation (as a natural, given reality), she has more recently come to understand that its repoliticization requires cultivating ourselves as subjects who can imagine and enact a new economic politics (Gibson-Gram, 2006). She sees the need not only for a differently theorized economy, “but for new ethical practices of thinking economy and becoming different economic beings” (Gibson-Graham, 2006 p. xxviii). Her attempt to awaken and implement non-capitalist economic possibilities involves a politics of the subjects. For her “if to change ourselves is to change our worlds, and the relationship is reciprocal, then the project of history making is never a distant one but always right here, on the borders of our sensing, thinking, feeling, moving bodies. Like Freire she also points to the possibility of *a re-subjection*. For her, new economic identities and new economic possibilities may emergence when people experience different ways of being-in-common- between people and with the world.

In the next sections, I will present the economic and political-pedagogic experience of *Coletivo PsicoUsp*, an informal, not-for-profit, independent educational institution located in the city of Sao Paulo-Brazil, where I worked as an educator between 2003 and 2010. My aim is to document an example of non-dominant

dynamics of governance implicated in managing a solidarity economy initiative in order to provide insights about how values and dispositions of subjects of post-capitalist societies can be cultivated.

I relied on my experience as a member of the Collective PsicoUsp, on archival research, and informal conversations with former colleagues and students to compose the narrative I use for this case study.

Coletivo PsicoUsp: how alternative?

PsicoUsp is an informal, not-for profit organization founded in 2000 by undergraduate students of the Institute of Psychology of the University of Sao Paulo. Their motivation was to use classrooms that were not used during the evenings in the Institute as space for teaching preparatory courses for low income youth and adult workers who had graduated from public schools so that they could have an opportunity to get prepared for the admission exams of public universities.

The collective targets socioeconomic barriers against access to public higher education in Brazil as its main area of concern. Different from many other countries, Brazilian public universities are well regarded for providing better quality teaching and research when compared with private universities. At both undergraduate and graduate levels, students are not charged any fee or tuition and all financial resources are offered by the State and Federal Governments. There is obviously a financial motivation for students to seek admission into public universities, but there is also a social motivation as these universities are more prestigious and therefore their alumni are in better position to compete in the job market. Although public universities are free and provide good quality education, the downside is that they are not accessible to everyone.

Independent of the program students want to study, all applicants take the same admission exam submitted by the institution they are applying for. The admission exams of all universities are based on a standard core curriculum that the Ministry of Education design for high school education. Admission exams are highly competitive as the number of students who are admitted is insignificant compared to the numbers of candidates that take the exam. At the University of Sao Paulo for instance, statistics of the 2011 admission exam show that 132,993 candidates competed for 10,752 vacancies (Fuvest, 2011). In 2011, 95% of the students admitted came from the middle class and wealthy elite and they had graduated from private schools.

If public higher education offers high quality education and has prestigious research centers, the public school system is generally considered to offer very low quality education. Thus, the unequal access to good quality education reduces significantly the chances of public school graduates from obtaining a college degree from a public university. Public school graduates tend to have college degrees from private universities which, for the most part provide low standards of educational service.

One of the goals of *Coletivo PsicoUsp* is to try to bridge the gap in the educational development of students in order to prepare them to have better performances in the highly competitive exams and ultimately get admitted into public universities.

There are thousands of private preparatory schools, very expensive ones and less expensive ones that also prepare high school graduates based on the same core curriculum determined by the Ministry of Education which PsicoUsp like all

preparatory courses also adopt. So, one may ask: what is “alternative” about this self-designated alternative educational project after all?

Participants say their educational institution is alternative to the “commercial preparatory schools”, because its mission is not to make profit, but to promote opportunities for learning and for thinking critically about the role of the public education system in reproducing social inequality. Contrary to private enterprises that sell educational services at high costs for clients who can pay for it, the collective works for the public interest and it is grounded on a class identity, it is an initiative organized by worker for workers.

Furthermore, its pedagogical approach diverges in content, method and goal from that employed by commercial preparatory schools. Intertwined with the teaching of the curricular disciplines there are sections of readings and discussions for understanding and analyzing the social contexts the participants come from. There is an emphasis on creating space for reflecting upon possibilities and strategies for changing inequalities that affect the members of the project and their communities. In the 2010 annual report of the Arena Space, for instance, one reads

Collectivo PsicoUsp is an educational project that does not aim to “deposit” information related to the mandatory curriculum of college admission exams. It aims primarily to engage the people who join the project a in deep and complex process of liberatory education whose fundamental premise is to consider the human being in his and her wholeness and as the subject of a world which can- and must- be changed.

