

Draft Report

**CONSCIOUSNESS, CAPACITIES AND VISIONS
AND CONSTRUCTS
BEYOND THE CAPITALIST LOGIC**

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Introduction

"Make capitalism history!" So goes the slogan printed on the shirts of some youth activists gathered in a small lackluster crowd of demonstrators in Wittenberg Platz in Berlin on 17 September 2009, supposed a national day of protest against the 'perpetrators' of the global financial crisis. A number of authors argue that the current global downturn, the immediate cause of which stemmed from the collapse of the US housing market (also known as the subprime implosion), is the harbinger of the end of neoliberal globalization, the current form of global capitalism (Bello 2008; Bello 2009b; Albo 2009).

Though many have argued that the worst of the crisis has ebbed, the impact of massive draw-outs from national coffers to bail-out banks, financial institutions and companies is expected by many to take its toll on the provision of public services and the general welfare of the working people.

The current global downturn necessitated some reforms in the global economic and financial architecture. Preventing future financial crises through more regulation was at the core of the G20 Summit in Pittsburg in 24-25 September 2009. To do this, several measures were highlighted among which are: (1) an overhaul of financial regulation to discourage the high levels of lending to borrowers who liable to default, which to the G20 was a central feature of the crisis; (2) bankers' bonuses are to be curbed too and linked to long-term performance; (3) an increase the size of the financial cushion that banks have to maintain; and (4) addressing global economic balances by stimulating more spending and less saving in countries where savings and foreign currency reserves are high (such as the case of China).

As expected, the roots of the crisis were never addressed in the G20 Summit. Even the Global Unions Pittsburg Declaration calling on leaders to introduce a coordinated and jobs-orientated international recovery seem to have been ignored by the G20 leaders. As Bello (2009b) argues, "Neoliberalism, with its emphasis on free trade, the primacy of private enterprise, and a minimalist role for the state, continues to be the default language among policymakers. Establishment critics of market fundamentalism, including Joseph Stiglitz and Paul Krugman, have become entangled in endless debates over how large stimulus programs should be, and whether or not the state should retain an interventionist presence or, once stabilized, return the companies and banks to the private sector. Moreover some, such as Stiglitz, continue to believe in what they perceive to be the economic benefits of globalization while bemoaning its social costs." Stiglitz and Krugman are amongst those pushing for 'global social democracy' which Bello claims the most likely successor of neoliberal globalization.

The recent economic havoc once more animated the Left and anti-globalization and anti-capitalist groups to revisit and renew old discourses on alternatives to neoliberalism and capitalism. Once more, *Another World is Possible* became the battle cry in many protest actions and forums. But what is the form of this another world? How do we get to this another world? Is this another world really possible? This is not to say that there are no manifestos and academic writings on alternatives to capitalism. Marx, Lenin, Trotsky, Gramsci and Polanyi are some of the great writers who were giving us alternative paths. Their writings even come more significant today; their influences are very evident in contemporary writings of the Left on alternatives to capitalism.

Nonetheless, there is still paucity of literature on alternatives to capitalism. Many of these writings offer visions, frameworks and guidelines often too abstract and general to allow multiple interpretations. Studies that provide programmatic proposals often suffer from lack of coherence. Of the few studies positing in concrete terms possible alternatives, these alternatives are often micro initiatives that are context-specific i.e. worker-run factories, producers' cooperatives, informal self-employed women's unions, participatory budgeting, etc. In short, a lot of work still needs to be done to even describe this possible another world.

This paper aims to contribute to the literature on alternatives to capitalism by firstly, reviewing recent literature on the alternatives to capitalism (and neoliberalism) question. Secondly, it investigates how various forms of peoples' solidarity economies and state-initiated democratic participatory schemes become spaces or provide spaces for the development of counter consciousness (outside the capitalist common sense) and concomitantly build capacities for the development of projects, initiatives and economies beyond the capitalist logic. We argue that many of these organizations, projects and initiatives, by addressing changes in the mode of production and the labor process within these spaces, are the condensation or materialization of an alternative discourse (and practice) to capitalism. Finally, these initiatives and projects are just as much a consequence as a determinant of the emergence of counter consciousness challenging the capitalist canon.

This paper is divided into four chapters. The first chapter provides an overview of recent discourses on possible alternatives to neoliberal globalization and capitalism. The second chapter deals with questions of consciousness and counter consciousness and how these processes relate to building capacities to enable the construction of alternatives. The third chapter, the main part of the paper, analyses how the 13 selected case studies (of peoples' solidarity economies, workers'/producers' cooperatives, alternative production systems and state-initiated citizen democratic participation schemes) have become or have the potential to become spaces or provided spaces for the development of counter consciousness (outside the capitalist 'common sense') and concomitantly capacities for the development of projects, initiatives and economies beyond the capitalist logic. Also, some generalized lessons and insights drawn from the case studies are posited in this chapter. Finally, chapter four links the main points underscored by the various discourses and proposals on alternatives to capitalism reviewed in chapter one with the case studies analyzed in chapter three, arguing that the need for coherence on discourses of alternatives to capitalism can come from the material practice of peoples' struggles. This final chapter also provides some areas for further research.

Chapter I

Visions and Constructions of Alternatives to Neoliberalism and Capitalism

What's wrong with neoliberalism and capitalism?

With the explosion of the current financial crisis came a flood of writings, conferences, forums, etc. on the causes of the current financial crisis and past crises as well. Even staunch supporters of neoliberalism admitted the failure of the present economic paradigm. This paper does not intend to interrogate the roots of the crisis. However an outline of the Left's discourses on the causes of the current crisis and similar crises in the past might be helpful in explaining the various 'alternative' re-thinking and propositions emanating from the Left and other progressive forces.

Accordingly, explanations on the roots of the current crisis come in four strands and/or theories: (1) the myth of the self-regulating market; (2) neoliberalism's unbridled greed of accumulation; (3) crisis of overproduction theory; and (4) Marxian long-wave theory on the tendency of the rate of profit to fall. The latter theory, which seems to integrate all the other three strands, claims that the falling rate of profit since the 1980s is due to the increase in the organic composition of capital and not wage increases (Jeong and Shin 1999: 94-95). All four highlight the fact that contradictions are inherent in the capitalist system and these contradictions make crisis a distinct feature of capitalism. For Harvey (2010: 71), "Crisis is the only way in which balance can be restored; crises are "the irrational rationalisers of an always unstable capitalism."

The myth of the self-regulating market

In his classic 1944 book *The Great Transformation*, Polanyi surfaced the myth of a self-regulating (free) market economy, that self-regulating markets never work. For Polanyi, a self-regulating market system is a utopian endeavor.

A self-regulating market demands nothing less than the institutional separation of society into an economic and a political sphere...It might be argued that the separateness of the two spheres obtains in every type of society at all times. Such an inference, however, would be based on a fallacy . . . normally the economic order is merely a function of the social order. Neither under tribal nor under feudal nor under mercantile conditions was there, as we saw, a separate economic system in society. Nineteenth-century society, in which economic activity was isolated and imputed to a distinctive economic motive, was a singular departure. (Polanyi 2001: 74)

Polanyi's concept of 'embeddedness' expresses the idea that the economy is not autonomous but subordinated to politics, religion and social relations. He pointed to the historically normal pattern of subordinating the economy to society before the 19th century. When market liberalism (the first 'great transformation') was theorized by English thinkers (Malthus, Ricardo) in the first years of the 19th century as a response to disruptions of early industrialization, and became the organizing principle for the world economy (via British imperialism), it produced an inevitable response. Efforts to protect society from the market led to the collapse of peace leading to World War I, the collapse of economic order leading to the Great Depression and the rise of fascism (the second 'great transformation').

