

Editorial

Third pillar of the economy or spare wheel to be used only in the case of an emergency?

An economy based on redistribution and a market-based economy do, indeed, represent two economic sectors, the combination of which, in its modern form, has been shaping our societies for the last one hundred years or so. For the last ten years, against the backdrop of the emerging solidarity-based economy and the way it has been increasingly able to establish itself, the term "third sector" has been put forward in order to signal the fact that, alongside the two sectors mentioned above, there really is a "different" way of operating the economy. Whilst it is true that the distribution-based and the market-based economy both have their own name, in other words the public economy and the private economy, we feel that, in order to really empower it, then the solidarity-based economy should also be given a name that reflects the role that is called upon to play within our society. That is why we would like to suggest the term "**community-based economy**". There are several reasons for this. First of all, from an ideological point of view, this term reflects the idea of citizenship as an element of the self-empowerment of a community. Secondly, it gives the perspective of a worldwide approach, namely that of local development that ties a community's democratic and economic ambitions to the area in which it is located. Some people may object to this, protesting that by adding a new piece of terminology to the already lengthy list of notions used in different countries (solidarity-based economy, social economy, people's economy, community development), then this is only adding to the confusion and the misunderstanding that exists in the mind of the general public with regard to our movements. Our answer to those people is that this is exactly the point, since we refuse to be limited to one category and we would prefer to occupy the widest possible area in order to ensure that our activities and the methods of governance that they lead to are allowed to emerge and are given recognition. The notion of the community-based economy is very close to the terminology of the third sector. Our wish is to signal (towards the public authorities in particular) the fact that we are not just the spare wheel to be used in an emergency, shunted off into the sidings, as part of a vision that sees us as a safety net for the "real" economy, but rather that we are a fully-fledged component of the economy, a part that is able to produce goods and services, jobs and well-being for the community.

Romain Bieber – President of INEES

We live in wonderful times

The latest farming legislation in France places a ban on the provision of information regarding natural products (such as nettle manure) that have not been officially approved, whilst in Kerala (southern India), the State Court has just lifted the embargo imposed by the government on Pepsi and Coca Cola soft drinks that had been accused (rightly or wrongly?) of containing a level of pesticides. Industry is clearly capable of obtaining support from public authorities that sometimes confuse commercial interests with the general public interest.

A brief overview of the SCIC

The Cooperative Company of Collective Interest:

- Its social object means that it must include both an economic dimension and a dimension of social utility
- The fact that it is a multi-stakeholder organisation means that it involves and takes into account the interests of several types of co-operators (workers, beneficiaries, volunteers, financiers, etc.)
- its members may be grouped together within colleges (each college has between 10 and 50 % of the votes)
- a minimum of 57,5 % of its net annual surplus is paid into an indivisible reserve fund
- an association or a cooperative may convert itself into a SCIC

Interview with Alix Margado

Innovation officer at the Confédération Générale des Sociétés Coopératives Ouvrières de Production (CG Scop) (General Confederation of Worker Cooperatives) in France.

What does innovation consist of at CG Scop?

Our starting point is that we believe that it is possible to cooperate beyond the boundaries of Worker Cooperatives that encourage the involvement of the workers and that is why the CG Scop decided to explore the possibility of involving other stakeholders in the production process and to ensure that the social dimension is better integrated within company plans. In this way, we were able to play a significant role in the process that led to the creation of Cooperative Companies of Collective Interest or SCIC (see article below), drawing inspiration from what has happened in Italy with the social cooperatives. This has all taken place within the context of the current economic changes, with the explosion of the service sector, which is something that the SCOP movement has accompanied by providing human services, for example, without turning its back on the values and culture promoted by the industrial or public building and works sector. This has also provided us with the opportunity to collaborate with other networks and indeed it is this very collaboration that led to the establishment of the SCIC. This collaboration is continuing within an Inter-Network (cf. www.scic.coop in French, English and Spanish) that allows us to exchange our practices and to publish guides on the practical modalities of establishing a SCIC (carried out with the support of the Avise – an Agency set up at the initiative of the Caisse des Dépôts et Consignations in order to support socio-economic initiatives – cf. www.avise.org).

Who presided over the process that led to the creation of the SCIC?

