

A decennial assessment of an “other economy” in Brazil

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Abstract:

The set of economic enterprises oriented by equalitarian and egalitarian and democratic principles has been called solidarity economy in Brazil since mid-1990s. It appeared as a kind of reaction to the high unemployment. Together with member of many support organizations, the associative enterprises constituted a national movement. Its organization propitiated the creation in 2003 of the National Secretary of Solidarity Economy (SENAES) in the Labor and Employment Ministry. Two national mappings of solidarity initiatives were made since then. From its available information, as well as from other research results, this work presents a decennial assessment of the solidarity economy as an empirical universe and also a federal public policy.

Development of a movement

Solidarity economy is an expression used to call and politically identify a variety of associative initiatives of production, trading, consumption, saving and credit ideally oriented by egalitarian and democratic principles.

At least in Brazil, the origin of this expression was in the program of the Workers Party (PT) for the elections in São Paulo City in 1996 (Costa, 2008).

There are different cooperatives, as well as income and work associations, embracing: artisans, seamstresses, recycle garbage collectors, small farmers, members of recovered factories, credit cooperatives and also social cooperatives. The social cooperativism covers psychiatric patients, cripples and ex-detainees.

In Brazil, The solidarity economy developed in the 1990s, in the context of growing unemployment which changed from 7% in 1992 to 10,5% in 2002, increasing 50%. In that period, the informality grew up from 40% to 47,2% (IPEA, 2004).

Beyond enterprises, the solidarity economy movement was constituted by sectors of Catholic Church, union movement, universities and non-governmental organizations. They have organized themselves in city and regional forums of political representation.

From the movement to the federal public policy

Alongside the creation of solidarity economy forums, specific public policies appeared in cities like Porto Alegre, Santo André and São Paulo as well as in Rio Grande do Sul State, all of them governed by PT.

Many other municipal governments would include in their agenda support actions to solidarity economy initiatives.

During the first World Social Forum in 2001, there was an articulation of the national entities and networks connected with this theme.

The election of Luiz Inácio Lula da Silva for president in 2002 opened new perspectives for the solidarity economy. In June 25 of the following year, the Solidarity Economy Brazilian Forum (FBES) was formalized. In the day before, as result of the law 10683 and the decree 4764, the National Secretary of Solidarity Economy (SENAES) was established in the Labor and Employment Ministry (MTE) to be coordinate by the economist of University of São Paulo (USP) Paul Singer.



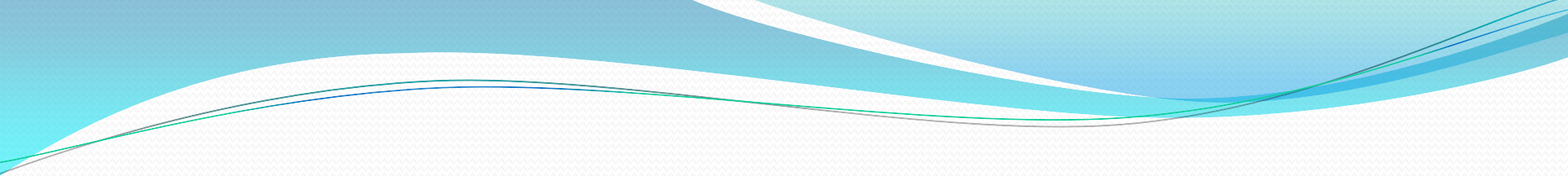
The national mappings

Between 2005 e 2007, SENAES conducted the first national mapping of solidarity economy, counting on 230 organizations and hundreds of interviewers.

There were intense debates about the classification of the initiatives mapped as being solidarity economy initiatives.

The result has generated the Solidarity Economy Information System (SIES).

They were collected information of 21.859 enterprises from 2.275 towns of Federation Unities, embracing 1.687.496 workers.

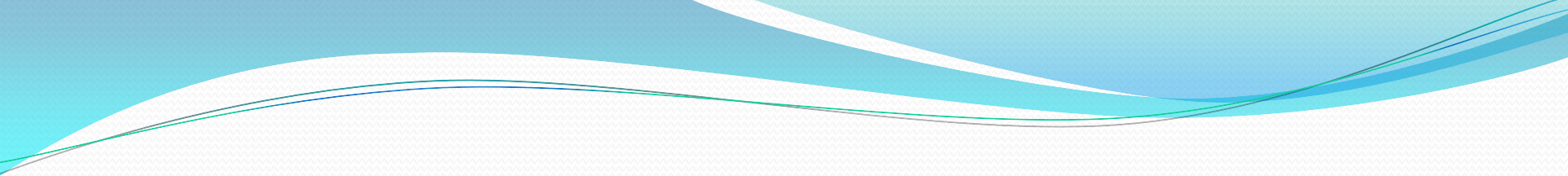


In 1999, there about 100 thousand workers engaged in these enterprises (Singer; Souza, 2000).

In the se of enterprises researched until 2007, 31% did not have any turnover e 15% turned over under 50 dollars per month.

It was verified that 36% of the solidarity economy initiatives were informal.