Polanyi repeatedly stressed that the goal of a disembedded, fully self-regulating market economy is a utopian project. "Our thesis is that the idea of a self-regulating market implied start utopia. Such institution could not exist for any length of time without annihilating the human and natural substance

of society; it would have physically destroyed man and transformed his surroundings into a wilderness.” (p. 3).

Why won't disembedding the economy from society be successful? Polanyi explained that creating a self-regulating market economy requires that human beings and the natural environment be turned into pure commodities. But “land, labor and money are fictitious commodities because they are not originally produced to be sold on a market. Labor is simply the activity of human beings, land is subdivided nature, and the supply of money and credit in modern societies is necessarily shaped by government policies” (Block 2001: xxv). These fictitious commodities will not behave the same way as real commodities. These fictitious commodities explain the impossibility of disembedding the economy.

From accumulation to over-accumulation

Building on Marx's system of expanded reproduction, Luxemburg argues in *The Accumulation of Capital* capitalist accumulation can only be realized through the consumption of commodities by people from non-capitalist areas of the world. However, “in forcing its commodities on such non-capitalist areas, capitalism draws them into their own system and destroys them”. “Capital cannot accumulate without the aid of non-capitalist organisations, nor, on the other hand, can it tolerate their continued existence side by side with itself. Only the continuous and progressive disintegration of non-capitalist organisations makes accumulation of capital possible” (Luxemburg 2003). Thus the capitalist system is locked in an inescapable contradiction within itself and that crises are inherent in the system.

For Luxemburg, the unbridled search for non-capitalist markets could explain the insatiable drive of contemporary imperialism. She demonstrated that imperialism was rooted in the dynamics of the accumulation of capitalism itself. For Luxemburg, “imperialism was the political expression of the accumulation of capital in its competitive struggle for what remains still open of the non-capitalist environment” (ibid: 433).

According to Cox, Luxemburg's major contribution to Marxism is her reassertion of the central aspect of Marxism, “that capitalism is both the most productive system in human history and driven by inescapable contradictions” (2004; www.isj.org.uk/index.php4?id=8&issue=100). Her other vital contributions in the analysis of the modern world are: (a) “how capitalism always depends on state violence to help its expansion”; (b) “the inevitability of militarism and conflicts between states and thus she repudiated “the possibility of peaceful development within the capitalist system itself”; and (c) most importantly, “that imperialism is deeply embedded in the dynamics of capitalism itself” (ibid). For Luxemburg, “the fight against militarism and imperialism was inseparable from the struggle to overthrow capitalism” (ibid).

The crisis of overproduction

Building on Luxemburg's thesis on accumulation, Bello points to the most recent financial crisis, like the global recession of the early 1980s, as “the intensification of one of the central crises or ‘contradictions’ of global capitalism: the crisis of overproduction, also known as overaccumulation or overcapacity. This is the tendency for capitalism to build up, in the context of heightened inter-capitalist competition, tremendous productive capacity that outruns the population's capacity to consume owing to income inequalities that limit popular purchasing power. The result is an erosion of profitability, leading to an economic downspin” (2009b). Moreover, Bello he argues that capitalism tried to three escape routes from the conundrum of overproduction: neoliberal restructuring (Reaganism and Thatcherism in the

North and Structural Adjustment in the South), globalization (or “extensive accumulation” or the rapid integration of semi-capitalist, non-capitalist, or pre-capitalist areas into the global market economy), and financialization (massive investment and reinvestment in the financial sector resulting to an increased bifurcation between a hyperactive financial economy and a stagnant real economy) (Bello 2009a).

Bello (2009a) explains the contradictions of financial globalization:

The problem with investing in financial sector operations is that it is tantamount to squeezing value out of already created value. It may create profit, yes, but it does not create new value — only industry, agricultural, trade, and services create new value. Because profit is not based on value that is created, investment operations become very volatile and prices of stocks, bonds, and other forms of investment can depart very radically from their real value — for instance, the stock of Internet startups may keep rising to heights unknown, driven mainly by upwardly spiraling financial valuations.

Profits then depend on taking advantage of upward price departures from the value of commodities, then selling before reality enforces a “correction,” that is a crash back to real values. The radical rise of prices of an asset far beyond real values is what is called the formation of a bubble.

Profitability being dependent on speculative coups, it is not surprising that the finance sector lurches from one bubble to another, or from one speculative mania to another. Because it is driven by speculative mania, finance driven capitalism has experienced about 100 financial crises since capital markets were deregulated and liberalized in the 1980s, the most serious before the current crisis being the Asian Financial Crisis of 1997.

Bello underlines the fact that the recent financial crisis is not a crisis of the neoliberal variant of capitalism but the crisis of capitalism itself.

The long-wave theory on the tendency of the rate of profit to fall

Though pointing to the 1997 Asian financial crisis, the Jeong and Shin (1999) argues that the underlying cause of the crisis can be attributed to the tendency of the rate of profit to fall and thus overproduction is not the cause but a result of the crisis.

From the standpoint of Marxian long-wave theory, the roots of the foreign exchange crisis that exploded in late 1997 can be traced back—before the cyclical crisis emerged in full dress in 1996—to the long-term recession that began in the late 1980s and early 1990s. It follows from this that the current crisis is not just the overproduction crisis of a ten-year cycle, as the overproduction theory has it, but an overdetermined explosion of a long-term recession piled upon and exacerbated by cyclical crisis. Both the overproduction theory and the compromise position are insufficient for understanding the complex nature of the crisis; the former fails to recognize the long-term recession and structural crisis, which are distinct from the cyclical crisis, while the latter underscores only a structural and a chronic crisis while denying a cyclical crisis. (p. 94)

Overinvestment and overproduction based on excessive lending are exacerbated by increasing competition among capitals under the pressure of the falling rate of profit. This appears as competition for additional capital investments to make up for the falling rate of profit with an increasing quantity of profits. In turn, overinvestment and overproduction spur an increase in the organic composition of capital, accelerate the falling rate of profit, and finally result in an

absolute decrease in the amount of profits. Overproduction is therefore a phenomenon resulting from a crisis originating from the tendency of the rate of profit to fall. In other words, overproduction is not a cause but a result of crisis. (ibid: 95)

Studies undertaken in recent years by various academics and institutions provide empirical bases that neoliberal global capitalism (also known as globalization) or capitalism per se has failed to deliver what it has been preaching for the last two decades. The World Commission on the Social Dimension of Globalization (WCSDG 2004) report, although recognizing the potential for good that globalization may bring, stresses that globalization in its present form falls short from realizing this potential. Without doubt, world trade has expanded rapidly over the past two decades, but this trade expansion did not occur uniformly across all countries, with the industrialized countries and a group of 12 developing countries accounting for the lion's share.² The report cites, among others, the following impact of globalization (ibid: 35-42):

- Since 1990, global GDP growth has been slower than in previous decades, the period in which globalization has been most pronounced.
- Growth has also been unevenly distributed across countries, among both industrialized and developing countries. In terms of per capita income growth, only 16 developing countries grew more than 3 per cent per annum between 1985 and 2000. In contrast, 55 developing countries grew at less than 2 per cent per annum, and of these 23 suffered negative growth.
- The industrialized countries, with their strong economic base, abundance of capital and skill, and technological leadership, were well placed to gain substantial benefits from increasing globalization of the world economy.
- Expanding global markets, the emergence of global production systems and liberalized investment rules generated new opportunities for the multinational enterprises (MNEs) of industrial countries, increasing their global reach and market power.
- The other clear group that reaped significant benefits was the minority of developing countries that have been highly successful in increasing their exports and in attracting large inflows of FDI. Foremost among this group have been the original NIEs of East Asia that have now converged on industrialized country income levels and economic structures.
- ILO estimates that open unemployment worldwide has increased over the last decade to about 188 million in 2003. Within the developing world, unemployment rates have increased since 1990 in Latin America and the Caribbean and Southeast Asia, and since 1995 in East Asia. One factor behind the rise in unemployment in these countries was the financial crisis at the end of the 1990s.
- In industrialized countries, employment performance has also been mixed. Over the last decade, there was steady increase in unemployment in Japan, but a sharp decline in unemployment in some small open European economies, as well as in the United Kingdom. The United States also experienced declining unemployment until the recent economic downturn.

