

Editorial

Is it fair to say that the construction of Europe is being subjected to an ideology that does not speak its name?

Order liberalism is a school of economic thought that was born in Germany in the 1930s, at the initiative of Walter Eucken in particular, and combines order and liberalism. It advocates a form of liberalism that is contained within a framework, which is in sharp contrast with the proponents of a "laissez-faire" attitude to the market that quite clearly produces negative economic, social and political consequences. The market economy is considered to be a necessary, but not sufficient, pre-condition of a free, fair and ordered society.

Liberty, justice and order are therefore the foundation stone of this concept that believes that only "free and fair" competition can guarantee freedom, as long as it takes place within a framework defined by the public authorities in order to guarantee order and democracy. Under this system, for example, guarantees would be put in place to avoid the phenomenon of mergers and concentrations so that companies would not be in a position to seize public power.

Since this economic system leads to social inequalities, then social policies are necessary in order to correct these negative effects, without interfering with economic freedom. The concept briefly described in these terms is known as the **social market economy**. German policies in the 1950s were built upon this model...just like the **construction of the European Union**, which has often been based on the driving force of the Franco-German economy. Monetary stability and budgetary discipline, which are two mainstays of the notion of order liberalism, are amongst the founding principles of the Maastricht Treaty, for example, whilst the principle of "free competition" is an important element in all of the Treaties and also in the proposal for a Constitution regarding the construction of the EU. However, we feel that to use the concept of the social economy as a makeshift measure to combat the damaging impacts of capitalism is a real aberration. This situation presents us with the opportunity to once again affirm that the social and solidarity-based economy is first and foremost a means to be used to challenge the construction of these economic and social policies, to create spaces for public debate with the citizens and to re-occupy a dehumanised economy that is driven solely by financial considerations. Some people may well call this utopia, but I would prefer to call it common sense.

Eric Lavillunière

Website

Info-durable (English translation: "Sustainable Info") is a website that is designed to explain, to the public at large, the challenges of sustainable development and why it is so important to take part in this major challenge of the 21st century. Info-durable sets out a positive and didactic interpretation of sustainable development so that every member of society feels involved. Sustainable development is relevant to all us in our everyday concerns and pleasures, as we go to work, eat, travel, go on holiday and even when we have children.

<http://www.info-durable.be/> (French language website).

Patrick Humbert (Objectif Plein Emploi – Lu)

Interview of the month

Interview with Luigi Martignetti

Secretary General of the European Network of Cities and Regions for the Social Economy (REVES)

Could you tell us something about REVES please?

REVES (cf.www.reversnetwork.net) is the only European organisation that brings together local partnerships that are formed by local authorities and social economy actors (we have more than 85 members to date). It was created in 1997 with a view to sharing and developing good practice in the area of sustainable local development (although people now prefer to speak in terms of local well-being) and social inclusion policies. We focus our activities in three main areas:

- Political lobbying of the European institutions and also through collaboration with the Council of Europe, the OECD and the UN;
- Networking and exchanges of good practices and resource sharing;
- Development of pilot initiatives and innovation tools in the area of local development.

We know that you work hard to ensure that European policies and programmes give greater consideration to the social and solidarity-based economy: how do things stand from this point of view?

Unfortunately, the situation is not so good and I would even go so far as to say that there is an on-going decline in the degree to which the European Commission takes into account the social and solidarity-based economy (SSBE). This is in complete contradiction with what is going on at the territorial level, where there is a growing interest in the SSBE, since people are beginning to appreciate the contribution it is able to make in order to take up the challenge of employment and social cohesion. This is particularly true within the new Eastern European Member States (particularly in Poland) where new forms of socio-economic development and solidarity must be promoted following the failure of the welfare state.

Do you work with any other institutions?

We are involved in the work of two European Parliament Intergroups: the Intergroup for the social economy and the Intergroup for urban development. This is very important for us because it is the elected Parliament that represents the people of Europe. With this in mind, we have also contributed to the drafting of two opinions of the Committee of the Regions (one on partnerships between the social economy and the local authorities and the second on local governance). Furthermore, we are also striving to ensure that these partnerships are not limited to playing a social welfare function, since we feel that, rather than just representing a service sector for the local populations, they are also a means to regulate local policies.

(Continued overleaf)

Info

The European Dialogue Platform on Ethical and Solidarity-based Initiatives of Citizens to Combat Poverty and Social Exclusion of the Council of Europe is organising a Seminar in Trento on 4 and 5 December 2006

Subject: Renewing dialogue and cooperation to combat poverty and exclusion: public authorities, citizens' networks, media.

Working Languages: Italian, English and French

For further information:

http://www.coe.int/t/dg3/socialpolicies/platform/default_FR.asp

Study

The solidarity-based economy (SBE) is developing everywhere. As this phenomenon expands, more and more people are expressing a keen interest in getting to know exactly what it is. The study presented below sets out the different approaches and common bases to be found in the areas in which the solidarity-based economy is gaining ground.

THE IMPACT OF SOLIDARITY-BASED ECONOMY PROJECTS IN AUVERGNE (France). The CREDIS (Regional Collective of solidarity-based economy initiatives) and the CEREAS Study and Research Centre have carried out this study in order to assess the impact of the solidarity-based economy projects at a local level.

