

## Special edition- Social Polis

# Towns and cities, social cohesion and social solidarity economy policy

### Editorial

In these times of globalisation, social cohesion encounters particular difficulties in the major towns and cities that have to cope with accelerating structural changes, such as an increasing diversity of migratory patterns, the tertiarization and casualization of the labour market, difficulties associated with access to housing in the context of a volatile property market on an international scale, an unequal mobility of the residents due to the insufficiency and inappropriateness of transport services, a growing sensitivity to urban pollution and the degradation of the conditions in which people have to live, isolation and solidarity in cities in the context of an ageing urban population and the increase in the number of single-parent families, etc.

Although the countries of the European Union have developed a whole series of policies to support social cohesion, the degree of recognition given to the local residents' capacity to act together, to participate democratically in the development of public policies and to jointly create activities and jobs to improve the urban environment in which they live, varies considerably from one country to the next.

Social cohesion is not merely a question of the redistribution of wealth. The current crisis is, first and foremost, a systemic crisis of our economic models and our ways of thinking. At the 4th International Meetings on "Globalising Solidarity", held in Luxembourg from 22 to 25 April 2009, 700 delegates

from the social and solidarity economy demonstrated that another economy does truly exist: namely the innovations of the social solidarity economy. These innovations generate social cohesion and are now waiting to be granted their rightful recognition in terms of public support policies, notably for scientific research, so as to be able to strengthen the theoretical view of the SSE as the third economic pillar, to create appropriate methodological tools and

Eric Lavillunière  
Director of INEES

## Our areas of work:

If we accept the definition of social cohesion as being a concept that signifies the intensity of social links, then we may consider, together with Emile Durkheim, that social cohesion "constitutes the state of good functioning of society in which solidarity amongst individuals and the collective conscience are expressed."

This concept has been used at the European level since the 1980s with reference to the Structural Funds and, since 2000, has been part of the Lisbon objectives for the period 2000 – 2010. The Council of Europe has also established its own Strategy for Social Cohesion and a Directorate General for Social Cohesion. It is therefore used to convey the sense of the bonds that exist between people (for the European Union) and the capacity to guarantee the well-being of everyone in society by avoiding disparities and ensuring that all of the actors assume joint responsibility (for the Council of Europe). In the framework of the European Social Polis project, our working group set itself the objective of establishing a better understanding of the place and the role of socio-economic innovations, grouped together under the general term of the social solidarity economy, in the social cohesion of towns and cities in France and in Europe. In order to do this, our workshop has established four main areas for reflection, which we have expressed as questions:

- 1) What are the local and dynamic SSE initiatives that you consider to be the most emblematic in today's urban environment? What are their main features and under what conditions are they susceptible to bring about change?
- 2) As the third economic pillar between the public and private economy, what sort of vision of social cohesion does the SSE promote?
- 3) What are the added values of the SSE and its social utility for those who live in cities? How can we assess the impact of these initiatives on urban social cohesion? What are the indicators of societal progress that can be used for this purpose?
- 4) What is the role of the SSE in the joint construction of urban public policies that are able to respond to the challenges of social cohesion in cities?

By looking through the prism of the social solidarity economy, we are attempting to determine the source of social cohesion in these three dimensions of solidarity between individuals, the shared collective conscience of belonging to a community and the feeling of well-being.

### Editorial board:

Eric Lavillunière – Director of INEES

Diane Rémy – Research and Action Officer, OPE

## **We illustrate** **Cases of good practice:** **the SSE contributes to** **social cohesion!**

One of the social cohesion strategies developed by the European Union, as well as by certain national and local governments, has been that of providing support for local neighbourhood initiatives, notably in the disadvantaged urban areas. There is no lack of examples of good practices! We are surrounded by these "other types of initiatives" that are called social and solidarity economy initiatives and which are currently attacking a number of the underlying sources of today's instability, such as unemployment, the destruction of the environment... The Lux'09 Fourth Forum on Globalizing Solidarity (cf. [www.lux09.lu](http://www.lux09.lu)) stands as a witness to this.

