

Fondation Charles Léopold Mayer pour le Progrès de l'Homme
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Solidarity Socioeconomy Workgroup

Proposal Paper for the XXI Century

SOCIAL MONEY AS A LEVER FOR THE NEW ECONOMIC PARADIGM

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INTRODUCTION

During the last two decades, a variety of experiences related to complementary currencies have been developed in different social and cultural contexts, in which the shortage or absence of *money* is met with creativity through distinct instruments of exchange. These initiatives run from absolutely neo-liberal projects, geared towards improving their profits (from multinational corporations to micro-enterprises, also including different kinds of trading initiatives within the public sector), up to those projects with an ideological mark of resistance to neo-liberal globalization. This work on SOCIAL MONEY specifically addresses the study of those initiatives based on *paramonetary* instruments, which can be submitted to social control, and that demonstrate the possibilities of "another economy", initially complementary to formal economy but later capable of reinforcing the solidarity economy. This could contribute to the creation of a new model of social organization capable of reverting the capitalist model of accumulation.

Given the current crisis of models to bring up radical social transformations, as societies are demanding, we believe to be facing a paradigm break down. Because of this rupture, we believe that a change in the monetary system –upwardly mobile, since the international financial institutions do not seem much interested to operate in this direction– could bring us to face new possibilities to build up a world in which responsibility, plurality and solidarity are the main values.

Several instances of reflection and of exchange –still in progress– have given life to the herein work, which is intended to become a new input for a larger work which will be shared in the near future, produced by the Alliance for a Responsible, Plural and United World. The contents of the present work were essentially derived from the following exchanges:

–the electronic forum that took place between February and April of 2001 through the web: <http://money.socioeco.org>, one of the 15 workshops participating at the Solidarity Socioeconomy Workgroup, attended by more than 80 persons;

–the Workshop on Social Money, which took place between April 18 to 20, 2001, in Santiago de Chile, approximately attended by 35 participants from different countries and regions;

–the final Conference for exchanging and bringing a synthesis together, which gathered the 15 workgroups of the Solidarity Socioeconomy Workgroup, took place in Findhorn, Scotland, (June 9-16). The Social Money Group worked specifically with members of the following workgroups: Work, Employment and Economic Activity; Women and the Economy; Solidarity Finance; Fair Trade; Ethical Consumption and Economic Policies. The contents related to Fair Trade, Sustainable Development and Solidarity Socioeconomy had many positions and proposal in common. It's worth mentioning, then, that this synthesis will be limited to enunciate some major convergence of ideas as well as some differences we find relevant, mainly in terms of concepts and proposals.

Though the writing of this paper is of individual responsibility, the ideas in this text are absolutely collective, since they are the result of different moments of exchange. The inevitable gap between them will possibly be reduced once new discussions and proposals could spring up, setting off concrete strategies to succeed in reaching a responsible, plural and united world.

In order to facilitate the reading of this text, this synthesis will follow the next common format:

1. Findings and Diagnosis
2. Visions and the New Paradigm
3. Initiatives and Innovations
4. Proposals
5. Strategies and Actors
6. Bibliography

1. FINDINGS AND DIAGNOSIS

The topic of complementary currencies remains practically absent from the debate on alternative economic models, as much in the world of the economy, as in that of social organizations and politics. Many

times, some suspicions have been raised about the short and long-term possibilities of these initiatives: *Are they bringing very little changes, so that nothing changes? Or do they bring us forward to reach a new social contract?*

On the other hand, it is widely understood that one of the major manifestations of the social crisis, at the economic level, has been the channeling of large amounts of money towards the financial sector, to the permanent detriment of the productive sector. In effect, the financial sector enjoys significant reproductive advantages over the latter. All the obstacles encountered to overcome this crisis are founded on a *lack of money*: whether the problem at hand is the foreign debt or the labor market's restructuring; the decline of domestic consumption (as a source of violence and inequities), or environmental destruction caused by the lack of control over the First World producers and consumers, spread out all over the world.

Although similar experiences were carried out to face the crisis of the 30's, during the last 20 years a variety of non-monetary exchanges have flourished. Some of these are the LETS, created in Canada by Michael Linton in 1982, and the Ithaca Hours local currency, in the state of New York, conceived and set forth by Paul Glover throughout the United States, as well as the *Tianguis Tlaloc* developed in Mexico in 1996, backed up by Luis Lopezllera's never ending work at the PDP (Popular Development Promotion).