1. What is the solidarity-based economy? According to the results of this study, it would appear that, for many actors, the SBE is a concept they discovered during the interviews and questionnaire they were presented with as part of the study: **we are involved in the solidarity-based economy just as Mr Jourdain (in "Le bourgeois gentilhomme" by Molière) wrote prose, in other words, without knowing**". Three different interpretations of the solidarity-based economy emerged from the interviews:

- **It is used to correct the excessive inequalities of the liberal economy**, with its distinguishing feature being its social dimension. It is a citizens' response to the populations that are excluded from the liberal system. It is a response to the deregulations of the market economy.
- **It is part of a plural economy system**. It is rooted in a third sector that is neither the private nor the public sector market. It is characterised by values that are its very own and is defined by its democratic method of functioning, its innovative capacity and its objectives that are designed to place men and women at the centre of its actions.
- **It represents a breakaway from the capitalist system**. The solidarity-based economy is a third way that is neither capitalism nor communism. It requires a form of social organisation and social cohesion that is different to capitalism. It is a societal alternative that is considered to be a necessary utopia.

In all cases we find that it takes into account social links. Whether it is to be constructed or re-constructed, implicit or explicit, the social link is a fundamental given that is present in the notions of the collective, proximity, cohesion and solidarity. Being anchored in the local area is another shared paradigm that can be found in the notions of being an actor at a local level, breathing life into these actions, developing local economic activities and ensuring that the local populations participate in the project.

2. A specific relationship with employment, particular areas of competence and meaningful activities. The solidarity-based economy creates jobs. It is also a vector of social recognition that helps to bring about a better quality of life. The innovatory nature of the projects means that the statutes and profiles of the positions will gradually "invent themselves". Traditionally, use is then made of training (management skills, administration,) but also of the sense of autonomy and responsibility (meta-competences). The amount of salary paid is not the most important thing, although it must be decent. Personal fulfilment and reflection around the values that accompany the project are of the greatest importance.

3. The view of the elected representatives. For certain elected representatives, the solidarity-based economy has left-wing and anarchist connotations, whilst for others it may be summed up as representing an opportunity for the integration of groups of people who are experiencing difficulties and is seen as something that is always begging for subsidies. However, despite their initial reticence, all of them end up appreciating the impact that the solidarity-based economy has at a local level. Initiated by private and militant acts of will, the solidarity-based economy is transforming the modalities of public action at a local level. Elected representatives are constantly challenging the local populations to participate in local development and the solidarity-based economy is well placed to respond to this challenge.

For the CEREAS – Madani Doumi, sociologist (The complete study is available on the INEES website)

Interview with Luigi Martignetti (continued)

What, in your opinion, are the main challenges for the SSBE at a European level?

Of course there is the eternal question of how we are counted. From an institutional point of view, the important thing is the social and economic weight in statistical terms. I, on the other hand, would suggest that we approach the question in terms of the social capital (even if I do not really like this term), given the interest it represents through its approach to systems of governance, local democracy, social cohesion and socio-economic relationships at the local level. It assists us in our efforts to reconcile the citizens of Europe with the European project. If you are kind enough to allow me to express a personal opinion, then I would say that we can clearly see that there is a tendency, as far as the local authorities are concerned, to focus on the establishment of the conditions that are favourable to the fulfilment of the "conventional" economy. This means that the real challenge lies in bringing about a more global vision of territorial policies: this is the issue we are tackling in the work we are developing around the concept of "Socially Responsible Territories" (TSR). A global vision (within a sustainable development approach) and empowerment are the two strategic, key elements for the success and modern approach of these partnerships between the local authorities and the social economy actors at the beginning of the 21st century.

Are these REVES' current priorities?

Absolutely, we are working on the creation of an Agency for the TSR, combining academic approaches and forms of local experimentation.

Compiled by Eric LAVILLUNIERE - INEES

Readers' letters

In our interview with Alix Margado (Issue 5), it was stated that, in France, insertion through economic activity (IEA) is something that happens within a vision that is based on a social approach to unemployment and that these provisions are often fairly expensive.

Jacques Dughera (General Secretary of the National Council for Insertion through Economic Activity) has been in touch with us to say that he does not share this view and, in order to support his opinion, draws our attention to "two regional studies in the Pays de Loire and in Aquitaine that show that IEA can bring wealth and prosperity to the regions" (even if we use the conventional accounting, financial and economic indicators). Cf. www.cniae.gouv.fr (Fr).

Obviously the reality of the situation is a little more complex than the statements (that were abridged by the interviewer) expressed in the interview. However, we feel that we should insist upon the first point in the sense that many operators consider IEA to be a tool to "re-socialise people", (re-)storing confidence and making them employable so that they are able to get a job (sometimes not for the first time) "on the normal market". This means that the logic operating behind the system is one of providing a halfway house between unemployment and employment. Even for the IEA organisations that have company status (it should be pointed out that, unlike what happens in other countries, very few of them are cooperatives) the activity is considered to be a tool and their main objective is insertion. A network such as the Régies de Quartiers, for example, has often done its utmost to disassociate itself from this approach by stressing the citizenship dimension of their activities.

On the other hand, we do agree that it is unfair to describe these provisions as being costly, since it is above all the major companies that absorb such high amounts of costly public subsidies and this is particularly annoying when you think that they are always ready to relocate at the slightest sign of nerves from their shareholders whose only concern is to make sure that their shares are doing well. That is something that is well worth reminding people about.

Eric LAVILLUNIERE