With the recent financial crisis, many (if not all) of those industrialized and developing countries that reaped the lion's share in trade expansion in the past two decades as reported by the WCSDG certainly experienced a reversal or at best a stalling of their fortunes.

² The 12 developing countries with their corresponding share in world trade are: China, 13.2%; South Korea, 11.7%, Taiwan, 11.2%, Singapore, 9.4%; Mexico, 7%; Malaysia, 5%; Thailand, 4%; China, Hong Kong SAR, 3%; Brazil, 2.8%; India, 2.5%; Indonesia, 2.4%; and Turkey, 1.8%. The combined share of these 12 countries and territories account for 74.76%. The remaining 176 developing countries and territories account for 25.3% (WCSDG 2004: 25).

Earlier studies by Easterly (2001a, 2001b) and Weisbrot et al (2001) already established that the period 1980 to 2000 – the heyday of neoliberal globalization – which Easterly aptly termed the ‘lost decades’ was a period of stagnation and diminished progress in many parts of the world particularly the developing and least developed countries.

Along with expanded reproduction of capital (overaccumulation and overproduction) is what Harvey terms as ‘accumulation by dispossession’ which he argues highlights the ‘new’ imperialism (2004: 74). Accumulation by dispossession is exemplified through various means:

Stock promotions, ponzi schemes, structured asset destruction through inflation, asset stripping through mergers and acquisitions, the promotion of levels of debt encumbrancy that reduce whole populations, even in advanced capitalist countries, to debt peonage, to say nothing of corporate fraud, dispossession of assets (the raiding of pension funds and their decimation by stock and corporate collapses) by credit and stock manipulations – all of these are central features of what contemporary capitalism is about... But above all we have to look at the speculative raiding carried out by hedge funds and other major institutions of finance capital as the cutting edge of accumulation by dispossession in recent times. By creating a liquidity crisis throughout Southeast Asia, the hedge funds forced profitable businesses into bankruptcy. (ibid: 74-75)

Harvey likewise points to new mechanisms of ‘accumulation by dispossession’: the intellectual property rights in the WTO (TRIPS agreement), the wholesale commodification of nature in all its forms, the commodification of cultural forms, histories and intellectual creativity, and the corporatization and privatization of public assets. If Harvey was writing his essay today, the dizzying massive bail-outs provided by states to financial banks, private corporations and other private institutions in the wake of the recent financial crisis is quintessential of accumulation by dispossession of contemporary capitalism.

Arguing neoliberalism’s ideological crisis today, Albo sums up the anti-theses of neoliberalism’s core theses (2009: 121).

It has become impossible to contend that smaller states and liberalised markets will lead to prosperity for all (the trickle-down thesis); that public services could be protected and improved by increased reliance on markets (the theses of self-regulation and marketisation); that new financial instruments were spreading risk and increasing economic stability (the theses of transparency and shareholder value as central to efficient capital allocation); that flexible labour markets and de-unionised workplaces improved job security and pay (the thesis of all employment and unemployment as voluntary individual decisions); and that increased market dependence meant a parallel increase in freedom and equality (the thesis that all collective action is coercive and anti-democratic). These theoretical claims by neoliberal ideologues have not proven to be unmitigated failures as policy frameworks, and a social disaster for whole societies and workers where they have been adopted.

Crises upon crises, uneven development, widespread inequality and poverty, social injustice, and democratic deficits, and the breakdown of social cohesion and moral fiber of societies in many parts of the world will continue to be the defining features of today’s capitalism.

Imagining, re-thinking and constructing 'Alternatives' – A general overview

In recent years, old and new and 'recycled' discourses on visions of an alternative to neoliberalism and capitalism have animated the Left and other progressive sectors. These so-called 'alternatives' come in the form of visions, principles, frameworks to straightforward strategy prescriptions. Other proposed 'alternative' models are nothing but different varieties of 'reformed' capitalism albeit with some egalitarian and democratic dimensions. Nonetheless, the literature on alternatives to neoliberal capitalism (and globalization) is scant although one would anticipate a growing interest in the subject thus a growing body of literature in the coming years.

In *Rebuilding the Left*, Marta Harnecker attributes the Left's programmatic crisis (the lack of an alternative program or model) to its crisis of theory which pertains to the Left's "historical incapacity to construct its own system of thought – one that would start out with an analysis of the real situation [in each Latin American country], identifying a tradition of struggle and the potential for change" (2007: 39). Harnecker argues that the Left has failed to carry out a rigorous study of various socialist experiences and their successes and failures. More importantly, there is a crisis of theory because of the lack of a critical, rigorous and comprehensive study of late twentieth century capitalism such as Marx work at the time of the industrial revolution.

It is thus this programmatic crisis that to date, the Left hasn't come up with a fully worked-out, convincing project for an alternative to capitalism. Despite the many interesting social experiments that have been sweeping Venezuela, Chile, Brazil, Argentina, Uruguay and Bolivia, a theoretical work to systematize and put coherence to all these diverse experiences for possible replication (which does not mean duplication) in other contexts is lacking. Whereas before in the late 1960s and early 1970s there were spaces to embark on such work in universities, today these spaces have substantially shrunk (Harnecker 2007).

What follows is an overview of some literature on alternative proposals to neoliberalism and capitalism gathered by the researchers.

Varieties of capitalism outside the US model

A body of the literature on alternatives to capitalism point to several varieties of context-adapted or 'reformed' capitalism either at the level of the nation state or at the global level or both. What differentiates these so-called alternative varieties of capitalism is their emphasis on egalitarian and democratic dimensions and social values.

1. The developmental state growth model

Despite the blow that the 1997 Asian financial crisis had on the East Asian region, the developmental state growth model adopted by South Korea, Taiwan, Singapore and Malaysia still poses as an alternative to neoliberal capitalism. In fact, the recovery of these East Asian countries after the 1997 financial crisis was unexpectedly faster than earlier predicted, proving the resiliency of the region's growth model.

The East Asian developmental state growth model is anchored on five major elements, namely: high household savings (most in bank deposits), high corporate debt-to-equity ratio (compares total liabilities

with shareholders equity), bank-firm-state collaboration, national industrial strategy, and investment incentives to enhance international competitiveness. The last three elements are the stabilizing conditions of this growth model. A high debt-to-equity ratio (D/E) means that firms have been aggressive in financing their growth through debt. The economies of South Korea and Japan have high corporate D/E. Firms wanting to become players in the world market can do so only through borrowing. Since this growth model is characterized by high D/E, it is likewise called the Asian high debt model.

In these East Asian countries, the state assumed an active role in jump-starting industrialization. In the case of South Korea prior to the 1997 Asian financial crisis, it did not accept the Washington Consensus prescriptions. Investments were poured into priority industries and away from speculative real estate and consumer durables. Investments were also allocated for the advancement of technology and technical know-how. There was massive administrative support for businesses and entrepreneurs in the form of detailed business information.

While allowing competition to weed out inefficient enterprises, excessive competition was also put on check. Mergers and acquisitions between smaller and medium size enterprises in the chemical, automobile, fertilizer and steel industries were undertaken to attain economies of scale.