In Argentina, the first Barter Club (which later developed into the Global Barter Network – Red Global de Trueque) was created in 1995 by a group of 23 people and 6 years later, it had reached 800,000 members who are spread out in almost all provinces of the country. This model, which is easily replicated, is characterized by a highly decentralized structure (the principle of autonomous clubs or “Nodes”) and by the use of its own *social money*. This means that the “barter” system evolved from its primitive version towards a method of multiple exchanges, which has been achieved with the intermediary of material aid; produced, distributed and controlled by the users themselves. Technically speaking, nowadays it is called the *multi-barter system with the support of social money*. This form gained the attention of more than 20 local governments and, in the past year, the Argentinean Treasury Department included it in projects of development for micro-enterprises, as a form of transition into the formal economy.

Since 1998, this method began a process of replication in 11 Latin American countries and has inspired a number of initiatives in other regions, such as Spain, Japan and Thailand. Although it is difficult to give exact numbers, it has been estimated that several million people have experienced and practiced these various types of reciprocal exchange, with or without social money, or in the majority of cases, using mixed systems.

If it is possible to neutralize the lack of money, it is worth wondering:

How far could these systems evolve? Are they just a way to adapt to the crisis? Or do they contain the seeds of a deeper social transformation? How can we share the advantages and limitations of each of these initiatives? Apart from what already exists, would it be possible to draw up new proposals from them? How could we do this?

Among the central statements of this workshop (*Social Money: Well Timed Permanence or a Break of Paradigm?*) a reminder is included about the social actors' responsibility when dealing with this innovative and polemic area. In effect, the very different experiences - past and present - have never been thoroughly studied nor developed enough to be judged as suitable alternatives to the hegemonic model.

As we have observed in the electronic forum, the Santiago conference and in the Findhorn Conference (where 15 workgroups shared their conclusions), the responsibility of social actors is critical; both in the domain of generating and implementing innovative experiences. In the implementation of new initiatives there are at least two critical aspects to be considered: *feasibility*, in terms of available resources, and *viability*, in terms of what are the perspectives within the micro and macro political environment. Both can be seen as the responsibility of all social actors involved in the processes. *Or not*. Moreover, all social actors (academics, technicians, politicians and community leaders) may have an additional responsibility, which is rarely accepted: the responsibility for selecting and creating *new concepts and theoretical categories*. *Or not*. Considering the resistance that *social money as innovation* was met with by the groups present at Findhorn, since we were not able to come to some points of agreement nor to acknowledge social money as a lever to construct a new economic paradigm –as the Solidarity Socioeconomy proposes– how can we expect other new actors from outside the Solidarity Socioeconomy to accept it more easily? It appears that most workgroups and participants view social money as just one more issue, related to “local proposals” or just a “technical device” to access consumption or a palliative measure to respond to the financial needs of basic consumption or of new micro-enterprises.

It is in response to this that we wish to re-state the initial statement shared in Findhorn with the colleagues from the following workgroups: Social Money; Women and the Economy; Jobs, Employment and Economic activity; Solidarity Finance; Fair Trade; Ethical Consumption and Economic Policies; as well as from the ideas in B. Lietaer's text, "Beyond Greed and Scarcity: The Future of Money":

Building up a new economy from within the current paradigm is not possible. This means a new paradigm is absolutely necessary for a new economic theory and a new monetary theory to spring up, both capable of dealing with the Solidarity Socioeconomy as the foundation of a responsible, plural and united world: a world free from hunger, free from illiterate people, free from homeless people, being well taken care of for all, present and future, generations.

From this workgroup, our main stand is but one: far from being an emergency tool, social money is a lever capable of triggering a new economic and social development, in a gradual and sustainable process. It can provoke an easy, permanent involvement of people (according to their legitimate interest in their individual/family immediate projects); once this is launched, it can naturally facilitate the appearance of solidarity with other individual or small groups; and at the same time, it can improve the results of other institutions (not specifically dedicated to economy, but that suffer anyway from the impact of a scarce economy, like schools, hospitals, community centers for social aid) making them sustainable and self-sufficient. It may create synergies with other social movements or networks, as well as creating new relations with the State and those enterprises open to their social responsibility. It has, then, important conditions to construct long term political accumulation, as it is the case of the strategies already being discussed and constructed within the Alliance.