As an example from France, let us take the Régies de Quartiers for whom, according to Vincent Ricolleau (National Liaison Committee for Neighbourhood Associations, CNLRQ), "neighbourhood associations are not solely the suppliers of urban services that create jobs in working-class areas and respond to the needs and well-being of the local inhabitants. The reinforcement of social links and access to citizenship are also an integral part of a neighbourhood association's plan. Social cohesion is not a subsidiary consideration; rather it is the source of the economic development of a territory." It requires the development of the inhabitants' power to act within their neighbourhood. The joint construction of socio-economic activities by not only the elected representatives, but also by the local inhabitants and technical services, is at the heart of

the multi-stakeholder governance of a neighbourhood association. Didier Testelin (CNLRQ) emphasised the fact that, in this context, local initiatives are the vector of a mode of urban governance that is capable of "bringing together all of the actors around a shared territorial project."

For the last 20 years, Objectif Plein Emploi (OPE), has been working in the field of local development and has helped to create almost 750 local services jobs in half of the 116 municipalities of Luxembourg. Social cohesion is not only expressed through integration through employment and the social utility of urban services proposed in sectors as diverse as culture, the environment, welfare services and tourism, but also through the mobilisation of a network of 400 volunteers. This form of territorial governance, which involves users, locally elected municipal representatives and volunteers in the creation of activities, is at the heart of the recognition of the solidarity economy defined as the third economic pillar along side the public and private economy. The pooling of skills and the sharing of experiences with a view to serving society only serves to highlight the interdependence and complementarity between the inhabitants and the municipal authorities. This understanding favours the way in which people are able to live together, as well as social cohesion.

Territorial anchoring does not mean being confined to local affairs. An ambitious decentralised cooperation programme in the organic and fair trade cotton sector between textiles companies and consumers groups in Brittany and more than 3,000 cotton producers in West Africa highlights how international solidarity

may strengthen the social cohesion between actors in a territory.

The Brazilian experience of incubators at the University of Recife shows us that, in the context of an on-going exchange of experiences and knowledge, the actors at the territorial level are able to collectively construct a genuine research agenda that is supported by the public authorities in favour of a policy to develop social innovation.

Through fair trade, ethical financing, welfare services, cultural projects, solidarity tourism, short circuits between producers and consumers and solidarity enterprise initiatives amongst others, the SSE has diversified its presence in numerous sectors and is now showing that it is viable to produce, distribute, consume and to save differently, more fairly, more democratically and in a way that is more responsible in one's social environment. These new initiatives improve life in towns and cities in the sense that they take into account the needs that have been collectively defined in public spaces in which the consumers/actors participate in their definition in the framework of collective experimentation. In other words, their intention is to contribute to the reinforcement of social cohesion through economic activities that place solidarity at the heart of their action. Therefore, they create not only new social links, but also new institutional practices and new economic and working relations. They all set out to include solidarity and innovation at the heart of all provisions in this area and refuse to accept the status quo!

The various forms of exclusion generated by neo-liberal globalisation have enabled the SSE to develop in a range of different forms.





## HOWEVER... we discuss

### Our reflections:

The last few years have led to a growing awareness that economic developments may not be made to the detriment of strong social cohesion, which is an essential condition for democratic security and long-term development, as well as for the well-being of our societies.

At the meeting held in Paris in January 2009 in the framework of the Social Polis European project, Eric Lavillunière (INEES) stressed the fact that, in these times of crisis, the time had come to challenge all of the socio-economic systems that separate the economic from the social. For as long as social cohesion remains subordinate to economic development and is only conceived in terms of redistribution, then we will continue to remain at the margins of these developments. The solidarity economy is not an economy that comes at a cost, rather it generates wealth that is to the benefit of the largest possible number of people. And we need studies to check this.