To build production capacity, capital formation and technology acquisition were likewise promoted by the state. The banking system was nationalized to target credit for priority sectors. Foreign investments were strictly regulated and only allowed where there is real transfer of technology. A prudent fiscal policy and a stable not overly strong real exchange rate were adopted by the government. To protect the domestic market, tariffs were imposed. Also, a ban of foreign technology in sectors producing the same was also put in place.

To check on inflation, wage and price controls were imposed. And to provide the needed human resources for South Korea's industrial policy, the state invested massively in education.

Along with these policies and as industrialization pushed through, distributional equity was gradually promoted by the state through farm subsidies, tariff barriers and productivity gains were translated into real wage increases.

Based on South Korea's state-led industrialization experience, the hallmarks of the East Asian growth model can be summed up by the following (Wade and Veneroso 1998; Jomo 2001):

- Making society function better through macroeconomic and political stability, equitable distribution of income, and cooperative behavior within the private sector;
- Adaptability of government policies with lesser government as economies become complex;
- Creating a relationship between the government and markets, where the former creates market institutions, i.e. long-term development banks, capital markets to trade bonds and equities;
- Promoting accumulation of physical and human capital: higher domestic savings through postal savings institutions and provident funds; promoting education and training
- Altering the allocation of resources: identifying industries where R&D would have high payoffs; establishing research and science centers and quality control standards; emphasizing industries with strong backward and forward links; and encouraging firms to export with a performance-based criterion for credit allocation;

- Adopting government policies supporting investment: contest for scarce credit; and intervention in international economic relations, i.e. bargaining for foreign technology, transfer of technology as part of foreign investment.

Of course, all these policies and programs came with a high price of labor control and suppression of workers' rights. By way of legal and customary devices, unions were only allowed if supported by companies. Political activities by unions were prohibited. Arbitration of disputes in public interest industries were binding. There was also the requirement that all unions be affiliated with one of the 17 government-sponsored industrial unions and with a general coordinating body, the Federation of Korean Trade Unions (FKTU).

The repressive anti-labor measures under President Chun and the lack of serious attempts to develop peaceful and cooperative labor relations made labor disputes get out of control in the aftermath of democratization in South Korea in 1987. In the 1980s, large companies, often supported by the police and intelligence agencies of the government, exerted pressure on unions to prevent strikes, to undermine the development of white-collar unions, to retain control of union leaders, and to prevent persons with some college education from attempting to organize workers by taking positions as industrial laborers (Kong 2000). This repressive regime nonetheless did not stop the wave of workers' protests and mobilizations organized in the years that follow.

Indeed, it could well be argued that the democratization of South Korea was a result of its economic development. As Kong (2000) points out, the economic development of South Korea led to urbanization and created a middle class of educated white-collar workers, a development favorable to the oppositional forces.

Going back to Korea's sound industrialization model, why then did the country collapse in the aftermath of the 1997 Asian financial crisis? Korea's financial mess in 1997 may be explained by a combination of flawed fundamentals and the relaxation of capital control. The flawed fundamentals view argues that Korea's heavy reliance on unhedged short-term foreign loans, its higher D/E ratio mostly foreign debt, and the massive calling in of loans and slashing of credit lines with the fall in currency landed Korea right in the middle of the crisis. More importantly, and according to the capital control argument, the premature liberalization of financial markets as encouraged by the IMF, OECD and Western governments, banks and firms made Korea very much vulnerable to a financial crisis.

Arguably, Korea's bid to enter OECD to get access to foreign markets came with a high price - accelerate deregulation of capital flows. Thus it removed or loosened controls on firms' foreign borrowings and investments so that prior to 1997 it had \$150B in external debt. To make things worse, it failed to strengthen bank supervision.

As part of its deregulation policies, it stopped checking on "excess competition" in large industries. As a result, there was excess capacity in the automobiles, shipbuilding, steel, petrochemicals and semiconductors industries. This led to a fall in export prices and the run-up of nonperforming loans.

All these put Korea at the center stage of the crisis.

In short, when the South Korean state abandoned its coordinative role (the core of its developmental state model) and responded to international pressure from the centers of international capital to adopt

deregulation and liberalization policies (the Washington Consensus prescriptions which before it did not follow), it exposed its economy to the manipulations of international financial capital.

2. Revitalizing social democracy?

Global social democracy

Without doubt, the global economic havoc wreaked by the recent financial crisis has thoroughly discredited neoliberalism, the contemporary form of capitalism. That states and global institutions of capital will make a definitive break with neoliberalism is wishful thinking. Already, we have witnessed how quick governments in capitalist countries bailed out banks and other financial institutions. Massive stimulus spending and nationalization of banks have been resorted to as well. But even before the outbreak of the crisis, there has been an on-going debate among the circles of capital of what Bello (2009a) calls "Global Social Democracy" or GSD as an alternative to neoliberal globalization. In fact, Bello argues that GSD may be the most likely successor of neoliberal globalization.

With British Prime Minister Gordon Brown as the foremost figure in promoting the GSD discourse are other prominent personalities such as the economist Jeffrey Sachs, George Soros, former UN Secretary General Kofi Annan, the sociologist David Held, Nobel laureate Joseph Stiglitz, and even Bill Gates (Bello 2009a). Although these personalities may differ in the nuances of GSD, they all share a common perspective: "to bring about a reformed social order and a reinvigorated ideological consensus for global capitalism" (ibid).

Bello (2009a) lists the key propositions advanced by the GSD partisans:

- Globalization is essentially beneficial for the world; the neoliberals have simply botched the job of managing it and selling it to the public;
- It is urgent to save globalization from the neoliberals because globalization is reversible and may, in fact, already be in the process of being reversed;
- Growth must not be accompanied by increasing inequality;
- Trade must be promoted but subjected to social and environmental conditions;
- Unilateralism must be avoided while at the same time preserving while fundamentally reforming the multilateral institutions and agreements;
- Global social integration, or reducing inequalities both within and across countries, must accompany global market integration;
- The global debt of developing countries must be cancelled or radically reduced, so the resulting savings can be used to stimulate the local economy, thus contributing to global reflation;
- Poverty and environmental degradation are so severe that a massive aid program or "Marshall Plan" from the North to the South must be mounted within the framework of the "Millennium Development Goals";

- A "Second Green Revolution" must be put into motion, especially in Africa, through the widespread adoption of genetically engineered seeds; and
- Huge investments must be devoted to push the global economy along more environmentally sustainable paths, with government taking a leading role ("Green Keynesianism" or "Green Capitalism").

As a partisan of GSD and recognizing the failure of the Washington Consensus, Held takes stand on revitalizing social democracy not just at the level of the nation-state, but at the regional and global levels as well. For Held, the nature and form of a free and fair global economy can be articulated through the lens of social democratic values – “the rule of law, political equality, democratic politics, social justice, social solidarity and economic efficiency ... the key challenge today is to elaborate their meaning, and to re-examine the conditions of their entrenchment...” (2005: 103).

Like the WCSDG, Held believes that globalization has helped create vast new opportunities as well as risks. He defends the social democratic agenda (Table 1) along with his proposed 9-point Human Security Doctrine as not over-ambitious. He posits the emergence of a coalition to push the social democratic agenda further. This coalition will be comprised of: “European countries with strong liberal and social democratic traditions; liberal groups in the US polity which support multilateralism and the rule of law in international affairs; developing countries struggling for freer and fairer trade rules in the world economic order; non-government organizations, from Amnesty International to Oxfam, campaigning for a more just, democratic and equitable world order; transnational social movements contesting the nature and form of contemporary globalization” (Held 2005: 111). In this so-called coalition, Europe being the home of social democracy will have a special role to play.