At Arena space, for example, in spite of the fact that it uses a significant portion of the weekly class schedule, the teaching of disciplinary curriculum is the least important component of its activities. What really matters at Arena Space is to create an environment where people can tell their personal stories, speak about the way they see and understand the world, and while sharing their opinions, we can discover how their visions converge in common understandings or divergent from that of others.

That makes it possible for the student to leave the space of dialogue with renewed energy and feeling stronger as they discover that others also believe that another world is possible and that although we have a lot hard work ahead of us, from our daily and joint actions emerges new space of possibilities.

At Arena Space we practice our belief that only through dialogue, collective action and commitment with that one believes in and dreams for oneself and for others- is that the we construct the world possible.

We believe that Colectivo PsicoUsp is a practical example of this attempt and those who at point has joined this initiative and were able to understand the true meaning of what they do here, has become enchanted with this experience and taken a bit of this energy with wherever they went [...] that is why at the Arena we pose question about “what bothers you about the world” and “ what would you like to do to change it” [...] we don’t talk about social issues as problems external to us or about solution for a distant future [...] when we talk about transformation , we are talking about ‘now’, even if the results will only be noticed in the far future, or even if we will no longer be here to witness the real change [...] when we talk about change, we are talking about we what do- or do not do- right here, right now, those actions of our daily lives with our families, with our friends, on the bus, at work, during the moment we spend together at PsicoUsp.

That is why a major concern of the collective is to approach politics in a broad and integrated manner. It is to make ourselves conscious of the fact that politics is not only about external changes, changes of the government or an armed revolution, it is about how we make decisions on a daily basis, how we are being-together, how we learn to listen and regain the courage to speak out (Report, 2011)

The report reveals that participants recognize themselves as members of a collective that is working for social justice through the practice of solidarity, popular education, collaboration and democratic participatory decision-making. The terms: solidarity, community, diverse and alternative compose a vocabulary employed to define and nominate the project and its mission. Interestingly, however is the fact that the nomenclatures: solidarity economy, community economy, and diverse economy are not used by the members of the collective to refer to the organization or to the work they are doing. In fact the term ‘economy’, is not claimed by the collective for its self-

designation. Economy is a term they frequently use, but only to refer to their antagonism against the capitalist world or to the social mechanisms that create the inequality which affect the lives of students and educators, to refer to the poverty in their neighborhoods, to the unemployment that threatens them; to the alienation schools have imposed upon them; to the better conditions of life the students expect to have once they get a high education degree.

The discourse regarding the collective's principles, mission and actions revolve around the idea that the social changes they are striving to promote require other forms of conviviality, the valorization of popular knowledge, cooperation, and political commitment. They see themselves building the other-world-possible through alternative approaches to education, not through alternative economic experimentation. "We are popular educators", members of the Collective say. They change the world through education, not through economy. Economy is the terrain of capitalists and neoliberal economics.

Thinking with Gibson -Graham, I find that the veil which prevents participants of this project from perceiving themselves as economic subjects of a community economy experimentation is partially due to the lack of a language of economy that widens the identity of economy and includes all of those practices excluded or marginalized by the theory and presumption of capitalist hegemonic economics (Gibson- Graham, 2006).

Gibson-Graham's proposition of a language of the diverse economy as an exploratory practice of thinking economy differently in order to perform different economies is very useful to understand the experience of Psicousp. Her project of

giving visibility to economic experimentations that are taking place in the real world, in spite of not being called as such, perceived as such or recognized as such, involves three main aspects : “A politics of language- developing new, richer local languages of economy and of economic possibility; a politics of the subject- cultivating ourselves and others as subjects of noncapitalist development; and a politics of collective actions- working collaboratively to produce alternative economic organization and spaces” (2005, p.15).

