



Elements of a Solidarity Economy

Because solidarity economics is more of a strategic organizing process than a structural economic model, developing "maps" of the solidarity economy landscape is crucial to the movement. Such maps can serve to more clearly identify the relationships (actual or possible) between cooperative and democratic practices of livelihood. This map organizes solidarity initiatives around each of the interconnected phases of economic life: creation, production, exchange, consumption and waste. Charting these phases, and the forms of collective organization positioned within each one, the image allows us to more clearly envision creative and complimentary forms of mutual-support and interconnection between initiatives working at each point of the economic cycle.

Creation

Where do the basic "raw materials" come from?

Ecological Creation

Earth processes—birth, growth, photosynthesis, respiration, geological and chemical transformation, etc.—are the “original points of production” that sustain and generate all life and culture. The moral responsibility to honor and share these collective “gifts from the world” is a key starting point for a solidarity economy perspective.

Cultural Creation

Human cultural resources such as language, stories, music, ideas, and skills are generated and transformed over millions of years by collective creativity, imagination, intuition, observation and experimentation. Like ecological resources, they are gifts passed down from our ancestors, meant

to be shared and held in common trust.

The Commons is a set of human cultural institutions that function to frame and sustain the resource bases of a community as shared, collective sources of livelihood. Contemporary work for the commons is alive and well via anti-privatization struggles, the “free culture” movement, and groups such as Creative Commons, the Free Software Foundation, and Friends of the Commons.

Collective Ownership of Land refers to diverse structures through which a community of people share ownership and control of land and its various resources. Intentional communities, land-based collectives, local municipalities, tribal ownership.

Community Land Trusts are legal structures for the ownership of land, designed to maintain affordable housing options over the long-term through community ownership and control.

Conservation Land Trusts are non-profit organizations that own land and easements on land for the purposes of long-term ecological preservation.

Production

How are goods and services produced?

Worker Cooperatives are enterprises owned and democratically controlled by their workers. Structured in many different ways, they are united by the principle of worker control via collective ownership and a democratic “one member, one vote” or consensus decision-making structure. Both risks and the profits are shared among worker-owners.

Some worker coops, such as Rainbow Grocery in San Francisco, are “**hybrid coops**” and include consumers as well as workers in their ownership and management structure.

“**Solidarity cooperatives**” are multi-stakeholder coops, bringing together all parties involved in a

particular endeavor—workers, consumers, producers and members of the larger community—in a democratic structure of ownership and control.

Not-for-Profit Collectives are organizations that are run and managed democratically by their members and/or staff and operate on a not-for-profit basis, using any surplus generated to further the ongoing work and mission of the organization (rather than, for example, distributing it to members).

Democratic ESOPs are "Employee Stock Ownership Plans," in which workers own shares of stock in the business they work for. As with other stock corporations, this often translates to “one share, one vote”—generating a very low level of workplace democracy. Some "democratic ESOPs," however, are structured to provide workers with high levels of participation and decision-making power in their companies.

Producer Cooperatives are cooperative associations of independent producers—farmers, fisherpeople, retail stores, and more—joining together to collectively purchase input materials and/or to market and sell goods and services. Like all cooperatives, they operate with a “one member, one vote” system. The degree of commitment to principles of social and economic justice varies dramatically from one coop to the next, depending on the ethical and political commitments of their members.

D.I.Y. (Do-It-Yourself) is also referred to as “autonomous production.” Individuals and groups produce or provide goods and services for themselves without formal structures of organization, and often without the “professionalization” that comes with many other forms of production. Examples: growing food, sewing, homeschooling, raising children, writing songs and poetry.

Family or clan-based Production are production activities rooted in the communal context of a family, clan or other social group. While activities in these contexts can often be structured by hierarchy and exclusion, egalitarian forms of such production are widespread. Examples include family farms, childcare by extended family, shared meal preparation, and informal collective care for elders.

Self-Employment, in many instances, might be considered a “worker cooperative of one,” providing the worker with significant control over the conditions and terms of their work. Ultimately, the solidary nature of self-employment depends on the specific forms that it takes and the larger economic context of which it is a part.

Exchange/Transfer

How do goods and services move from production to use?

Gifts are acts of exchange built on generosity and community. Something is given with no expectation of return, yet the relationships created and sustained by gifts often generate un-expected returns to the giver and an ongoing "cycle of reciprocity."

Community Currencies are alternative forms of money, usually issued and circulated at a local or regional level, that function to encourage locally-rooted commerce and the development of stronger community relationships. These currencies can take many forms depending on the scope of their circulation, their relationship to the conventional dollar, and the structure of the groups that organize and issue them.