2. VISIONS AND NEW PARADIGM

The challenge of constructing a POSSIBLE UTOPIA is what crosses and at the same time keeps the 15 working groups of the Solidarity Socioeconomy Workgroup together. A challenge defined by the proposal of the Alliance as: building up a responsible, plural and solidarity based world. In spite of the complexity of the present crisis, if we look at recent history, we may recognize that there are some good signs. In less than two decades, the South has produced some significant ruptures within the prevailing order :

* Since 1974, the experience of micro-credit, which began in Bangladesh, has spread out to practically all the regions of the world. This has demonstrated that, in contrast to conventional thought, the poor ARE CAPABLE of handling credit, even within the capitalist conception: they honor their word and even pay more reliably than the rich.

* Since 1988, the City of Porto Alegre (now followed by many more cities in Brazil), began implementing a process of Participatory Budgeting showing that an organized civil society can successfully TAKE RESPONSIBILITY for the allocation of public funds, in conjunction with the State.

* Since 1995, Argentinean initiatives with a high degree of self-management show that a non organized civil society can organize itself to create a NEW MARKET WITHOUT FORMAL MONEY, making possible the doubling to quintupling of family incomes of those affected by unemployment and under-employment, with the use of multi-barter based on social money.

Moreover, if we deal with innovation in politics, we should not forget that the South has removed Presidents (without military intervention) and has sent others to prison after formal trial, according to the institutional order. In the context of the last century history, these breakthroughs are quite significant in our young formal democracies, generally so dependent on the dictates of the Market, so to say, from the North.

On the other hand, if we consider the three mentioned experiences - micro-credit, participatory budgeting, and barter networks - it is obvious that all of these initiatives have addressed the core of the financial system:

* Micro-credit *gives back* to the excluded - with formal money - the capacity to construct economic and political citizenship.

* Participatory Budgeting *builds up* political citizenship among those excluded from the traditional political system through the management of public funds.

* The Barter Networks *re-invent* the Market from within the system, but without formal money, replacing competition for cooperation, based in solidarity and self-management, as it was someday, long time ago.

In each case, the marriage of money and power is clear, creating inclusion in the formal market or new non-monetary markets, and enhancing decision making processes in all cases. The production of these innovations has not been something abrupt nor homogeneous in its evolutionary process: micro-credit and barter networks had civil society as protagonist, while in Participatory Budgeting the protagonist was a progressive government that acted as a catalyst, encouraging the popular will.

In the case of the barter networks, if one wishes to view them as pacific innovations made possible from within the system, it is worth to understand up to what extent complementary currencies had already been included in the formal economy and in the social imaginary. Let's remember Jérôme Blanc's reference ("*Complementary Currencies: theories and evaluation of the phenomenon*"), where he shows multiple complementary forms to national money which are being used in the actual conventional monetary system, when referring to 465 examples in 136 countries in the short period between 1988-96. Some of these para-monetary and complementary tools include very different forms: food tickets, public transportation bonds, discount vouchers for use in closed commercial circuits, local or provincial currencies are some responses given to the process of structural adjustment. Blanc's analysis of the three functions of money- *unit of account, medium of payment and store of value*- provide a very sensible and effective argument for understanding this third property, as that responsible for the money shortage (of legal course). This allows, at the same time, the design of local or social complementary currencies devoid of the negative effects of wealth concentration.

On the other hand, focusing on the new paradigm, the ideas of Bernard Lietaer contained in the other text of reference: ("*Beyond Greed and Scarcity: The Future of Money*") points out the necessity of moving from this paradigm to another one in order to be able to design new social relations. If we admit that what we want is to redistribute wealth, according to Lietaer (2001), Economics itself is impeded from making any movement towards this goal, since it assumes its mission as the administration of *scarce* resources to *ever growing* needs and desires. Even though we might like to view resources as abundant, this is not possible within the current paradigm, from any economic theory. Moreover, Lietaer states as well that "Unless precautions are taken, there is at least a 50-50 chance that the next five to ten years will see a dollar crisis that would amount to a global meltdown."
(...)

Lietaer agrees with A. Toynbee stating that, "the collapse of 21 past civilizations have shared only two causes: the extreme concentration of wealth and inflexibility before the change of changing conditions. Their origin: the design of the monetary system."

It is also not difficult to recognize some characteristics of the current monetary system:

- The issuance of money is totally based in "fiat" currency, that is, made out of nothing, with no support.
- All of the existent money is out to be lent.
- All money has interest.
- Money is an instrument of the Nation-State"

These characteristics inevitably lead to:

- A chronic scarcity of money entailing bankruptcy and poverty.
- The promotion of permanent competition.
- The necessity of permanent growth.
- Concentration of wealth in few hands.