Table 1. The social democratic agenda

Domestic

- Sound macroeconomic policy
- Nurturing of political/legal reform
- Creation of robust public sector
- State-led economic and investment strategy, enjoying sufficient development space to experiment with different policies
- Sequencing of global market integration
- Priority investment in human and social capital
- Public capital expenditure on infrastructure
- Poverty reduction and social safety nets
- Strengthening civil society

Global

- Salvaging Doha
 - Cancellation of unsustainable debt
 - Reform of TRIPS
 - Creation of fair regime for transnational migration
 - Expand negotiating capacity of developing countries at IFIs
 - Increase developing country participation in the running of IFIs
 - Establish new financial flows and facilities for investment in human capital and internal country integration
 - Reform of UN system to enhance accountability and effectiveness of poverty reduction, welfare and environmental programmes
-

Source: Held, David (2005) 'At the global crossroads: The end of the Washington Consensus and the rise of global social democracy?', *Globalizations* 2(1), p. 107.

While Held's social democratic agenda may appeal for many particularly in the social democratic regimes, its generality makes it open to a lot of interpretations and contradictions which may dilute the overarching objectives of the agenda. For example, salvaging Doha may have an adverse impact on some of the domestic agenda such as sound macroeconomic policy, creation of robust public sector, state-led economic and investment strategy, etc.

Moreover, Held's proposal of a social democratic coalition to push said agenda is rather naive. Each of the nation-states and parties in his coalition, which is comprised of a mix of social classes in society, is not one homogenous group within itself. Fractions exist within and between these parties and classes. And the state is the "specific material condensation of a relationship of forces among classes and class fractions" so that the state is "through and through constituted-divided by class contradictions (Poulantzas 2000: 129&132). Poulantzas emphasizes class fractions within and between the bourgeois class and the working class particularly in the era of neoliberal globalization (2000: 128):

- (a) The bourgeoisie still appears as constitutively divided into class fractions: monopoly and non-monopoly capital (for monopoly capital is not an integral entity, but designates a contradictory and uneven process of 'fusion' operating among various fractions of capital). These fractional divisions would be doubled, if we were to take into account present-day coordinates of the internationalization of capital.
- (b) In their totality, albeit to an increasingly uneven degree, these bourgeois fractions are situated on the terrain of political domination and still form part of the existing power bloc...

As the state is a "condensed expression of the on-going class struggle" (ibid: 130), contradictions are inscribed in its structures and policies. "Contradictions among the dominant classes and fractions ... are precisely what makes it necessary for the unity of the power bloc to be organized by the State" (ibid: 133). The state's organizational role is thus situated within the "unstable equilibrium of compromises" among the dominant classes and fractions within the power bloc (ibid: 134).

The state does not only concentrate on the relationship of forces between fractions of the power bloc. According to Poulantzas (2000), the state also focuses on the relationship between the power bloc and the dominated classes; it disorganizes and divides the dominated classes to maintain the hegemony of the power bloc.

The state apparatuses organize-unify the power bloc by permanently disorganizing-dividing the dominated classes, polarizing them towards the power bloc, and short-circuiting their own political organizations. The State's relative autonomy of a given fraction of the power bloc is also necessary for the organization of that bloc's long-term, global hegemony over the dominated classes: this often involves the State in imposing the material compromises indispensable for such hegemony on the various fractions of the power bloc. (ibid: 140)

Poulantzas certainly elaborated on the concept of hegemony by Gramsci. Held's social democratic agenda certainly needs a more nuanced and a theoretically-grounded understanding of the state and the power struggles within the state.

Apart from the nation-state-global problematique of the GSD discourse, there are other limits and problems posed by the GSD agenda. First, putting more regulation at the global level does not effectively address the excesses of "an inherently socially and ecologically destructive and disruptive process" (Bello 2009a) that is globalization. Second, GSD still sees the market as "the principal

mechanism for production, distribution, and consumption, differentiating itself mainly by advocating state action to address market failures...Third, GSD is a technocratic project, with experts hatching and pushing reforms on society from above, instead of being a participatory project where initiatives percolate from the ground up...Fourth, GSD, while critical of neoliberalism, accepts the framework of monopoly capitalism, which rests fundamentally on the concentrated private control of the means of production..." (ibid). Thus what substantially differentiates GSD from neoliberal globalization is the former's emphasis on regulation.

Socialist-oriented and mixed economy alternatives and models

3. Market socialism and mixed economy

'Deglobalization' and socialist globalization

Arguing the limits and contradictions of GSD, Bello instead proposes "deglobalization" as an alternative to capitalism. For Bello, the aim of the deglobalization paradigm is to "move beyond the economics of narrow efficiency, in which the key criterion is the reduction of unit cost, never mind the social and ecological destabilization this process brings about. It is to move beyond a system of economic calculation...An effective economics, rather, strengthens social solidarity by subordinating the operations of the market to the values of equity, justice, and community by enlarging the sphere of democratic decision making" (Bello 2009b). Referring to Polanyi, deglobalization is about "re-embedding" the economy in society, instead of having society driven by the economy.

Bello (2009b) outlines 11 pillars of his 'deglobalized' paradigm:

1. Production for the domestic market must again become the center of gravity of the economy rather than production for export markets.
2. The principle of subsidiarity should be enshrined in economic life by encouraging production of goods at the level of the community and at the national level if this can be done at reasonable cost in order to preserve community.
3. Trade policy — that is, quotas and tariffs — should be used to protect the local economy from destruction by corporate-subsidized commodities with artificially low prices.
4. Industrial policy — including subsidies, tariffs, and trade — should be used to revitalize and strengthen the manufacturing sector.
5. Long-postponed measures of equitable income redistribution and land redistribution (including urban land reform) can create a vibrant internal market that would serve as the anchor of the economy and produce local financial resources for investment.
6. Deemphasizing growth, emphasizing upgrading the quality of life, and maximizing equity will reduce environmental disequilibrium.
7. The development and diffusion of environmentally congenial technology in both agriculture and industry should be encouraged.
8. Strategic economic decisions cannot be left to the market or to technocrats. Instead, the scope

of democratic decision-making in the economy should be expanded so that all vital questions — such as which industries to develop or phase out, what proportion of the government budget to devote to agriculture, etc. — become subject to democratic discussion and choice.

9. Civil society must constantly monitor and supervise the private sector and the state, a process that should be institutionalized.

10. The property complex should be transformed into a "mixed economy" that includes community cooperatives, private enterprises, and state enterprises, and excludes transnational corporations.

11. Centralized global institutions like the IMF and the World Bank should be replaced with regional institutions built not on free trade and capital mobility but on principles of cooperation that, to use the words of Hugo Chavez in describing the Bolivarian Alternative for the Americas (ALBA), "transcend the logic of capitalism."

Bello's deglobalization paradigm is akin to Sklair's concept of socialist globalization. According to Sklair, socialist globalization is a "system of transnational practices in the economic, political, and culture-ideology spheres", in which producer-consumer cooperatives (P-CCs) of various types are the characteristic institutional form for economic transnational practices (2002: 302). Sklair points to examples of "tiny seeds of socialist globalization struggling to flower in capitalist countries": popular budgeting initiated by the Brazilian Workers' Party (PT) in Porto Alegre, Brazil (among the case studies analyzed later in the paper); the Women's Support Network of the Self-Employed Women's Association (SEWA) in India; and the rural women's cooperatives and the International Committee for the Promotion of Chinese Industrial Co-operatives in China. Through these examples, Sklair highlights the relationship between participatory democracy, civic engagement, and well-being.

Sklair envisages self-governing communities of P-CCs entering into larger political and/or economic units on the basis of genuine democratic decision-making. In the culture-ideology sphere, socialist globalization would "provide spaces for a wide variety of cultural and ideological practices and values that positively encourage universal human rights and ecological sustainability" (2002: 305). The globalization of human rights is at the core of Sklair's concept of socialist globalization.