Gibson-Graham argues that while there is a substantial understanding of the extent and nature of economic difference, what does not exist is a “way of convening this knowledge to destabilize the capitalist dominance and unleash the creative forces of subjects of economic experimentation” (Gibson –Graham, 2006: xii). Her hope is “to dislocate the naturalized dominance of the capitalist economy and make space for new economic becomings- ones that we will need to produce”. She argues that it is necessary to expand our vision to see the conditions of possibilities for enacting another economy which constitutes a new project of society, and therefore implicates new values, alternative notions of conviviality, horizontal labor relations and participatory democracy. Such effort defines the very nature of the discussions and actions pushed forth by *Coletivo PsicoUsp*. Examples are abundant; here I will briefly describe a particular example of the collective’s attempt at enacting alternative economic experimentations organized around non-dominant dynamics of governance and solidarity, although they do not name it as a practice of economic solidarity, or as community economy.

In order to illustrate the alternative nature of this economic experience it is useful to briefly narrate a political struggle and a consequent period of economic crisis that the collective faced for two years (2007-2009) when there was the real threat of closing down the organization, which had served a community of over four thousand low-income youth and working adults students over the period of ten years.

PsicoUsp- a community economy?

In 2007 there erupted a political tension between PsicoUsp and the elected chair of the Institute of Psychology of the University of Sao Paulo where the collective runs its activities. PsicoUsp is an independent organization; it is not subordinate to the administration of the Institute of Psychology. The Collective uses one of the rooms in the building of the Institute as its permanent administrative office, but all classwork activities take place only in the evening ⁴⁹ when the classrooms are not being used for courses of the department of Psychology. The students who first started the project were motivated by the belief that to use a facility on campus and make of it a learning space for students and the populace generally excluded from university had a political and symbolic significance. For them it meant the re-appropriation of the public space by the people and the taking back of their educative process in their own hands.

The project charges small fees from the students and that is the only source of income with which the organization pays wages⁵⁰ pay the basic administrative costs and buy the pedagogical material that the students use.

⁴⁹ From 7pm- 10:30 pm from Monday through Friday and on Saturday's from 9AM to 2PM.

⁵⁰ There in average of 50 part-time workers in the organization.

In 2007, in the context of a general strike of students, professors and other university staff, one of the issues in question was the privatization of the university that the right-wing governors had been putting in place through “private-public” partnerships. An increasing number of corporations and foundations used the university’s space and human resources for their private purposes and commercial interests, including that charging fees for MBA courses oriented to the interests and demands of corporations and they were taught by the university faculty on campus. During the strike as one of the reasons for protest was the privatization public universities, there was much debated going on about a Federal law⁵¹ which establishes that it is illegal to charge any fees or tuition on the campus of public universities.

It turned out that the administration of the university was ordered by the State court to take measures to stop the charging of any fees and to limit any commercial activities on campus.

The newly elected chair of the Institute of Psychology who was more conservative than the previous ones denounced the collective to the public authorities. As a result the university security officers delivered a letter ordering that the activities should stop or the campus security agents would intervene to close the building during the evenings. The collective resisted their expulsion and restated that that public space was not being used for private purposes, but for the benefit of the public who is overall excluded from accessing that public university. At PsicoUsp students were charged the equivalent of about \$40 dollars a month compared to “commercial” educational projects which on average charge the equivalent to \$800 a month. A series of negotiations started with the Board of Directors of the Institute and after several months

⁵¹ Projeto de Lei Complementar (PLC) 40/05

of tension and meetings the Board imposed one condition on the Collective; it could continue to use the classrooms, but no fees should be charged.

PsicoUsp has a politics of financial autonomy. The Collective had never applied for funding from foundations, fundraised with private donors, or accepted any funds that could compromise the political autonomy of the project. To stop charging the already very low fees would mean that it would have to stop all its activities. As a result, the workers decided that they would resist and go on with their activities in spite of the judicial order for them to leave the building.

As series of negotiations took place requiring much time and attention from all the workers of the collective and consequently several problems erupted: some teachers left the project, the regularity and quality of the daily tasks were compromised, several students left the project and -- in the midst of a crisis when nobody controlled the accounts --others stopped paying the fee. The workers who were more directly engaged in the negotiations and had a clearer picture of the problems were holding back information from students and other colleagues about the seriousness of the situation. They feared that students would panic and their year-long effort could be compromised.⁵²

The implication was that the principle of collective self-management which guided the organizational structure of the project was being undermined. In this kind of autonomous collective governance, the responsibility for the project lays on everyone involved- the students, coordinators, educators, and the maintenance team. All decisions are supposed to respect the general principles and duties must be debated and voted on in the general assembly of students and workers. These assemblies take place every six

⁵² In Brazil, admissions exams for universities take place only once a year.

months and lasts for three days. Hiding information about the seriousness of the crisis from the students contradicted the principles of participatory pedagogy and collectively-led self-management. It had the effect of reducing participation by others members of the project and further deepening the financial- administrative crisis the project was undergoing.

