

The Social Economy
and the crisis :
danger and opportunity

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Bologne, Friday May 7th

Two analyses of the crisis

- The crisis, as a cyclical event : theory of business cycles
 - Financial (bubble, credit crunch)
 - Economic (bankruptcy)
 - Social (unemployment)
 - Monetary and tax measures (Keynes)
- The crisis, as a structural change of capitalism : theory of regulation as coordination of activities
 - Between an old and a new world
 - Creative destruction (Schumpeter)
 - Technological changes and systemic innovations

Social Economy in a cyclical event : danger

- Financial problems through lack of democracy

Example : Natexis, capitalistic branch of two cooperative banks

- Economic difficulties through lack of finance and involvement of volunteers and employees
- More instrumentalization from public policies facing public debt

But more resilience than capital-based enterprises

- Higher survival rate than other private firms
 - Financial reserves
 - Economic relations and partnerships
 - Social cohesion
 - Long term decisions

Cushion the impact of economic downturn

- Keeping financial system afloat (slow finance)
- Offering alternative employment opportunities (including through workers' takeovers of bankrupt firms)
- Creating safety nets for poor people
- Public policy's support for reviving local economies

Already in the past...systemic crisis

at regular periods of capitalist development

- The end of the XVIIIth century : 1797 , the response of communities : Owen, Fourier
- Mid XIXth : 1847, associationism : Buchez, Ott, Blanc, Proudhon
- The end of XIXth : 1893, social economy institutions (equal opportunities, solidarity, social progress), Walras, Gide
- 1929, cooperative sector supported by public economy, Fauquet

Social economy in an emerging economy : opportunities

- Technological changes : information and communication
- Climate challenge
- Knowledge-based economy
- Strong role of values
- Blurred boundaries between production and consumption
- So, need for social innovations

The user as a producer

- Differentiation / standardisation
- Unpredictable demand
- Co production / distant relationship
- Hiring instead of ownership
- Proximity, short circuits
- Savings and solidarity-based finances
- Small units
- Networks rather than concentration and centralisation
- Need to increase life skills, social capital

Centrality of social, educational, cultural and environmental sectors

- People and creation-based services
- But labour intensive services
- difficulty to lessen high cost structures
- Partnership between citizens and public policies, co-creation of services
- Importance of awareness-raising and recycling
- Multiplication of support groups (information, advice, advocacy...)

Social Economy :

balanced and slow growth

- Non market activities, even within market activities ; non profit purposes
- Growing need for trust (and « patient finance ») against uncertainty
- Mix of employment and volunteers (more empowerment)
- More equitable sharing of income ; not only by public redistribution
- Cooperative regulation beside competition and regulation