Table 2 compares the priorities of capitalist globalization and socialist globalization.

Table 2. Reallocating resources from the priorities of capitalist globalization to the priorities of socialist globalization

From Capitalist Globalization	To Socialist Globalization
Export orientation	Revival of local economy
Foreign borrowing to service debt	Renegotiate foreign debt
Austerity measures to pay the debt	Local economic expansion
Shrinking state	Community control of the local economy
Export zones processing imported components	Exports linked to local economy
Race to the bottom for wages and conditions to attract investment	Increased wages to stimulate local economy
TNC and finance-driven economy	Economy driven by producers and consumers co-operatives
TCC-driven competing states system	Democratic unions of producer and consumer co-operatives
Culture-ideology of consumerism	Culture-ideology of human rights on a global scale

Source: Sklair, Leslie (2002) *Globalization, Capitalism & Its Alternatives* Oxford: Oxford University Press, p.311 (Table 11.1).

Market socialism

Sklair’s concept of socialist globalization reflects the basic tenets of market socialism. According to Miller (1989), there are two main pillars of market socialism – the market economy and the state. The market economy produces most goods and services, but within a distributive framework established and enforced by the state. As far as possible, firms should be constituted as worker co-operatives. The second pillar, the state, is comprised of government agencies directly involved in the provision at least in the supply of public goods such as transport system and environmental protection, and in guaranteeing rights to welfare. Also, the state ensures participatory form of politics in which at some time each citizen has an opportunity to add his voice to a dialogue.

Miller points to five functions of the socialist state (1989: 295-298): (a) *protective* by safeguarding persons and the resources and benefits that accrue to them from encroachment by others; (b) *distributive* by allocating and re-allocating resources to meet standards of distributive justice; (c) *economic management* by regulating the economy so that it satisfies the criteria of efficiency: controlling aggregate demand so that both labor and capital stocks are fully employed, ensuring that particular industries are competitive, directing investment so that new capital is put to most productive use, disseminating information to make consumers make the right choices, and economic forecasts to allow enterprises to plan their future activities, and providing training programs for people; (d) *provision of public goods*; and (e) *self-reproduction* by ensuring that strong sense of citizenship is maintained/supported, ensuring formal mechanisms for political participation are working, and the education system supports this value.

Miller recognizes the charges leveled against market socialism – it is irrelevant, unwanted and incoherent. Table 3 summarizes Miller’s defense of market socialism against these charges.

Table 3. Defending market socialism (MS)

Critique	What market socialism can do
MS implies that workers want to run their own firms, but there is no real evidence that they do.	Large majority of workers see work in instrumental terms (material success; means of increasing standard of living) - people’s predominant attitude to work. But all that matters is that there is <i>some</i> interest in self-management, “so that the machinery of industrial democracy does not atrophy” (Albert 1989: 326). Here the evidence is encouraging. “...there are a small minority of workers who value industrial democracy strongly enough to risk opting for it even in a predominantly capitalist environment, a small minority who barely value it at all, and a large group in the middle who would like to have more control over their work but for whom this value is outweighed in present circumstances by economic necessity. Market socialism, as a political program for transforming the economy, would tap this latent demand not fully revealed in current behavior.” (ibid: 327)

Table 3 (Continued). Defending market socialism (MS)

Critique	What market socialism can do
<p>MS requires a belief in greater equality, but again there is no evidence that people find equality an appealing idea.</p>	<p>There are two egalitarian elements of MS in the realm of resource distribution:</p> <ol style="list-style-type: none"> (a) Attempts to reduce income differentials to some fraction of those that currently exist under capitalism. MS “strategy of allowing primary incomes to be determined chiefly by the market, but framing the market in such a way that incomes bear a closer relation to effort and ability – and hence fall within a narrower range – chimes well with existing attitudes” (ibid: 328); ability and effort are unequally distributed thus equal allocation of income is not appealing; people’s income ought to reflect their ability and effort; and (b) Provides income supplements, in cash or in kind to those in need; politically engineered distribution according to need (ibid: 329) like in welfare states; welfare rights as a matter of distributive justice. MS assumes that most people will earn their primary income through the labor market; places strong emphasis on regulating investment so that enterprise creation matches the demand for work. <p><i>Practical condition for shift to socialist view:</i> strengthening of communal ties; “the growth of ethos of common citizenship in which welfare rights are seen as expressing the obligations we owe to one another as members of the same political community” so that the “quest for equality becomes linked to the quest for citizenship” (ibid: 330).</p>
<p>MS requires that people participate actively in political decision-making but the vast majority prefer to leave this task to the professional politicians</p>	<p>There are evidences on the following:</p> <ol style="list-style-type: none"> (a) a rising number of people with more education desiring a higher degree of political interest and activity; (b) decline in authoritarian values; people are more inclined to question established institutions; (c) Increases in leisure time create spaces in which participatory institutions could emerge; and (d) correlation exists between democracy at work and enhanced sense of political efficacy.
<p>MS exposes workers more directly to the play of market forces. In so doing it will erode support for redistributive policies.</p>	<p>Self-management alone does not create egalitarian values. “The solidarity and equality enjoyed inside the co-operatives does not necessarily extend to a vision of society in which these relationships are universalized” (ibid: 332). The crucial factor is the general political setting in which the co-ops exist. It is important that “alongside their role as enterprise members, workers should have an active role as citizens, a vantage point from which they have to confront such issues as poverty and welfare provision directly” (ibid: 333). Self-management and citizenship are complementary, not substitutes to each other.</p>
<p><i>MS attempts to combine economic markets, political regulation and radical democracy; but in practice workers will simply use their new-found power to subvert the market.</i></p>	<p>There are three factors which make MS potentially less vulnerable to political degeneration than contemporary capitalism (ibid: 334-335):</p> <ol style="list-style-type: none"> a. Industrial structure. Under MS, large conglomerates likely to be broken down into smaller units; less tendency to monopoly or oligopoly; tend to discourage cartels b. If outcomes of socialist market economy will be widely perceived as fair and legitimate, this will dampen down attempts to alter them politically c. The political institutions of MS are explicitly designed to encourage citizenship and to discourage the political pursuit of private or sectional interests <ul style="list-style-type: none"> • In MS, creation of legislative institutions in which dialogue on matters of common concern rather than interest-aggregation is the normal mode of politics • Constitutional structure which hives off specific decisions, e.g. capital investment, to semi-autonomous bodies

Miller, David (1989) *Market, State and Community: Theoretical Foundations of Market Socialism*. Oxford: Oxford University Press.

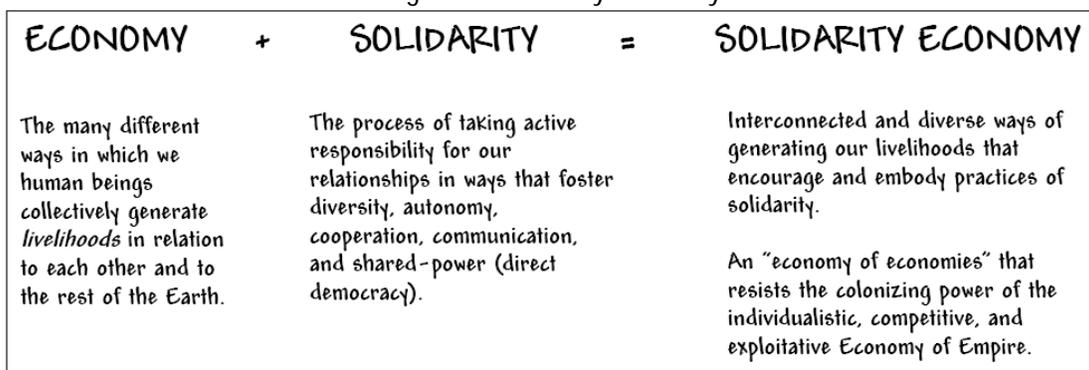
Miller stresses that an economic case for market socialism alone is doubtful as a sufficient propellant and that other demands acquire increasing importance: demand for self-direction at work; demand for increasing say in government; and demand to live in a fairer society. "There is a need to think of ways in which these incremental demands can be met incrementally;" that "we should not envisage the transition to socialism as a sudden, once-and-for-all affair" (ibid: 336). As initial steps, Miller proposes the following: (a) think of ways of sponsoring a co-op sector within the capitalist economy; (b) provide for those who are already committed to self-management; (c) act as beacon to others who are held back by the belief that workers are incompetent to control their own firms; and (d) look for political reforms that draw ordinary people into the making of decisions (ibid).