As a result a decision was made to call a series of extraordinary assemblies to be led by the finance team and the coordinators who knew the bigger picture in order for them to share information, explain in details the depth of the financial crisis and the political struggle at stake, and in this way try to get the collective to decide which actions to take.

At the peak of the crisis, solidarity among members of the collective grew stronger. In only two months defaults on fees were reduced from 51% to 3%. There were innumerable examples of the extraordinary engagement of students and workers. For instance, one student who was a hair dresser made a lottery of her services and sold tickets for fifty cents. The winner would get a free haircut. In a few weeks she had sold enough tickets to cover for her past due fees and that of two other friends. Another student who had learned how to sew while he was in prison made rugs and sold them at a fair in downtown then he donated the money to collective. Students organized cultural evenings and sold drinks and donated the revenue to the collective. Those teachers who had other sources of income waived from receiving their salaries so that those whose only source of income was the project could be paid. Students autonomously organized several meetings and commissions not only to fundraise for the collective, but also to discuss their political participating in the project.

Six months after the first extraordinary assembly, students and workers together had raised enough money to pay the debts for wages and pedagogical materials and still have some extra fund was left. With that money the collective paid for vacations for those workers who worked on the project on a daily basis. The collective also organized a two day trip to a ranch to hold a general assembly. The remaining funds were used to pay for the admission exam application fee for those students who could not afford it.

The lesson learned was that, at the peak of an economic crisis and political battle, collective actions, cooperation, solidarity and creativity fostered the continuation of a project that had been struggling for ten years in order to carry on its mission of re-appropriating the public space to make of it a space of learning, of sharing; to create a space where genuine politics is constantly evolving through dialogue and collective action.

It is also important to note that during the “crisis” the number of students admitted into public universities was greater than in any other previous year. But, what was considered the most important achievement was the feeling of empowerment, of resistance, of political agency that reinforced the individual and collective beliefs that alternatives are possible; that they are real and achievable as people become subjects in making political decisions and carrying out their own actions.

Thinking back at this experience in which I took part, I find Gibson-Graham’s definition of community economy useful for naming the economy experimentation of Collective PsicoUsp. For Gibson-Graham,

Community economy is an ethical and political space of decision, not a geographic or social commonality. The practice of the community economy is a fluid process of continual resignification, discarding any fantasy that there is a perfect community economy that lies outside of

negotiation, struggle, uncertainty, ambivalence, and disappointment, discarding any notion that there is a blueprint that tells us what to do and how to “be communal” (Gibson-Graham, 2006, p. 35)

The collective at PsicoUsp while addressing one of the main socioeconomic problems of Brazilian society that of unequal access to higher education, engenders a different form of conviviality informed by a radical pedagogy which provides the basis for a participatory process of political organization and struggle from which people-both students and educators- emerge as new subjects. This process of re-subjection results from an empowering educative praxis through which individuals subvert dynamics of unequal power relations that they had internalized particularly from the schooling process and labor disciplining imposed at capitalist workplaces.

In *Economics and Space of Modernity*, Escobar talks about the historical processes which led to the institutionalization of the market economy from mercantilism in the XVth century to the ascension of a mature self-regulating capitalist market. He says that from the nineteenth century the ascension of capitalism seemed to have a prior requirement: “the provision of docile individuals and regulated populations that fit the new system” (Escobar, 2005, p. 143) and he points out how a whole system of discipline and normalization was thus necessary. This system of discipline required what Freire calls the concept of “banking education” (Freire, 2001, 76). For Freire the banking education describes,

a relationship that involves a narrating subject (the teacher) and the patient, listening objects (the students). It results from this relationship that the process of education “becomes an act of depositing in which the students are the depositories and the teacher the depositor [...] knowledge is a gift bestowed by those who consider themselves knowledgeable upon those whom they consider to know nothing. Protecting an absolute ignorance onto others, a characteristic of the ideology of oppression,

negates education and knowledge as processes of inquiry [...] in this disempowering concept of education, the scope of action allowed to the students, extends only as far as receiving, filing, and storing the 'deposits'. They do have the opportunity to become collectors or cataloguers of the things they store. But in the last analysis, it is the people themselves who are filed away through the lack of creativity, transformation and knowledge in this (at best) misguided system (Freire, 2010, p.72).