In fact, the solidarity economy has gained ground in terms of its visibility and people's understanding of it, it has made progress across all continents, thereby demonstrating its clear capacity to organise communities in order to respond to the problems that exist in their territories! However, the recognition of the citizens' capacity to act collectively, to participate democratically in the formulation of public policies, to jointly create activities and jobs to improve the urban environment in which they live, varies considerably from one country to the next. Far too often, urban policies consider initiatives undertaken by the local inhabitants to be forms of social action, rather than as an instrument of local economic development that is capable of responding to unmet needs, as well as fighting against poverty and exclusion. By considering local initiatives merely as instruments to be used to repair the social fabric, solely focussed on the individual integration of the poorest people through employment, then we are running the risk of seeing a return to a purely philanthropic notion of solidarity. Which in turn, according to Jean-Louis Laville, requires us to adopt a new approach to solidarity and therefore to social cohesion. Luigi Martignetti (European Network of Cities and Regions for the Social Economy) agrees with this view, "social cohesion is an incontrovertible value of the consolidation of the European Union: it creates shared values for the undertaking of joint actions." By basing our actions on the social and solidarity economy as a generator of values (cooperation, democracy, solidarity), we are adopting a vision that can be shared throughout all of the Member States of the European Union beyond the sole dimension of the production of goods and services across the territories.

In the opinion of Jean-Philippe Magnen, an elected representa-

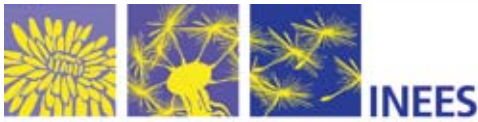
tive from the city of Nantes, these solidarity initiatives enable us to gain an understanding of the territory that is not solely based on the number of jobs, the unemployed and enterprises. The objective is to now move the SSE out of the narrow definition in which it is unfairly confined as a means of social integration through employment and to change the scale and level at which it operates. The SSE is an approach that may penetrate and make headway in all sectors. The multiple examples of good practice are proof of this.

Romain Biever (OPE) believes that the challenge faced by the social solidarity economy is that of improving the well-being of the citizens. This means that it is necessary to rethink the modes of governance in the territories and to develop citizens' education in order to enable each individual to be a fully-fledged member of the community in which he or she lives. "In the context of the current crisis, the solidarity economy can enable us to relaunch the public debate and, above all, to involve the inhabitants in these discussions, as long as efforts are made in the direction of citizens' education."

For Annie Berger, an elected representative from the city of Caen, "it is necessary to involve all of the elected officials, especially those responsible for economic development, in the support policy for solidarity economy initiatives". This transversal approach to urban development requires going beyond mere social experimentation and the provision of support for just a handful of successful and symbolic initiatives. Several speakers from across Europe questioned the compatibility between the European and national liberalisation policies and the increasing extent to which social services are placed in competition with one another and the efforts made to maintain social cohesion as an objective. Indeed, the mobilisation of the trade unions and of civil society around the three European directives on services, State aid and public procurement, have opened up greater room for manoeuvre within European law. However, the fact remains that the States and the local authorities currently make precious little use of these legal possibilities. National and local governments, on the other hand, are tending to develop competition between public, private and not-for-profit providers of social services, sometimes out of the fear that they may otherwise fall foul of European jurisprudence that they are not particularly well acquainted with, although they often also do so simply at their own political initiative. Furthermore, elected representatives continue to be reluctant to consider the fact that initiatives taken by the citizens and, more widely, by neighbourhood associations, may define and promote a part of the general local interest.

This all leads Jean-Louis Laville to conclude that, "we can only guarantee urban social cohesion through the capacity of our networks to construct a shared and jointly financed citizens' response, rather than through the development of social enterprises on the market."





## We propose: recommendations and priorities

Social cohesion is not dependent upon growth, it is the generator of long-term and sustainable wealth. There is no social cohesion or collective intelligence without democracy. Democracy is present every day where we live.