The second mapping as made between 2009 and 2013. Its information started to be analyzed in April 2013 and have not been published yet. However, we know that it gathers information of about 20 thousand enterprises. It was supposed to map more than 30 unities (Gaiger, 2013).



The legal format *association* is the prevalent one in the initiatives classified as solidarity economy. In the first mapping, 52% were associations, while in the second one they were 59,9%.

One knows that the proportion of cooperatives waned from 9,7% to 8,8% between the first and the second mapping. This information highlights the difficulty to organize cooperatives.

There is heterogeneity in the Brazilian cooperativism, as in terms of scale and purposes as of ideological orientation.

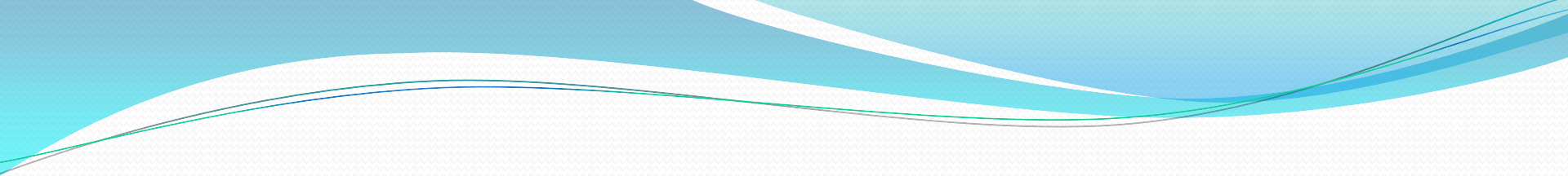
Governmental presence and ramifications

The main reference documents for the federal public policy of solidarity economy are: the Plurianual Plans (PPA) from 2004 to 2007 and from 2008 to 2011 (according to the duration of a government mandate); e the enforcement reports of the Annual Budgetary Law (LOA) between 2003 and 2010.

Demands of the national movement were incorporated to the Solidarity Economy Development Program (PESD), implemented in 2004 when SENAES started to count on its own budget.

There was an intense debate during the transition from the Lula to Dilma Rousseff government in 2010 if SENAES should change to what would become the Micro and Small Enterprises Secretary (SMPE). But it remained in MTE.

The main partners of SENAES in the federal government were the ministries of: Social Development and Combat against the Hunger (MDS); Environment (MMA); Agricultural Development (MDA); Innovation, Technology and Science (MCTI); Cities (MCidades) and Justice (MJ).



The SENAES budget increased over the years, having a small fall between 2005 and 2006 and recovering until achieve 27 million dollars in 2010. But it was always inferior 1% of MTE budget.

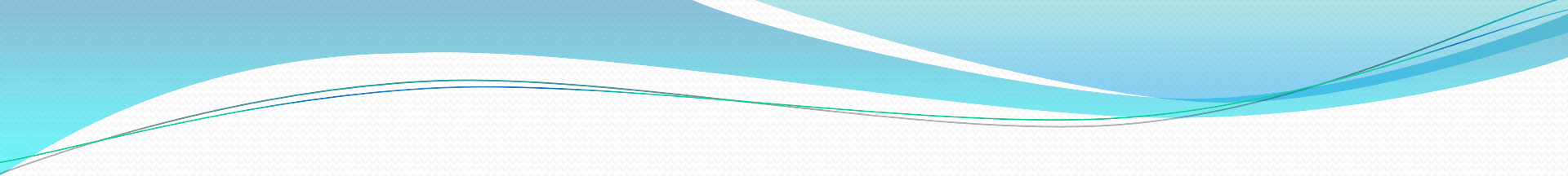
SENAES has faced many problems to enforce the planned actions of PPA 2008-2011. The Secretary has an enforcement average that did not achieve 50% of its budget. A great trouble was the end of the accord with the Bank of Brazil Foundation, which allowed agility. SENAES started to make, directly, agreements with private non-profit organizations by means of public calls.

Another problem was the establishment of a new accords federal system whose rules became harder to repass public resources to civil society organizations.

After 12 years of PT government, we can see that the actions to consolidate the solidarity economy are still fragile and could not create an institutional environment appropriate to the formalization of the associative economic groups.

Between 2003 and 2010, the open unemployment rate fell from 12,1% to 6,6%, while the informality level of the jobs decreased from 41,7% to 36,1% (IPEA, 2010).

The strengthening of the employee labor market has remained as the priority of the government, being up to SENAES, unfortunately, only a residual role.



In the other hand, the plurality of performing areas, as well as the policies of misery and poverty reduction, up impelled the solidarity economy, step by step, understood as an exit of the compensatory policies, specially the Family Grant Program.

A juridical and political achievement of SENAES was to the approval by the Nation Congress in 2012 of the law 12690, establishing that workers, independently of been associates of employees, should have labor rights guaranteed.

Events with the participation of enterprises and support organizations representatives from all over the country are also achievements, as well as the dissemination of university incubator for popular cooperatives, which show the power of the solidarity economy national movement.

As a consequence, there were a multiplication of municipal secretaries and departments connected with this theme, keeping the dialogue with the movement.

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