

Rethinking the Economy

The Social Solidarity Economy in a Plural Economic System

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Moving towards a New Economic System

A Social Movement with a Variety of Names

Social Economy: économie sociale / F / EU – CMAF: Co-operatives, Mutuals, Associations, Foundations –
Social Economy Europe – CIRIEC

Solidarity (-based) Economy: économie solidaire / F / Quebec – economia solidaria / Lateinamerika
– RIPESS – ASEF/SE Asia

Community Economy / Enterprise / Business: GB / IRL – Commonwealth / COMMACT

Third Sector / NGOs – NPOs / Civil Society: ISTR – Johns Hopkins Project –
Zivilgesellschaft in Zahlen / Bertelsmannstiftung

Third System: tertia systema / I – EU / TSEP

Social Enterprise: Legal frameworks in GB / I – EMES – BEST/D – Social Enterprise Coalition / GB a. o.

Social Co-operative: Legal frameworks in I / PL – Sozial-/Stadtteilgenossenschaften / D

Social Entrepreneurship: USA – Ashoka – academic institutes D / DK / GB o.a.

Social Business: M. Yunus – EU/SBI

People's Economy / People-Centred Development: economia popular /
Lateinamerika / Illich / Razeto / Max-Neef – PCD/SE Asia

Moving towards A New Economic System

A Theoretical Approach

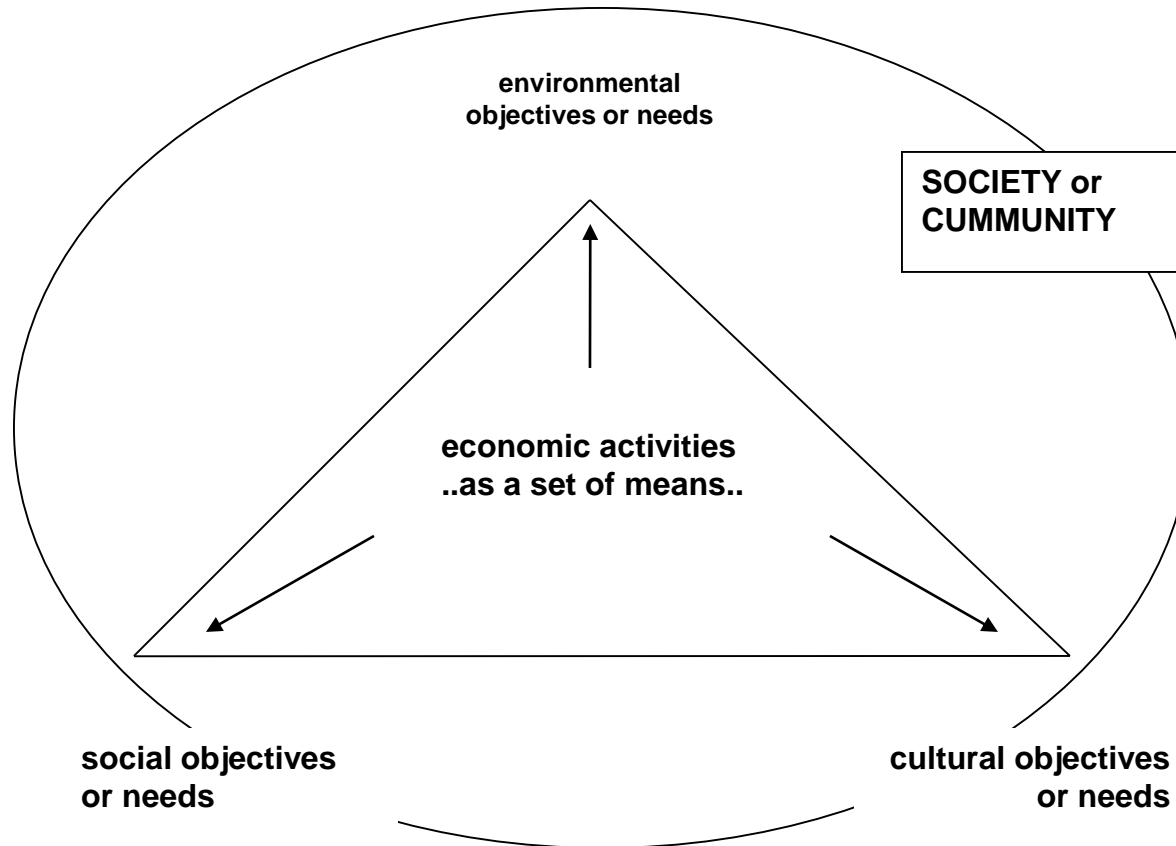
- Starting with a critical reflection of theories and paradigms of the present economic system
- Dominated by the neoliberal approach and believed to be the ,one and only‘,
- Based on dogmatic assumptions instead of empirical evidence
- But in a historical perspective there have always been Alternatives
- Therefore,‘Back to the roots‘ reconstructing historical development of economic theory and practice

What do we mean by ,the economy‘?

- ,Making money‘ or ,serving needs‘ ?
- Of course, ,money‘ plays an important role, but is traditionally understood as a ,means of exchange‘
- And the overall objective of the ,economy‘ is originally described as *,producing goods and services for to serve people‘s needs‘*
- But if the needs are the starting point of all economic activity, ,the economy‘ cannot be understood as an ,end in itself‘
- It is (like money and technology) just a ,**system of means**‘ to achieve these needs resp. its overall (social, environmental or cultural) objectives
- This understanding has a lot of consequences

Understanding Sustainability

Diagram: Sustainability triangle



Concept of a Plural Economy

- As the economy is understood as a system of means to serve people's needs, these means of production (usually called land, labour and capital) vary considerably in different historical and cultural context
- Therefore, there exists not just one economic system and at present we can identify at least four major economic systems according to their dominating 'mode of production'
- A first system – for private profit
- A second system – for public service (redistribution)
- A third system – for social profit resp. the common good
- A fourth (and often neglected) system – the informal or shadow economy

Polluted Terms

nach Otto Ulrich

- Under the hegemony of neoliberal economics the original understanding of the economy seems to have been fallen into oblivion resp. slightly changed its meaning.
- This seems to be true for a lot of other basic economic terms and tools: Markets, Profit, Surplus, Efficiency Effectiveness, Co-operation, Competition, Costs, Investment etc
- They were adapted to the ‚mode of production‘ of the dominating ‚for-private-profit-economy‘ which is not appropriate for the others, including the public economy
- Therefore, we have to rethink and reconstruct these terms and tools according to the special ‚mode of production‘ of Social Enterprises which have to set up, run and evaluated differently
- Therefore we need a special school of microeconomics for Social Enterprises, especially in the fields of setting up, social management, using social capital, social marketing, social finance and social auditing

Social Enterprises and their special ,Mode of Production

- Social Enterprises are formally established economic activities to achieve primarily social and/or community oriented objectives
- Setup, run and controlled by initiatives of citizens or other civil society organisations to serve unmet needs and/or solve conflicts
- The economic performance is subordinate to the social and/or community oriented objectives by statutory agreement to work not-for-private-profit and reinvest the surplus in the overall objectives
- The organisational structures are based on co-operative or collective principles

Further Information:

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