A sign of this is that, "the 200 biggest companies in the world, controlling 28% of global production, require no more than 0.3% of the work force to do this. This alone is possible thanks to a monetary design that allows this to happen."

(...) " The design of the monetary system is the *cause* and, at the same time, the possible *solution* to community problems. The American dollar has become the reference money for the whole world, and this has already resulted in serious consequences for countries, such as Asia, Turkey, and Russia, as well as Mexico, Brazil and Argentina. These multiple crashes/bankruptcies –unknown in world history– are clear signs of a systemic displacement in the current monetary system."

In spite of all this, there exist a number of new monetary experiences (even if they are still isolated, as in the different forms of local currencies) which should merit the attention of governments and organizations of the civil society, since they offer real possibilities for a gradual correction of the current system's excesses and lack of equilibrium, without having to make use of drastic revolutions or forms of violence of any kind.

The launched text, "Social Money: Well Timed Permanence or Breaking of Paradigm?" invites reflect upon the Argentinean experience with the Barter Network in all of its complexity, taken here as paradigmatic, not only for the direct knowledge we have of it, but mainly because its "quantitative" development has lead to "qualitative" state, thanks to:

- Having set forth, from the very beginning, a strong decentralization mechanism and empowering civil society –particularly those groups of the "new poor"– in an unprecedented way. This process has provoked occasional focus of organization, given the permanent character of these economic activities in order to survive.
- Having begun to build up new relations within civil society, the State, and the market, mainly in the cooperative sector, among small and medium enterprises, isolated or associated in small chambers.
- Having achieved a very simple mechanisms of replication, that allows the development of units ("Nodos" or "Clubes") with relative autonomy from obsolete forms of traditional political leadership and to have found new forms of participation in processes of co-management of public policies.
- Having contributed to the construction of an unprecedented strategy to reestablish the social fabric, with a highly develop degree of individual autonomy over that of institutions, what makes the construction of new networks of social support easier, after the withdrawal of the welfare state.

We could discuss if all these thousand of *nodes* that nowadays make up the Global Barter Network was *desirable*. However, we cannot deny one fact: that more than a million people, in this country alone, practice this form of production-exchange-consumption, in more than 18 provinces. If we explore this phenomenon a bit further, according to Singer (1999), as in the LETS systems, we can detect the existence of two models of organization within the barter clubs: one 'economic' (business oriented) with growth and profitability as the core of the process, which practices an oligopoly concentration of wealth and decision-making power, clearly reflected in the form of printing, distribution, and control of a "single, global currency". The so called "social" model, instead, works towards the building of citizenship, mainly within the middle class, promotes "local social money" and grows autonomously from the bigger regions and the larger barter "hypermarkets". In practice, these two models are generally found in a combination, given the existence of permanent communication channels between members of the different systems. Moreover, quite frequently, the majority of members is not aware of the managerial aspects the different *nodes* or local club assume.

If we inquire now about the *resistance* to social money as an essential strategy for Solidarity Socio-economy –resistance found both inside the SSW as well as outside de proposal–, the group that worked with this topic at Findhorn has proposed some questions to be raised to those studying popular economy, that will help to a better understanding of this phenomenon:

1. What do we really "see" in the "numbers" of the Barter Networks? Are they processes "reinventing" the market? Or Are they processes "reinventing" capitalism?
2. Are both processes useful? Who do they favor?
3. In relation to those affected by policies about income and work generation, mental health, and about the prevention of violence, what difference does it make to look at them as one different from the other?
4. Are the exchange coupons used a 'second-class money'? How does this meaning express itself?
5. Are the exchange coupons tools to become free from the market based on money (legal money) shortage? Or are they simply substituting the (scarce) formal money ?
6. What paradigm does each vision subscribe to? What does each depend on? What consequences does this have for the projects of the solidarity socioeconomy?

7. If the credit is so necessary to improve the entry of micro-enterprises into the formal market, is it valid to think that the greater the number of successful units, the greater the competition between them ? The greater the number of excluded from a market that competes for scarce clients?
8. If having "clients" without money is something possible, is this something desirable? Why?
9. Why is it that the different programs for income and work generation insist on developing productive ways to make the "optimum" use of resources in order to increase the groups' "efficiency" to dispute markets running short in money, instead of creating strategies to increase the number of clients without considering money limitations ? What does this option depend on ?
10. Is it valid to think that millions of "micro-entrepreneurs" (a euphemistic name lately given to those "forever unemployed") will ever be successful? Or does each one that succeeds in the formal market take from their neighbor his/her only possibility within a finite, scarce space of exchange ?