Solidarity Markets are an emerging concept in Brazilian solidarity economics, referring to relationships of exchange that are built on a mutual agreement to seek the best interests of all parties involved, including the communities of which they

are a part. Since markets are cultural institutions, changing the cultural norms upon which they operate (from profit-maximization to mutual-aid) may transform the essential nature of markets themselves.

Barter Clubs are organized direct exchanges of goods and services between people and groups. These can range from simple lists linking local "goods/services offered" with goods/services needed" to elaborate, large-scale institutions such as the barter markets of post-collapse Argentina.

Fair Trade often involves direct connections between cooperative producers and retailers (eliminating exploitative intermediaries), fair trade is about providing equitable payments to small-scale solidarity producers through sales to conscientious ethical consumers.

Sliding-Scale Pricing is a system in which prices for goods and services vary based on a consumer's ability to pay. For it to succeed, this practice must often be accompanied by active education of consumers regarding their roles in actively advancing the sliding-scale as a redistributive economic justice tool.

Consumption/Use

How is the consumption and use of goods and services organized?

Consumer Cooperatives are structures through which consumers are democratically organized to purchase and distribute goods and services among each other. Housing coops, cooperative food stores, buying clubs, mutual insurance cooperatives and health care coops are all examples of cooperative consumer self-organization.

Housing Cooperatives are houses or apartment complexes that are owned and democratically-controlled by their residents. Members of "**limited equity housing coops**" purchase a share of the coop and, upon leaving, sell that share back to the coop at

the same price they originally paid. This de-links the value of housing from the capitalist market, allowing the coop to remain affordable.

Collective Houses are houses, owned or rented by a collective, that are structured by principles of cooperative living, direct democracy and mutual aid. Collective members share expenses and the physical and relational work of living together.

Self-Provisioning is the "consumption" side of autonomous production—the use of a good or service by the person or group who produced it. Examples include subsistence farming, medical self-care, and fix-it-yourself practices.

Ethical Purchasing is also called "solidarity consumption." Ethically-conscious purchasing is organized at individual and institutional levels and support businesses & organizations enacting economic, ecological and social justice in their daily operations. The anti-sweatshop movement, working for equitable, "sweat-free" commerce on many levels, is a prominent example.

Surplus Allocation

How is surplus, generated in the economic cycle, used? How does surplus re-enter and re-invigorate the cycle?

Financing

Using monetary or material surplus to generate and/or develop solidarity economy initiatives

Community Financing involves raising funds through formal or informal loans, sometimes paid back in material goods or services, from members of a community of which a particular project is a part.

Cooperative Loan Funds are institutions specifically dedicated to providing loans to cooperatively-run businesses and non-profit organizations.

Credit Unions are multi-service cooperative financial institutions. Though many try to look just like capitalist banks, they are democratic, member-controlled, not-for-profit organizations.

Community Development Credit Unions are credit unions specifically dedicated to investing in local, community-based economic and social development.

Rotating Savings and Credit Associations (ROSCAs) are groups of people, dedicated to long-term collective mutual aid, pool money to provide "loans" to each other. Every member of the group pays in a specific amount each year, and one member per year gets the whole sum as a loan. The circle is complete once every member of the group has been able to use the collective pool of funds.

Cooperative Banks are banks owned and run by cooperative member organizations, working to serve their membership and other coops with a variety of financial services.

Self-Financing is the re-investment of surplus ("profit") generated by a specific initiative back into that initiative's work.

Community Re-Investment Struggles work to implement policies at local, state and national levels forcing corporations who move out of a community to compensate that community with funds for local development

Recycling & Compost

Recycling of material surplus back into the productive system and the larger life system

Free Stores, Free Boxes & Swap Shops are community facilities that allow people to share and redistribute surplus goods in a not-for-profit or free manner.

Community Compost Projects are about developing shared composting facilities which turn community organic waste into soil that is available for community members for farming and gardening.

Savings/Storage

Setting aside surplus for future use

Community-Based Insurance is grassroots self-insurance, done by pooling money in a democratically-controlled community fund. The Ithaca Health Alliance is an example.

Cooperative Food Storage includes groups such as Winter Cache in Portland, Maine working to develop community-based winter storage and distribution facilities for cooperatively-grown organic food.

Waste

Waste is surplus that cannot be recycled or re-invested back into the productive system, or into the life system within a few generations or less. How is this dealt with?

Environmental Justice struggles seek to avert the placement of toxic wastes in poor communities and communities of color are linked to larger efforts to build an economy in which such waste is no longer produced. Alliances between environmental justice groups and groups working to build cooperative and ecologically-sound production techniques are crucial to solidarity economy organizing.

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