



Group Assembly Process (GAP) - Stirring Paper

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by Elisabeth Voß, Berlin, July 2014

Changing the economic system embracing degrowth – for global justice and democracy

I understand “degrowth” to be an important aspect of the diverse paths towards different social economic systems, based on solidarity. The degrowth discourse calls into question the almost religious belief that only a growing economy is a good economy. Along with other alternative economic perspectives and practices, including cooperatives, commons and the solidarity economy, the degrowth discourse faces the challenge of not only being limited to factual and technical debates but also of always addressing the question of interests: Who benefits from the relentless and devastating exploitation of people and nature? How are the social forces that oppose these interests organized? How can undertakings and projects embracing alternative economic notions flourish and grow, along with social movements for global social rights? From a critical-solidarity perspective, we should also not shy away from the question: What are the contradictions and ambiguities of these alternatives; what are their vulnerabilities and risks?

The purpose of the economic system: fulfilling needs, not generating profit

For many “the economy” signifies the complete other, that which is alien to them, and often that, that they wish not to have anything to do with. From an experiential perspective, this might seem reasonable at first, but it ignores a part of day-to-day reality: no one can exist without an economy. Everyone anywhere on the planet relies on housing, food, energy, healthcare, education, mobility and many other things. Whether these basic needs are actually available or not and if yes, to what extent and quality and under which conditions, is primarily a question of participation in resources and a question of the economic and social negotiation processes, i.e. a question of democracy: Who decides about what is produced in which quantities, with which resources, and how it is produced? Who decides about who receives the products and services provided in these economic processes, and under what conditions? What are the democratic procedures and methods used and what for, and who determines this?

The dominant, centralized and export-oriented growth economy that systematically produces wastage and squander cannot simply be made sustainable by reducing quantities. A society based on degrowth requires qualitatively different logics of production and reproduction that are more small-scale, satisfy local needs and rely on self-

organization. This involves addressing education and training as well as shifting the focus in research, science, and technological development. In whose interest are societal resources and opportunities used? The lopsided focus on high-tech and export allows for a seemingly comfortable life in the global North, however, at the expense of the exploited in the global South. The social divide also affects Europe; for example, the Mediterranean countries; however, it is also visible within each country in Europe. Emerging alternative economic activities often exist only in niches or function as a lifeline in emergency situations.

In contrast, the alternative economies of the 1970s and 1980s emerged from a social-critical and ecological cultural milieu that placed great importance on autonomy and collective self-determination¹. The critique of male dominance gave rise to theories and projects of feminist economies, such as the “Bielefelder Subsistenzperspektive” formulated by Maria Mies, Claudia von Werlhof and Veronika Bennholdt-Thomsen in the 1970s². Today the term care economy is used to discuss what people need in order to sustain themselves³.

The term social economy is often used to refer to cooperatives, mutual insurance companies, associations, foundations and other organization that do not operate primarily on a for-profit basis⁴. While associations and foundations have idealistic objectives, cooperatives are economic enterprises operating in the interest of their membership. They receive new attention also because the United Nations declared 2012 as the International Year of Cooperatives⁵. More than 150 years of experience with cooperatives show a collective way of doing business based on self-help in order to meet people’s needs and demonstrate how this can be successfully done and the problems that may arise. The collective cooperative notion of solidarity is based on the collaboration between its members. The commons’ approach offers a perspective of collective economic practices. It was developed by the US-American scientist Elinor Ostrom who died in 2012. In 2009 she received the Nobel Prize in Economic Sciences for her research on the question of how people can, on the basis of self-defined rules, manage their collective resources in a way that would ensure that all members of a community can use them, and that would preserve the resources from overuse and destruction⁶.

The term solidarity economy was coined by the Chilean economist Luis Razeto Migliaro. In the 1970s and 1980s he explored how people could ensure that their families and communities are provided with the essentials in times of crisis in order to survive. He discovered a production factor that had previously been unknown and which he called “Factor C”, the force of cooperation. In Spanish its seven components all start with a ‘c’: Compañerismo (friendship), Cooperación (cooperation), Comunidad (community), Comunción (unity in diversity), Colectividad (collectivity), Carisma (charisma), as well as

¹ This was, for example, discussed in the theory working group on alternative economy TAK AÖ: <http://www.leibi.de/takaoe> (German)

² Maria Mies: The Subsistence Perspective. Transcription of a video by O. Ressler, recorded in Cologne, Germany 2005. Download available at http://www.ressler.at/de/the_subsistence_perspective

³ See for example: Olympe – Feministische Arbeitshefte zur Politik, Heft 30: Care Ökonomie. Neue Landschaften von feministischen Analysen und Debatten, Ottenbach (Schweiz), 2009: http://www.frauenarchivostschweiz.ch/f/olymppe/olymppe_30.pdf (German); and: Care Revolution Action Conference March 2014 in Berlin: <http://care-revolution.site36.net> (German)

⁴ Organized, for example, in the European federation Social Economy Europe: <http://www.socialeconomy.eu.org>

⁵ International Year of Cooperatives (IYC) 2012: <http://social.un.org/coopsyear/>

⁶ Elinor Ostrom: Was mehr wird, wenn wir teilen – Vom gesellschaftlichen Wert der Gemeingüter, Munich, 2011 (Engl. “The Challenge of Common Pool Resources”):

<http://www.oekom.de/nc/buecher/gesamtprogramm/buch/was-mehr-wird-wenn-wir-teilen.html>

the category of ‘Compartir’ (sharing)⁷. In November 2006, the international conference titled “How do we want to ‘do’ our economy? Solidarity economy in a globalised capitalism.” was held in Berlin, organized by the Bewegungsakademie Verden and TU Berlin together with many co-organizers and supporters. Since then the term Solidarity Economy has become known for various forms of production, distribution, and consumption also in Germany. The organizers of the conference wanted to emphasize that Solidarity Economies are more than niches, but that instead they constitute a growing and diverse economic sector globally. Their understanding of this economic sector was shaped by a global perspective and by a sense of the need to link social movements and concrete undertakings to produce and consume differently. At international level actors of social solidarity economy are organized, for example, in the network RIPESS⁸.