What do each of these *visions* depend on? What theory do they subscribe to? What ideology do they follow? Or simply, what opinions give them life?

In the attempt to respond to the successive plans of structural adjustment, for more than a decade, many governments, as well as international financial institutions or community organizations have taken for granted an incontestable reality: that the *money shortage* is a given, unavoidable condition. So much energy and huge sums of money are being invested in numerous training programs, generating proposals to *alleviate* the situation of unemployment/ underemployment, with the creation of micro-enterprises. The financial system's highest demonstration of creativity was... to invent micro-credit.

When will we begin to accept that these new micro, small, and medium enterprises fail because they lack the element that completes the productive circuit: *the consumer*! And that these consumers do not appear, not because they don't have needs or desires, but because they don't have MONEY to become clients?

How long will it take for bankruptcies being attributed to their own managing incompetence? When will we begin to recognize that businesses of any size that don't have clients are born dead?

What mysterious reasons prevent us from building up a new market modeled after the equation *consumption needs/capacity of production* in a balanced way, instead of the equation: *circulation of available money from the formal system / capacity of production*?

Why is it easier to think that the solution comes from the *non-payment* of the foreign debt (a very complex task, indeed) in stead of creating a *simple tool* that will make exchanges easier between producers and consumers?

Why is it easier to cling to the *micro-panaceas* (an infinite variety of micro-credit options for micro-enterprises...) rather than looking for direct solutions to face money shortage –what really causes as it is also a consequence of the employment crisis, the loss of quality of life and of an unsustainable human development ?

What class of fundamentalism –theoretical, ideological, political or other– keeps our *inertia* from looking for alternatives in new realm of possibility?

A final warning from the author to make the reading easier and to clarify her intentions, acting in complicity with her Findhorn colleagues: we are committed to our stand regarding the *essential* character of social money in any form, as a strategy to create a new paradigm: Solidarity Socioeconomy, a paradigm of sustainable abundance.

According to Lietaer's and other authors' view, what has been observed as innovative and successful initiatives, which are similar to the Barter Networks in Argentina, quite autonomous and easily to replicate, express another paradigm: that of the abundance. The experience in "creating abundance" could explain why people regularly involved in these practices are so convinced of their positive and deep transforming effects, in spite of some "neo-liberal deviations" pointed out by those who "see" from the money shortage perspective. And therefore considering the experience as "second class money".

On the other hand, as a consequence of the electronic forum discussions, we have learned about a great number of different experiences that are currently taking place. To our surprise, important pioneers and innovators (such as Michael Linton, Paul Glover, Tom Greco, Edgar Cahn and Bernard Lietaer, among others) have contributed with their experience and have pointed out to the "relative isolation" among the different experiences, as well as similar difficulties when the moment comes to go beyond what they have achieved. This gives us the hint that our dialogue needed more *fertilizer* and that the participants rather kept their positions, "defending" the stability of such positions.

Once again we had to consider the *inertia* effect that social innovators experience, both in their practice and their leading paradigm, which prevents the different projects to find some forms of synergy. This could be a "reasonable" explanation to the resistance to "see" social money as something different from "money for the poor", scarce –as in the case of the rich– ... for the poor, as well.

The Santiago Conference made us realize the urgent need to bring different experiences closer together, to bring them closer to the wide associative world based on the formal money, as well as to the many other utopia builders spread out through the other 14 workgroups. This means that the different projects not only realized the possibility to get to know each other, but also the need to be in contact with one another, becoming more integrated, establishing a mutual knowledge about each other and designing new projects to take advantage of innovations present in different initiatives, adjusting them to their working practices. After the meeting, foreign participants had the opportunity to know the Argentinean experiment *in situ*, in all its magnitude and complexity. What they learned confirmed the need and possibilities of designing a grassroots, self managed process. It also revealed its faults and clearly demonstrated the need for larger and specific support to develop this initiative: *social money is not enough in itself to go beyond the model of scarcity in all its forms*. Other economic popular and well succeeded experiences show that the barter networks could become more sustainable and distributive if they could become integrated into the other steps of the production process: not only trade, but also production and consumption, based on a solidarity economy. This way, production will be able to overcome neo-liberal individualism, aiming at different collective and cooperative productive experiences; consumption could find its ethical route that protects the environment for present and future generations. Solidarity finance will certainly have an important role to play, developing collective responsibility as a way of building responsible citizenship around paying back loans, using social money, in the first instance, and formal money later on.