In 1997, the government asked Alain Lipietz to draw up a report on the appropriateness of creating a new statute for companies with a social vocation, since the climate in France at the time was conducive to the creation of such a statute. At CG Scop, we had already been monitoring the development of social cooperatives in Italy for quite some time and we had also participated with CECOP (European Confederation of Worker Cooperatives) in the European Digestus Project (1998-99), together with Spain, Italy, Belgium and Germany, which was designed to promote the harmonisation of the criteria and methods of functioning of Social Enterprises (SE). It was important for us to feel that we were part of a global European dynamic that, in some way, demonstrated how useful it was to think about economic and political aspects within the same project. These approaches are often neglected by economists who are driven by financial considerations, and of course these are the very economists that are most listened to, despite the fact that they are incapable of assessing the needs and the methods of conduct of communities living in local areas.

Were you able to define common results, despite the differences related to the national contexts?

Yes, we agreed upon 5 points that we have in common in terms of our approach:

- CSAs are companies that carry out an economic activity
- They are non-profit making
- They are democratically managed
- They accept and create a form of control exercised by third parties (this serves to guarantee the authenticity of their social aims)
- In the case of their liquidation, any surplus assets are handed over to a similar structure.

The notion of social inclusion does not appear amongst these points.

That is correct, but we did not have a problem with this, since even though these types of companies may play a role in finding jobs for people who are on the very edges of the labour market (as is the case of the type B social cooperatives in Italy), this is not their main mission. We really did want to avoid assuming the traditional role of integration through economic activities, in which the social workers, the beneficiaries of the insertion project and the coordinators of these provisions all become part of a system that is based on a social approach to unemployment.

Furthermore, these provisions are often fairly expensive and pretty ineffective when we measure their results against the previously established objectives, which consist in trying to help people to become re-established on the conventional labour market (the operators often complain about this in fact). Our position is that we wish to respond to the needs expressed at a local level and to maintain an economic vision in our response to these needs.

Book review

A thesis that was awarded the Prix Jacques Tymen 2006 by the Association d'Economie Sociale (AES – France)

«Évaluation de la qualité du travail et chômage longue durée» (Evaluation of the quality of work and long-term unemployment), by Marie Salognon – doctorate dissertation at the Department for Economic Sciences, University of Paris X – Nanterre (December 2005)

At last, an impartial high level university study that focuses on the issue of long-term unemployment (in France) which, by refusing the temptation to take the traditional approach that tends to look primarily at the jobs made available on the market (an approach which often focuses on the "shortcomings" of the job-seekers), is able to show, in meticulous detail, that processes that evaluate the skills of the unemployed and that are monitored closely by companies and intermediaries on the labour market, provide a better understanding of this phenomenon and help to rethink the implementation of public policies. Generally speaking, economic theory establishes a link between productivity and the quality of work, whilst the market selects the workers it considers to "employable". Far too often, the quality of work is considered to be a predetermined factor, whilst its definition really depends upon the forms of evaluation to which it is subjected and is the product of a collective group. Choosing a selection criterion – such as a degree, for example, implies expressing a judgement of what constitutes a "good" candidate, since in this case only a graduate would be considered to be employable. This judgement is based on a particular convention of the quality of work (in reference to the school of thinking that promotes the notion of an Economy based on conventions). Marie Salognon points out that each convention of quality creates its own profile of "good" workers, and, conversely, a profile of those who are not considered to be employable and whose possibilities of gaining access to employment are consequently reduced. The author argues that an evaluation based on the examination of the candidates' CV discriminates far more against the long-term unemployed than an evaluation that takes the form of an interview in which efforts are made to match, through negotiation, the candidates' skills with the requirements of the job on offer, thereby creating a system within which all of the candidates have an equal opportunity. Public policies tend to focus on trying to get the unemployed to adapt in order to meet with employers' requirements (which are not questioned) so as to improve their employability as individuals, or on the provision of aid to help the unemployed to get a job and to overcome their (presumed) unemployment. The author suggests that measures could also be taken to influence the approach adopted by companies, along the lines of the system experimented with by the TRANSFER system, which is based on the method known as Intervention through Supply and Demand (ISD). The aim behind this approach is to modify the judgement systems conveyed to employers by their conventional recruitment channels and to influence their induction and integration of new workers. By eliminating many "conventional" selection criteria, many of which exclude certain categories of the population (such as a CV and letter of application) and by according priority to the establishment of direct contact between the employer and the candidate, it should be possible to reduce the number of situations in which there is too much selection (in which there is a failure to match requirements with needs) and the phenomena of long-term exclusion and discrimination. We found this work very interesting, since, by showing that the evaluation of employability is based on conventions, it supports our position here at INEES, that efforts to create employment policies based on a second labour market that is supposed to mop up those who have been left behind by the traditional economy, have no serious theoretical foundations. To make matters worse, they wrongly stigmatise certain sections of the population who, just as we see within companies that operate in the community-based economy, are rich in resources and different types of skills that are crying out to be discovered and to be developed. Therefore they are both unfair and discriminatory.