The so-called alternative economic approaches differ from the dominant economic practices in that they put people before profits echoing the Social Forum slogan. There are different views about what that precisely means, whether there should be profits or not, and what these profits would be used for. However, the motive and driver of these economic systems is to meet concrete needs; it is not to generate profits. But still the question remains: Whose needs are addressed? Solidarity does not mean charity or social action for the benefit of others, but mutual support for one’s own benefit. The capacities for economic self-help are not evenly distributed and so it is important to see, who acts in solidarity with whom and for whom or perhaps even against whom. In order to ensure that participation in the essentials of living is not limited to the members of communities that can self-organize, but secured for all members of a society, major sectors of the economy must be socialized, in particular in the area of basic services.

Organize!

For a global social transformation, resistance against the existing order is just as essential as building real alternatives. For this reason social movements against social cuts, privatizations, and further disenfranchisement on the one hand, and solidarity economy projects and undertakings with social objectives on the other hand, cannot be separated. Among the many different approaches there is a lot of room for developments toward a culture of cooperation and collective action. Along with the increasing lack of social legitimacy of dominant economic approaches, apparent alternatives simultaneously emerge. Under the banner of well-sounding social demands, they build profit-oriented business models. Examples of these fake alternatives are microcredit organizations as part of the so-called social business that systematically force poor people into debt peonage⁹, and shareconomy companies such as Uber, used by global corporations to attack local cab companies anywhere in the world¹⁰. We need to take a close look at this, conduct our research carefully and voice public criticism.

Sometimes it will not be easy to draw the line between bogus and genuine alternatives and thus we have to assess the genuine alternatives in a critical solidarity-based way

⁷ Hans Eder: Der “Faktor C”. Kern einer anderen Wirtschaft, Gesellschaft und Zivilisation.... In: Soli-Tat 42, Internationale Solidarität, Salzburg, October 2003 (German): <http://www.intersol.at/fileadmin/Soliatat/solitat42.pdf>

⁸ RIPESS – Intercontinental Network for the Promotion of Social Solidarity Economy: <http://www.ripest.org/?lang=en>

⁹ cf. Gerhard Klas: Die Mikrofinanz-Industrie. Die große Illusion oder das Geschäft mit der Armut, Berlin and Hamburg, 2011 (German): <http://www.assoziation-a.de/gesamt/Mikrofinanz-Industrie.htm>

¹⁰ cf. Axel Hansen: Die Mär von David und Goliath, Zeit online, 25 March 2014 (German): <http://www.zeit.de/mobilitaet/2014-04/taxigewerbe-neuer-dienst-uber>

instead of blindly praising them. Every alternative has its compromises and has to adjust – to a greater or lesser extent – to the constraints of a market economy and state-regulated framework conditions in order to survive. One of the challenges is not to be tempted and look for simple solutions, but value the diversity of alternative approaches while refraining from competition and ranking. The one best-practice lighthouse project does not exist, but there is a multiplicity of good practices.

Transformation?

Nobody can say how societies based on degrowth will look like. What the future brings will essentially depend on how the transformation takes place. The structures produced through transitions under conditions of disasters and unavoidable constraints will differ from those created through processes of change based on voluntary agreements. A diverse range of actors will follow different paths toward an economic system that focuses on preserving nature as the source of life for all people on the planet, as well as on human rights, and global social rights.

The first steps require broad networks and viable alliances that function as resonance structures¹¹. The internal structures of these networks and alliances should continuously evolve in a democratic way; at the same time, the networks and alliances should be able to respond to current affairs and demands. Otherwise common social dominances and inaccessible hierarchies will build much too quickly. A major challenge, especially in a global context, is the relation between direct personal exchange (requiring time and travel costs) and digital communication (vulnerable to surveillance; suggesting that things can be done; originally a military technology).

Some day...

Much will be different in an economic system that is democratically managed and equitable at a global level. For example, the relation between entrepreneurial choices and social framework will be newly determined, just as the relation between public and private companies. Who knows what will develop democratically in the mobility and communication industries of the future? How will aviation work when it is no longer supposed to generate profits, but when its sole purpose is to satisfy needs? Will rare metals still be used under conditions of economic democracy? And when will people stop wasting their precious time developing and producing weapons?

If people organize and actively and collectively shape their lives and their economy based on solidarity, they will develop forms of cooperation, cultures of communication and decision-making in economic and social matters as well as sustainable technologies that are hardly conceivable for us today.

This paper was originally written in German, the translation was done by Stefan Schade from the Degrowth interpretation group.

¹¹German: 'resonanzfähige Strukturen' - the English term 'resonance structures' is often used in physics and medical contexts.