Solidarity economy

Market socialism finds expression in what Ethan Miller (2009) advocates as solidarity economy. Solidarity economy is comprised and expressed in a motley of diverse, locally-rooted, grassroots economic projects and initiatives such as household economies, worker and consumer cooperatives, barter economies, community currencies, fair trade organizations, mutual aid collectives or self-help organizations, etc. Miller stresses that although 'these islands of alternatives in a capitalist sea' are "small in scale, low in resources, and sparsely networked" these projects and initiatives "are building the foundation for what many people are calling 'new cultures and economies of solidarity'" (2009: 16).

"Solidarity economics" which emerged in Latin America in the mid-1980s and blossomed in the mid to late 1990s, is the "process of identifying, connecting, strengthening and creating grassroots, life-centered alternatives to capitalist globalization, or the Economics of Empire" (Miller 2005: 6). Solidarity, which is at the core of solidarity economy, is taken as to mean as "the dynamic, collective process of taking active responsibility for our inter-relationships on both a local and global level" (ibid). The other shared values of solidarity economy are: unity-in-diversity, shared power (as opposed to power-over), autonomy (always both individual and collective), communication (horizontal, not top-down), cooperation and mutual-aid (shared struggle), and local rootedness, global inter-connection.

Figure 1. Solidarity Economy

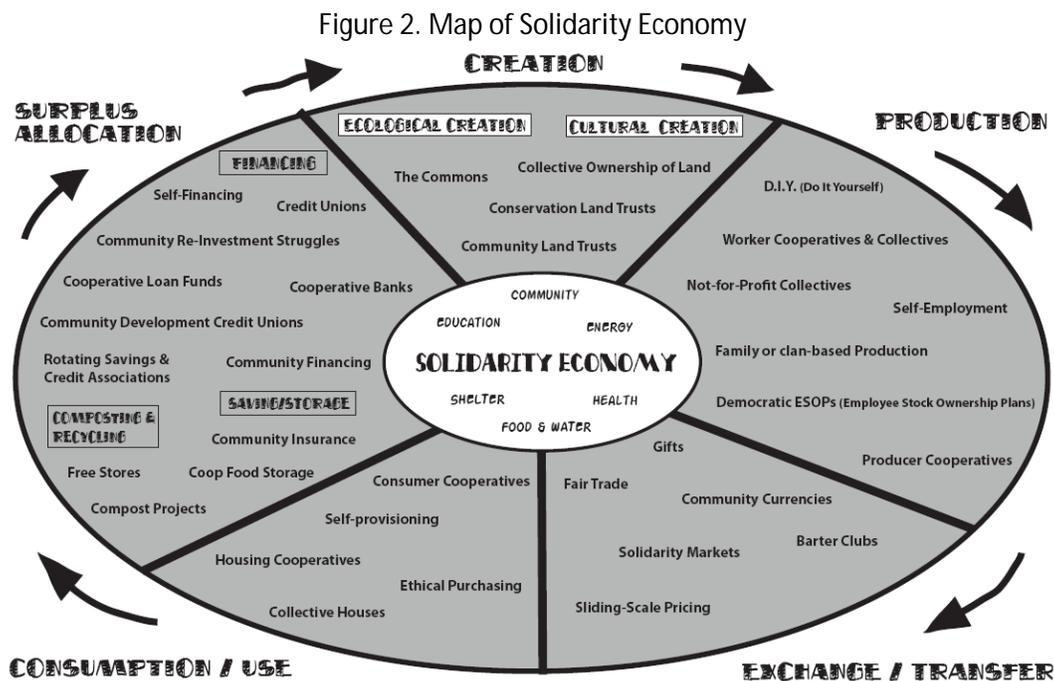


Source: Miller (2005: 6)

Miller (2009) outlines below the main tenets of solidarity economics:

- (1) It redefines economic space itself by embracing “a plural and cultural view of the economy as a complex space of social relationship in which individuals, communities, and organizations generate livelihoods through many different means and with many different motivations and aspirations-not just the maximization of individual gain” (ibid). Other economies are possible and capitalism is not *the* economy.
- (2) It “rejects one-size-fits-all solutions and singular economic blueprints, embracing instead a view that economic and social development should occur from the bottom up, diversely and creatively crafted by those who are most affected” (ibid: 20).
- (3) The “process of networking diverse structures that share common values in ways that strengthen each” is perhaps the heart of solidarity economics. “Mapping out the economic terrain in terms of “chains of solidarity production,” organizers can build relationships of mutual aid and exchange between initiatives that increase their collective viability. At the same time, building relationships between solidarity-based enterprises and larger social movements builds increased support for the solidarity economy while allowing the movements to meet some of the basic needs of their participants, demonstrate viable alternatives, and thus increase the power and scope of their transformative work” (ibid).

Miller emphasizes that solidarity economics is a strategic organizing process in all facets of economic life more than a structural economic model. Figure 2 provides a map of the solidarity economy landscape.



Source: http://www.populareconomics.org/ussen/webfm_send/11.

Miller (2009) admits that despite the tremendous potential for building concrete local, national, and even global networks of solidarity-based support and exchange, this potential is barely realized. And while strong solidarity-economy networks linked with growing social movements are increasingly being created in some countries, notably Brazil, Argentina, Colombia, Spain, and Venezuela, such networks

have barely begun in many other countries. Nonetheless, Miller is encouraged by the growing interest of researchers, activists and social movements questioning capitalist economic dogma and exploring alternatives and the new wave of grassroots economic organizing taking place among the working class.

Diverse economy

Solidarity economics' emphasis on the existence of other economies resonates the diverse economy discourse of the feminist economic geographer J.K. Gibson-Graham in *The End of Capitalism (As We Knew It)* and *A Postcapitalist Politics*. For Gibson-Graham, a re-reading of the economic landscape calls for the destabilization of capitalocentrism, "the hegemonic representation of all economic activities in terms of their relationship to capitalism—as the same as, the opposite of, a complement to, or contained within capitalism" (<http://www.communityeconomies.org/papers/rethink/rethink7diverse.pdf>). This they do through a number of theoretical strategies: (a) deconstruction of familiar economic representations, (b) production of different representations of economic identity, and (c) development of different narratives of economic development (ibid).

Figure 3 represents Gibson-Graham's conceptualization of a diverse economy.

Figure 3. A diverse economy

A Diverse Economy

<i>Transactions</i>	<i>Labor</i>	<i>Organizational Form</i>
MARKET	WAGE	CAPITALIST
ALTERNATIVE MARKET <i>Local trading systems Alternative currencies Underground market* Co-op exchange Barter</i>	ALTERNATIVE PAID <i>Cooperative Self-employed Indentured* In kind</i>	ALTERNATIVE CAPITALIST <i>Environmental ethic Social ethic State enterprise Non-profit</i>
NON-MARKET <i>Household flows Gifts Indigenous exchange Theft*</i>	UNPAID <i>Volunteer Housework Family care</i>	NON-CAPITALIST <i>Communal Independent Feudal* Slave*</i>

The shaded area represents activities (excluding those marked with *) that we might place in the 'community economy' (see below).