It is important, however, to note a distinction between schooling and education. As

Pickles argues,

it is generally assumed that schooling and education are synonymous. This is not, however, a straightforward matter. Schooling and education are not always the same, but can be thought of as overlapping sets. In our present society with the increasing sanctification of schooling and the corresponding overburdening of the functions schooling is expected to fulfill, education suffers. Such degradation of education occurs in several ways. On the one hand, education is removed from the public sphere and concentrated in schools, which are themselves increasingly privatised in the hands of trained experts rather than a broader public; public educative functions wither and are lost; education and work are divorced, and both suffer in the process (1985, p. 138)

Pickles points to the same contradiction that *Coletivo PsicoUsp* finds critical that contradiction between the promise and reality of education. He says, that “the promise is that of educating the children of our society in ways that will aid in their development as literate, thoughtful, and perhaps even compassionate democratic citizens; the reality is schooling which emphasizes routine, rewards rulegoverned behavior, and values conformity over independence” (Pickles, 1985, p.138).

The collective's works focuses precisely on the gap Pickles points to, the gap created by “the inconsistencies of a system which seeks political equality (democracy) and economic (and resultant cultural, social and political) inequality (capitalism)” (Wood, 1984: 219 as in Pickles, 1985).

For the collective, the process of educating autonomous subjects of democratic and noncapitalist societies requires expanding educative process beyond institutionalized and indoctrinating spaces into the public sphere, into learning spaces where people can engage in collective education for democracy and emancipation from oppressive capitalist power dynamics. At *PsicoUsp*, the collective's project of educating for democracy involves not only creating an informal, independent public space for learning, but it also aims at re-popularizing the institutions of public higher education, by preparing low-income students for admission exams.

The firm decision of the collective to resist and stay within the space of the campus had not only material implications, given that the project could not afford renting a building outside of campus, but it implicated also a political and symbolic struggle over space. Politically, occupying spaces on campus served as a strategy to denounce the 'privatization' of the public sphere as a privileged space reserved to a minority elite. Symbolically it raised the awareness of students, educators and the campus community about the social, economic and racial factors at play in the exclusionary game of the admission exams, thus revealing inequalities hidden behind the fallacious discourse of meritocracy.

Conclusion

In this chapter I attempted to articulate Freire's pedagogy of autonomy which he applies to rethink education with geographer's Gibson-Graham work on diverse economies to rethink economy by addressing the economic and political dimensions of the practice of solidarity economy as a pedagogical praxis for autonomy carried out by

Coletivo PsicoUsp. Common to the theoretical frameworks of both scholars is the premise that “problem-posing theory and practice take people’s historicity as their starting point affirming “men and women ‘as beings in the process of *becoming*’- as unfinished, uncompleted beings in and with a likewise unfinished reality” (Freire, 2010, p.84). Both of them pose a similar critique to the dichotomy between the human beings and the world that the capitalist way of organizing economy and society establishes. This dichotomy can only be dissolved when people engage in new ways of being together with each other and with the world. In this exercise, they become aware of a “reality of the oppression not as a closed world from which there is not exit, but as a limiting situation which they can transform (Freire, 2010, p. 49). That is why the experience of PsicoUsp shows how new subjects of post-capitalist societies can be cultivated. The bound between popular education and solidarity economy lays in the fact that solidarity economy is based upon new values and aims to foster new economic becomings and that requires the invention of new practices which popular education can advance among the oppressed within the capitalist dynamics of power.

Gibson-Graham’s language of economic difference helps us perceive the activities of popular education carried out by PsicoUsp from a new perspective. If before, like most participants in the project I only saw PsicoUsp as an education institution working to promote social justice, and the work that I did with the collective I thought of as “activism”, Gibson-Graham’s theorizing of the “diverse economies” contributes to enlarge our economic imaginary. It enabled us to perceive PsicoUsp as a kind of “community economy”, a “communal space where individuals and collective subjects negotiate questions of livelihood and interdependence” while (re) constructing

ourselves in the process not only as political agents, but also as economic subjects” (Gibson-Graham, 2006, p.53).