As we mentioned before, during the Findhorn Conference, we identified strengths, shared ideas and searched for common strategies to further develop projects in different regions and cultures. The proposal that follows represents the **major breakthroughs** produced through three days of intensive work by animators and specially invited experts from the following workgroups: Social Money, Women and Economy, Work, Solidarity Finance, Fair Trade, Ethical Consumption and Economic Policies, with participants from Argentina, Canada, Chile, Senegal, Brazil, India, Belgium and the Philippines. These breakthroughs, agreed by consensus to be called as **transforming innovations**, should guide us in the construction of our new economic model, leading us to a new social organization, from each local context to the global context.

WOMEN, NEW MONEY, NEW ECONOMY

1. A new paradigm to overcome neo-liberalism can be built linking women and economy in such a way that sustainable abundance can be achieved, getting rid of scarcity.
2. Exchange systems such as time banks, mutual credit, community currency, and different kinds of social money are the new money that will create the conditions to set this paradigm into practice.
3. An ethical and ecological economic policy, compatible with solidarity finance, fair trade, ethical consumption can be re-designed in order to establish new relations among State, market, and civil society.

These key-ideas were reached with a high degree of consensus, based on a natural way of management from a *sustainable abundance* approach, that assimilates this *feminine* way from matristic primitive civilizations, which was present before the advent of the scarcity paradigm (Lietaer, 2001). On the other hand, in the current conditions of money shortage, in which complementary currencies are already present in so many different forms within the formal system, it is reasonable to think that social money might be viewed as an alternative for grassroots initiatives contribute with building up a new economic paradigm, given its self-managing, gradual and flexible character –therefore having an empowering effect. Finally, the extremely varied experiences contained in the discussions of the workgroups indicate how the Solidarity Socioeconomy

Workgroup contributes with multiple strategies to build a new economic policy, in which social money can be associated with fair trade, ethical consumption and micro-credit, having women highly engaged, including their *feminine* approach of sustainable abundance. It also shows the possibilities of new interactions among civil society, State and the open Market sector of solidarity socioeconomy.

We could consider, given our long experience within the Alliance, that many of us believe that we are standing on the threshold of a constructive crisis. In fact, many events indicate the possibility of combining – for the first time in mankind's history – the available technology for food and knowledge production, with the digital world and our limited material resources, in order to achieve a better, worthy life for all the inhabitants of the planet. If we were capable of listening to each other and allowing ourselves to be fertilized by those *ideas* that have become *social practices*, we could let them be part of each of the Solidarity Socioeconomy projects spread out all over our tiny and unique blue planet!

3. INITIATIVES AND INNOVATIONS

An inventory of the main initiatives presented at the Findhorn conference, which we consider the bearers of the seeds of the new economy, highly suggests that the new economic paradigm finds:

- ☐ it necessary and possible to distinguish between *work and productive activity, salary and recognition, and voluntary work and uncompensated labor*;
- ☐ it necessary and possible to make the *work of women* visible and to pilot new ways of compensating it in an equal manner to that of men;
- ☐ it necessary and possible to redirect the *work associated to money and production*, which leaves the community, in order to bring it back to the community;
- ☐ it necessary and possible to redesign the system in which external work is the only form of access to wealth, creating a more just system of compensation that also recognizes *life reproduction and the care of persons as work*;
- ☐ it necessary and possible to transform those values that create “scarce” interpersonal relations, “scarce” community relations, “scarce” community organization into *abundance*: multiple solid links, deep feelings of community membership and high levels of organization for the co-management of the common good;
- ☐ it necessary and possible to recognize the *essential role of women* at home and in the community;
- ☐ it necessary and possible to transform the circulation of scarce money, barely sufficient for survival, into *abundant and enough money to be managed in public and with transparency*;
- ☐ it necessary and possible to replace sophisticated systems of control for highly skilled people with *simple systems managed by common people*.