The 2<sup>nd</sup> International Meeting on Globalising Solidarity (Quebec, October 2001) put forward the following definition that "the social and solidarity economy describes a body of economic initiatives that have a social purpose and that take part in the construction of a new way of living and thinking the economy through tens of thousands of projects in countries in both the north and the south. It places the person at the centre of economic and social development. Solidarity in the economy is based on a project that is economic, political and social at the same time and which brings about a new way of devising policies and establishing human relations on the basis of consensus and citizens' actions."

This definition helps us to understand that the SSE is a contributor to urban social cohesion. It plays at least a three-fold role in its capacity to contribute to social cohesion in towns and cities:

1. the strengthening of solidarity between individuals,
2. the spreading of the feeling of well-being,
3. the construction of a collective and shared awareness of belonging to a community.

But if we look beyond this statement of something that would appear to be obvious, we are still fairly ill-equipped to define the real correlations between the two in scientific terms. In the absence of this evaluation, it is also difficult to define effective public policies and to assess their impact. The local socio-economic initiatives that we have included under the concept of the social solidarity economy are either not well known and, at best, are more often than not viewed, in a very reductive fashion, as being a "social safety net." However, it is impossible to go beyond these empirical observations since the SSE is still not widely considered to be the third economic pillar between the public and private economy in a plural

economy that is able to combine public and private financing, as well as voluntary contributions. There is quite clearly a need to arrive at the definition of a new economic paradigm.

Public procurement contracts play an important role on the market, since they represent 15% of GDP and between 9% and 25% of GDP in the OECD countries. Public procurement contracts, which encourage the taking into account of sustainable development criteria, constitute an extremely important driver (even though they are under used at the moment) for the long-term development of a market for sustainable products and services.

However, there is a serious lack of appropriate indicators to evaluate the added value of the SSE. Indeed, the traditional tools that are used to measure the generation of wealth and the indicators used to define public policies for the development of the SSE are poorly suited to the specificities of this third pillar. Societal progress can only be measured in a local context for which participative approaches are the most appropriate.

Finally, there is a need to consider a new socio-economic paradigm and to reflect upon the concerted and shared elaboration of new indicators of societal progress.

We both advocate and demand the construction and recognition of a real scientific body of theory on the social solidarity economy. This can be achieved through the adoption of a new approach to research that brings together all of the stakeholders, from academics to the citizens, in a shared process for the mobilisation of the collective intelligence. In order to do this, we must:

- Move away from a strictly monetary definition of social cohesion and do what has to be done in order to develop it (as an extension of the work of Amartya Sen);
- Recognise the SSE as the third economic pillar and establish a legislative framework that is adapted to this sector, thereby allowing for the creation of quality activities and jobs that are socially useful, the solidarity-based and fair sharing of resources between the territories, the populations and the generations;
- Reflect upon an economy based on collective initiatives that are rooted in the territories;

- Establish public policies to support economic forms and logics that are at the service of the territories and the populations;
- Change the way in which we consider and measure wealth, through the formulation of negotiated and shared indicators of the quality of life;
- Assess the overall economy in a different way, by improving the evaluation of the contribution made by the solidarity economy to the national wealth;
- Rethink the modes of governance;
- Favour and promote education and training initiatives both to convince and to make the public authorities aware of the utility of adopting innovating approaches in the context of public procurement contracts;
- Finally, propose the integration of sustainable development criteria within public procurement contracts in order to promote the notion of responsible territories.

However, public support does not take away our responsibility to take action in order to become a credible discussion partner in the public debate.

In considering that the current crisis may be an opportunity that provides us with the chance of acting in favour of the solidarity economy as the third pillar and to put certain of our convictions into practice, we undertake:

- To work from the grass roots level and to find local solutions to the problems faced by our communities, without getting caught up in the clamour regarding globalisation;
- To trust in the ability of men and women to prepare the future of the present and future generations, without waiting for the institutions to impose exclusively short-term solutions on them;
- To use the social and cultural capital available to us, not just to preciously preserve it, but to share, enrich and transform it;
- To be, ourselves, the actors of change.

**"Investing in the social solidarity economy in favour of urban social cohesion means acting in the collective interest in the best possible way. Let us dare to dream! Let us build something together!"**