Eric LAVILLUNIÈRE

Interview with Alix Margado (continued)

At the same time, you are also limiting your field of activity to the needs that it is possible to satisfy on the market?

That is true, but we have never claimed to be able to save the whole of the planet! At the same time, these multi-stakeholder based collective processes also encourage the emergence of demands that may be satisfied on the market, that a traditional economic approach would tend to neglect (market niches, a hybridisation of public-private resources...) and that we would not have thought about otherwise. These needs are generally not covered by private companies (since there is precious little added financial value to be made) or by the public economy (new needs, lack of means or competences in the administrative sense of the term). The different viewpoints of the various stakeholders help to create a real added value in order to put together the most appropriate responses to these needs, by mobilising resources that have been adapted to meet with them. The non-profit making nature of the collectives also ensures that the actors do not drift away from the social object, particularly since this is something that they themselves defined at the very outset.

Why choose the term collective interest rather than social utility, for example?

Well, there is a story behind this: in fact, it comes from a specific context in the North of France, where there is a very strong solidarity-based economy movement that has had a major influence on the promotion of alternative systems, and also to distance ourselves from the term "social", since there is a risk that it could suggest the notion of "social work" rather than the social dimension of economic development. It would have been more straightforward and logical to keep the Italian term "social cooperative", particularly since the notion of collective interest has no legal basis and leaves the way free for a whole range of interpretations. The law adds that "it will present a characteristic of social utility", but this term is not particularly well defined either. In fact, the law provides a better definition of public utility for associations. Not to mention the fact that the term general interest covers a different reality! It would be very interesting to review all of these notions and their legal definition. We would also do well to harmonise, as much as possible, the terms and, at the same time, the practices, with our European neighbours.

What are the strengths and weaknesses of the Scic?

A SCIC provides the possibility of working collectively to do something that it would be impossible to achieve as an individual. For example, working on their own, a forester, a heating specialist, an ecologist, an elected representative in an under-developed forestry area, a land owner, a highly competent social entrepreneur, a financier interested in sustainable development and a consumer who is concerned about the present level of energy consumption, would almost certainly never be able to set up a viable project to develop timber as a source of energy. As part of a collective methodology that is very dear to the SCIC, it is possible to implement solutions because they have been both devised and assessed by the actors concerned and have not been imposed by the outside world. Anything that is imposed by the outside world as a one size fits all model, often turns out to be inappropriate and incapable of meeting certain challenges. By the same token, the aim is not development for development's sake, rather it is to provide an effective response to local needs where such needs exist. The main weakness of the SCIC is that the operational methods of the collective approach to projects has yet to become part of the habits of all stakeholders and we still tend to find too many decision-makers who claim to know what is best for everyone else and unfortunately that is not the way that things should work. Furthermore, the promoters of the SCIC are often so busy with the management of their own company that they still find it difficult to create a real political movement (in the noble sense of the term) that would really serve to increase the number of SCIC created (less than 100, four years after the first one was set up). Since there are no real tax benefits to be derived from setting up a SCIC, only those people who are truly motivated are willing to commit themselves. By the same token, this also means that people do not get involved purely because they are being opportunistic and this also serves to guarantee a certain quality of the projects that are launched. I also deplore the absence of any European level dynamic that could boost the creation of social enterprises and carry out a societal evaluation of the wealth that they generate at a local level. Unless we step up our efforts to lobby the appropriate authorities, then we will continue to be given only marginal recognition. **I will take that as a hint and will remember it in the future, since your will and intentions may well be echoed by other actors who are just waiting for an organisation to take the initiative!**

Compiled by *Eric LAVILLUNIÈRE*