The following relevant innovations, which have been empirically tested as well as tested during advanced course, whose replication has been proven in other contexts, are:

- Social Money experiences, LETS systems, and Banco del Tempo;
- Initiatives of solidarity finance: micro-credit as a practice of the new paradigm;
- Participatory Budgeting: spreading of successful experiences, discussion and design of preparatory processes; design of intermediary processes;
- New State-civil society relations: associated management of public policies; joint management of public spaces by way of participatory planning networks (PPGA Networks)
- Projects that recognize and make the participation of women visible to the whole of society;
- Initiatives of continuing education on Sustainable Development;
- A search for new forms of collective, ethical, and sustainable production.
- Inclusion of Fair Trade strategies in the Solidarity Socioeconomy initiatives.

- New projects integrating strategies for ethical consumption, with social money initiatives, collective ethical and responsible production and solidarity finance.
- Articulated work with pre-existent networks and grassroots social movements.

4. PROPOSALS

These proposals that were attained by consensus have been divided into two groups of equal relevance: those destined to *spread and deepen the activities in progress* (proposals 1 to 9) and those aimed at *discussing and setting up new projects* (10 - 13). Both cases' main purpose is to avoid the delicate situation of a "single thought" or of searching for the "best alternative", like some "successful" experiments tend to do, inspired by local experiments based on the protagonists' practical "knowledge" –which is a sine qua non condition for their growth and sustainability.

1. To identify and spread the different types of compensated exchange to other forms of the solidarity economy and to society as a whole, comparing specific indicators for each scenario: barter, barter with social money, mutual credits, time banks, etc. To highlight the strengths and weaknesses of each model, characterizing the different contexts where they are to be implemented.
2. To carry out studies about the application of models on social money, in order to have a deep understanding of the logic that orients their evolution, their limits and possibilities in an attempt to build up a solidarity socioeconomy. Also, studying how to avoid temptation to premature centralization when making use of these kind of instruments. Encourage the "local-global" model: promoting local experiences, geared towards cultivating local resources as well as empowering individuals and small groups, which produce sustainable processes. At the same time, all these experiences inserted in the neo-liberal globalization context, as to have a gradual expansion impact.
3. To design a consistent system for constant monitoring ongoing specific processes, from a relevant Solidarity Socioeconomy Workgroup instance, building up a communication network system among the different experiences. This is specially relevant for Latin America, since some preliminary sistematizations have already been carried out, therefore pointing out greater possibilities to replicate solidarity socioeconomy's models. These experiences could benefit from what has already been registered as advantages and as malfunctioning in previous models.
4. To set up a system of continuing education within the local systems, in such a way as to keep open channels of communication between the different experiments, within each initiative as much as in the establishment of new strategic alliances.
5. To incorporate the different steps of the solidarity socioeconomy production: *collective production*, *fair trade* (with social money) and *ethical consumption* into training programs on Solidarity Socioeconomy models. Finding new ways to deal with the tension arisen from the "individual unsatisfied desire" to consumption and the "drive" for building up a model of social transformation: trying to simultaneously encourage the *abilities of initiative, solidarity and politics*.
6. To acknowledge the role of women as an essential aspect within the process of social networking, from their home up to the community and therefore, making the rest of society aware of this.
7. To question *volunteer work* as part of the Solidarity Socioeconomy new design, having the possibility of sufficient social money as a criteria. Raising up this questioning within the context of traditional economy will allow to unveil the value of non-paid work cover up. To launch initiatives attempting to find solutions to the "turnover because of exhaustion" problem, faced by volunteer workers.
8. To incorporate micro-expressions of solidarity socioeconomy into pre-existing networks. To identify local initiatives, developing gradual implementation of innovative solutions, so each community can make it its own in a sustainable way. To articulate barter networks with other

networks within the solidarity socioeconomy or the associated management in the hands of: civil society/State/market.