Coletivo PsicoUsp is a kind of community economy in that in spite of the different political views, disagreements, financial crisis, uncertainties, and contradictions, the collective has been in fact trying to find ways to align its ideologies for social transformation with viable economic alternatives. Examining the story narrated above one can find several aspects that Gibson and Graham take into account when defining diverse economies: “different kinds of transactions and ways of negotiating; different types of labor and ways of compensating it; different forms of economic enterprise and ways of producing, appropriating and distributing surplus” (Gibson-Graham, 2006, p.54)

In rethinking about my previous experiences as a popular educator of a community economy project and using a language of economic diversity in my analytical narrative, I hope this chapter contributes to a discourse of economic difference and functions as a “performative economic ontology of ‘diverse economies to use Gibson-Graham’s term when she refers to the role of research on diverse economies and to its potential to foster non-capitalist experiences “by developing new and richer languages of economy and of economic possibility, by cultivating ourselves and others as subjects of non-capitalist development and by working collaboratively to produce alternative economic organizations and spaces” (Gibson-Graham, 2005, p.31).

Chapter 5

Conclusion

The recent financial crisis exposed other crises: the climate, energy, and food crises and more. All of them go back to the crisis in the dominant paradigm. The world today is wealthier than ever – and more unequal. Something is rotten in the kingdom of Capital. As Arruda (2009, n.p) asserts “while investors in their millions suffer the terrors of a financial crisis, the impoverished peoples of the Earth – in their billions – endure a daily routine of chronic crisis for lack of access to goods and the means of production or to the essentials of a worthwhile human life: food, energy, pleasurable work, time to develop their potential, a decent standard of living, and social and ecological relations that are friendly, secure, gratifying and lasting”.

Pushed by capitalism and its goals of unlimited accumulation this logic has resulted in systems in which the few benefit in the expenses of many. As I argued in this thesis, during the last stage of the global development of capitalism, the Development Era, concentration of power in the hands of a few nations states, firms and national elites has increased and the economistic view has gained preeminence making many believe that the economy is a separate realm from social life and politics. One outcome is that social majorities have increasingly lost control over natural resources, labor and capital. As people are more and more expropriated from their means of survival and from their autonomy to make decisions over their own lives and over the well-being of their own communities, concern for dehumanization becomes a central

concern. However, the moment is not one for fatalistic attitudes. As Freire (2010) has asserted, if both humanization and dehumanization are real alternatives within history, in concrete, objective contexts, only humanization is people's ontological vocation. Thus, as much as our discourses and practices of *capitalocentrism* keep systems of domination functioning through tactics of dispossession and disempowerment, peoples around the globe wage struggles following the ontological drive to become more fully human (Freire, 2010).

In this thesis I have documented and discussed the experiences of ordinary people on the ground who are reclaiming agency over their life projects, their livelihoods, their territory as well as over public resources and public spaces. In the context of the Brazilian society what is being called solidarity economy is emerging as a discourse and praxis that is giving ordinary men and women hopes to bring back their livelihoods under the control of their own ethical judgments and political decision-making.

In the Brazilian context, the concept of solidarity economy refers to an emerging post-development project that aggregates and involves (from its inception as a concept a decade ago) diverse social movements, the State and universities. An increasingly unified movement of solidarity economy articulates networks of solidarity economy enterprises, policy-makers favorable to this development model and research centers. These three segments are organized in forums, networks and coordinating bodies whose mobilization and political actions provide support for existing and start-up enterprises of solidarity economy while advancing its demands for public policies that the

movement believes are necessary to advance this model of development. Thus, although at the bases of what is called Solidarity Economy in Brazil, there are “units” of community economy experiences as conceptualized by Gibson-Graham, the concept of solidarity economy in Brazil designates a fairly more complex and rapidly advancing larger project of post-development and post-capitalist politics.