9. To make the best use of existing Web sites and mailing lists to follow the progress of projects of common interest: www.socioeco.org <http://money.socioeco.org> www.redlases.org.ar www.redesolidaria.org.br www.economiasolidaria.net rgses@yahoo.egroups.com, among others. Avoid duplicating efforts and dissipating resources. Promote meetings and electronic debates, with deadlines, aiming at publishing the main results.
10. To elaborate and implement an Educational Program on Solidarity Socioeconomy, to attend the needs of LatinAmerica, having the accumulated experience as background. To prepare educational materials for a Literacy Program on Economics: the beginners and the educators handbooks, videos, the exercise books and manuals about best practices. New issues should be include: "The Consumer's Power: ethical consumption", "Advantages of Collective and Sustainable Production"; "Local and South-South Fair Trade"; "Social Capital: how to develop it in our community"; "Social, organizational, financial and cultural Diagnostic Inquiry. New Indexes about the solidarity economy: barter clubs and networks, LETs, SELs, Time Banks.
11. To insert the Solidarity Socioeconomy into Local Development experiences. To make an inventory of significant initiatives (both successful and unsuccessful ones), results, limitations and possibilities in order to do a follow up of the projects: networks of local, sustainable and integrated development.
12. To have an active role on the definition of academic exchange programs among Universities, introducing the many topics related to Solidarity Socioeconomy and innovative monetary matters to the governmental and the public agendas. To provide international support to projects on solidarity socioeconomy related to local development, which are being submitted to governmental consideration.
13. To broaden the proposal about studying hybrid systems of social money and official currency. To work on strategies to strengthen the solidarity socioeconomy by using the power of consumers and the official system of money. To facilitate strong networking among movements that are engaged with the stages of the economic process (production-trading-consumption), which are already involved with Solidarity Socioeconomy or who are not, but could become involved within its principles: ethical, responsible and sustainable process. To establish strategic alliances with productive sectors. To facilitate and spread *show cases*, which will be studied from their particular historical and cultural background, as well as in terms of their success and mainly in relation to their difficulties.

5. STRATEGIES AND ACTORS

According to what we have stated earlier, the experiences and proposals presented above indicate two complementary paths for building up the Solidarity Socioeconomy:

- ☐ On the one hand, the *spreading* of innovative experiences in progress, which are destined to replicate the experience, according to each local and particular criteria and context –no doubt enriched since the SSW process started; and
- ☐ On the other hand, *promotion* of new ideas and concepts, aimed to improve the variety and quality of initiatives, to accomplish the objective of constructing a world that is responsible, plural, and working in solidarity.

We expect that the future initiatives from all workgroups that make up the Alliance and the future SSW will be aiming at the integration of our best results. If we compare the different degrees of innovative, responsible participation, no doubt that the organizations of civil society are protagonists (Third Sector?), having reached some agreements –though weak– with the State. Still, the experience with Participatory Budgeting shows that the relationship between these two social actors –basically constituted by tensions– is not only possible, as it is also promising. There is certainly a lot of work to do, to bring the Solidarity Socioeco-

conomic initiatives closer to the public sector institutions, in order to obtain agreements for co-management of public policies.

One notable absentee is the Market, if we so choose to characterize those initiatives from the business sector, which are now assembling "business with social responsibility". These actors are not yet numerous, and they still have difficulties to get closer to experiences one hundred percent popular and based in solidarity. The Literacy Program on Economics will be launched to attend this kind of relationship, as a way to overcome antagonisms among State/civil society, Market/civil society, within the proposal of developing political and working in solidarity skills with individuals and collective enterprises

We hope to have contributed to the socialization of ideas that have arisen from these great exchange process, which has lasted more than a year for most of those who have been involved. Fortunately, the constituents are growing in number and in variety of interests. We are looking forward to receiving your comments, criticisms, and contributions. We don't have *much time* to build up: let's discuss about inertia, differences, minimum common projects, and 'maximum' ones when possible, but let's not forget, above all, our commitment with our societies, who more than ever are asking for a responsible, plural and united world as the Alliance has been right from the start.

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Questionnaire

We would be very happy to have your opinion on the proposals contained in this notebook. In order to facilitate this task, you will find below some questions to which we hope you will take the time to answer. Your assessments and comments will be very important for the continuation of the collective work. We hope that the reading of this notebook will inspire you and will bring you to read other Proposal Papers of the Work-group on Solidarity Socio-Economy and of the Alliance (see <http://www.alliance21.org/en/proposals>.)

We also invite you to indicate what are, for you, the proposals most crucial and important to build alternatives to the present model of globalization, and to suggest projects that would represent the practical application of these proposals.

The Proposal papers:

- What is your opinion on the notebook in general?

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- On the diagnosis?

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- On the proposals?

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The proposals

- What are the proposals you agree with?

Numbers:.....

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- Any comments?

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- What are the most useful proposals for your everyday action? In what way (inspiration for the action, for lobbying, for experience sharing...)?

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- What are the proposals you don't agree with? Why?

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The future

- What suggestions would you do for the follow-up of this workshop?

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This questionnaire is to be sent back to Françoise Wautiez, email:<<mailto:ps-es-sp@alliance21.org>>