The movement of solidarity economy is the most recently formed social movement that has grown on a national scale in Brazil along the past decade. To some extent its fast growth can be partly explained by the close historical and political relationship that social movements who gathered under the banner of solidarity economy movement-the landless movement, the central workers union, the catholic ecclesiastical base communities and progressive intellectuals- have had with the PT and Lula. Lula’s coming to power represented for this movement more opportunity to access public spaces of decision-making and public resources that it judges necessary to advance its agenda and goals. While the movement acknowledges a risk of cooptation and a threat to its autonomy it judges that it is necessary to enter the space of the State-the battlefield- to dispute over resources and press for public policies that support start up solidarity initiatives and to protect existing ones.

Although the number of workers involved with solidarity economy and the number of enterprises have increased significantly along the past decade, solidarity economy initiatives face great challenges to consolidate themselves as viable economic alternatives for workers, due especially given the depth that the capitalist economic logics entrenches itself in the Brazilian society in the current moment of economic growth of the national economy. As I attempted to demonstrate solidarity economy

enterprises' main difficulties are access to credit and commercialization, besides the lack of a favorable legal framework adequate to the non-capitalist feature and functioning of this sort of economic activities. That may explain why articulation with the State seems to be an important strategy for the movement of solidarity economy.

In regards to critiques of an apparent cooptation by State power and a lack of autonomy, on the one hand it is not wrong to conclude that indeed, historically, Brazilian social movements have never engaged in anti-state struggles as it has been the case of some social movements in Bolivia (Zibechi, 2010) or Mexico (Esteva, 2010) for instance. Likewise the movement of solidarity economy does not seem to question state-centric politics; its strategy aims to push for more radical democratization of the state politics. On the other hand, I also attempted to argue that it does not seem correct to assert straightforwardly that the movement's power to oppose the State and defend its cause has been dissolved, the national mobilization to antagonize Dilma's Rousseff intention of transferring the Solidarity Economy National Secretariat to the auspices of a future Ministry of Micro-Entrepreneurship is the most recent example of strong opposition.

I argued that, if at the macro-level, in its relationship with State power the movement of solidarity economy maintains a certain financial and political dependency in relation to the State, more specifically to SENAES; it is relevant to note that the movement seems to focus its concern with the issue of autonomy and the potential to foster emancipatory projects of society more on the pedagogical praxis that autonomous forms of governance experimented within the internal functioning of the solidarity enterprises represents. I tried to demonstrate that through the examples of *Coletivo*

PsicoUsp and *Banco Bem*. The former organizes as a community economy through collective actions directed to address issues of unequal access to public spaces informed by Freirian pedagogy of autonomy; the latter organizes a community economy by engaging communities of eight favelas in a participatory governance of a community bank. I argue that both of these experiences confirm Gibson-Graham's evaluation that "many alternative economic movements and practices are explicitly about re-socializing economic relations" (2006, 79). Both experiences reveal a new political discourse grounded in visions of sociality and conviviality that brings about new economic identities.

Over the past ten years or so, a body of work has emerged in economic and development geography that focus on the "ontological, epistemological and political significance of recognizing 'diverse economies'" (Smith, 2010, p. 2). Smith explains that the central aim of much of this work is "to decenter capitalism- to consider the broad range of economic activities and practices that constitute economies in their fullness" (p.8). In conversation with Gibson-Graham's project that seeks to recognize the interdependence of a broad variety of economic and so-called "noneconomic" activities, in this thesis I also attempted to dislocate the conventional views of economics (and of politics) that singles out certain activities as necessarily or invariably more important, more independent, and more determining of economic health and political power, distinguishing them from those that are more expendable, dependent, and less determining within the economy and politics (Smith, 2010).

When we look at the project of solidarity economy through a lens that sees the economic in broader terms, it becomes clear that despite the challenges to survive and

flourish as viable alternative to capitalism, solidarity economy initiatives being grounded on an ethical economic politics represent important opportunities for workers to undergo processes of re-subjectivation as economic agents. The emergence of new economic identities is the first and necessary stage of a long struggle to dislocate *capitalocentrism*, thus opening the ground for non-capitalist economic possibilities. The solidarity economy project of society is one of such possibilities. It implicates the reversal of the capitalist logics in that it opposes the exploitation of labor and natural resources and it considers the human being- in its integrity- as the subject and purpose of economic activity.

In writing this thesis I hope to have contributed to bringing the mainstream development model under critical scrutiny and to fomenting reflection about the diverse ways of fostering economic alternatives and organizing non-dominant forms of governance that ordinary men and women are experimenting as they struggle to regain control over their livelihoods, education and territories.

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