Note also that the table is designed to be read as columns rather than rows—non-capitalist enterprises participate in markets, for example, and volunteers may work in the capitalist sector.

Source: <http://www.communityeconomies.org/papers/rethink/rethink7diverse.pdf>.

Gibson-Graham and their colleagues at the Community Economies Collective argue that locating noncapitalist activities and seeing them as prevalent and sustaining may provide more possibilities of participation in their creation. Representation is powerful and that visibility (or social recognition) as a project has transformative force. "Part of fostering a different economy involves cultivating a language

of economic difference, within which alternative economic projects can be conceived, and through which alternative economic subjects can be validated and come to self-recognition" (Community Economies Collective 2001: 97).

Thus an alternative discourse of economy (discourse of diverse economy) requires the transformative and energizing force of language and recognition: *"language is the principal ingredient and major product of our conversational adventures. Without a language in which to identify and name different economic practices, we are at a loss when describing or performing noncapitalist activity, trying to carve out a discursive space for it (ibid: 128). A "politics of re-presentation" is a requisite for a different society and economy" (ibid).*

4. Towards a 'new' socialist alternative?

Nearly three decades of crisis after crisis has ignited re-thinking and debate among the socialist Left on re-kindling the socialist project, building post-neoliberalism scenarios, and/or developing visions, policy frameworks towards an alternative development model outside the capitalist canon.

What is evident in the recent writings of the socialist Left is the emphasis on transformation at the level of the state.

To begin with, states are the authors and mediators of neoliberal globalization. Contrary to globalization theorists that globalization has diminished the role of the state Panitch (1994) argues the contrary. Citing what Stephen Gill aptly termed as a 'new constitutionalism for disciplinary neoliberalism' i.e. European Monetary Union (EMU) and other European Union regulations, WTO agreements, North America Free Trade Agreement, etc. states have become "authors of a regime which defines and guarantees, through international treaties with constitutional effect, the global and domestic rights of capital" (Panitch 1994: 64). Echoing Poulantzas (1974) thesis of the role of the state in the international reproduction of capital, Panitch stresses that "The concentration of power by transnational capital did not take power away from the state;" (1994: 66) rather, "the state intervenes precisely in this very concentration" (Poulantzas 1974: 70-88; cited in Panitch 1974: 66-67). He goes further to argue that "the role of the states remains one not only of internalizing but also of mediating adherence to the untrammelled logic of international capitalist competition within its own domain, even if only to ensure that it can effectively meet its commitments to act globally by policing the new world order on the local terrain" (ibid: 71-72).

While not denying that international economic and trade agreements such as the NAFTA, Maastricht and the WTO agreements "have restricted the capacity of nation-states (or regions) to follow their own national (or local) development models", Albo argues that these "limits on state policy are to a significant extent self-imposed" (2004: 132).

It is in the light of the above discussions that Panitch stresses the centrality of the state as "the political source of capitalist power, globally and locally: the state's guarantee of control of the major means of production, distribution, communication and exchange by private, inherently undemocratic banks and corporations" (2004: 86-87), in posing an alternative to neoliberal globalization. And because the "international constitutionalisation of neoliberalism has taken place through the agency of states ... there is no prospect whatsoever of getting to a *somewhere else*, inspired by a vision of egalitarian, democratic and cooperative world order beyond global competitiveness, that does not entail a

fundamental struggle with domestic as well as global capitalists over the transformation of the state” (ibid: 87).

In this regard, Panitch points to the necessity of a reorientation of strategic discussions on the Left “towards the transformation of the state rather than towards transcending the state or trying to fashion a progressive competitive state” (ibid: 87).

The first requirement of strategic clarification on the Left must be the recognition that it must seek the transformation of the material and ideological capacities of states so that they can serve to realize popular, egalitarian and democratic goals and purposes. This does *not* mean attempting to take the state as it is precisely organized and structured and trying to impose controls over capital with these inappropriate instruments. Nor does it mean trying to coordinate such controls internationally while resting on the same state structures. The point must be to restructure the hierarchy of state apparatuses and reorganise their *modus operandi* so as to develop radically different material and ideological capacities. (ibid: 88)

Clearly, understanding and analyzing the state agency becomes imperative for initiating and sustaining social transformation. According to Poulantzas, the capitalist “state apparatuses organize-unify the power bloc by permanently disorganizing-dividing the dominated classes, polarizing them towards the power bloc” in order to maintain the power bloc’s long-term hegemony over the dominated classes (2000: 140). These state apparatuses comprise the executive and parliament, the army, the judiciary, various ministries, regional, municipal and central apparatuses, and the ideological apparatuses i.e. the church, schools, etc. (ibid: 133). In this regard, the problematique of the accession of power of the popular masses and their political organizations “within a perspective of transition to socialism does not stop at the taking of state power: it must extend to the transformation of the state apparatuses. But such transformation always presupposes that state power has actually been taken” (ibid: 138).

...the formation of a Left government does not necessarily or automatically entail that the Left exercises real control over all, or even certain, state apparatuses. This is all the more so in that the state institutional structure allows the bourgeoisie to meet a popular accession to power by permutating the sites of real and formal power.

(b) Even when a Left government really controls state branches and apparatuses, it does not necessarily control the one or ones which play the dominant role in the State and which therefore constitute the central pivot of real power... the organization of the bourgeois State allows it to function by successive dislocation and displacement through which the bourgeoisie’s power may be removed from one apparatus to another: the State is not a monolithic bloc, but a strategic field.

... For each apparatus, including the state administration, the army or the police, is organized around a centre whose effective power is not located at the summit of the hierarchy as it appears on the arena of public office. What are involved here are ... nodes and focuses of real power located at strategic points of the various state branches and apparatuses. (ibid: 138-139).

It is in this context that Panitch insists on “relocating power to the benefit of progressive social forces” (1994: 88). Corollary, it is equally critical to disempower the spaces which the dominant power bloc or the bourgeoisie controls.

Relocating in the state the central terrain of struggle for a socialist project thus highlights the writings of the socialist Left on alternative development visions, policies and strategies.

Motivating vision of a socialist project

For Panitch and Gindin (2000), the 'motivating vision' of a socialist project should incorporate the utopian sensibility with a concern with capacity-building. This vision must encompass at least the following ten dimensions (ibid: 22-24):

1. *Overcoming alienation.* This is not a matter of escaping work in order to fulfill our lives but rather transforming the nature of work as well as giving people outside of the world of work 'the possibility of developing interests and autonomous activities, including productive activities' so that they are no longer 'passive consumers of amusements.'

2. *Attenuating the division of labour.* The principle at the heart of the socialist project – the potential of each of us to become full human beings – cannot be achieved in the context of hierarchical structures 'that obstruct participation or deny equitable access of all workers to equal opportunities for fulfilment and influence.' Because this won't be easy socialists are obliged to begin this process in their own parties, unions, movements, NGO's, offices, plants, universities, etc.

3. *Transforming consumption.* Socialists must recognize that any 'transformation of the relations of production and the organization of work would be conditional a number of other, equally dramatic, changes of life-style and mode of consuming.' This is not only a matter of ecological sanity but of connecting consumers to the decisions about what is produced, the development of capacities for diverse enjoyments rather than the consumption of homogenized commodities, and the expansion of accessible and generally more egalitarian spheres of public and collective consumption.

4. *Alternative ways of living.* The household as a space where glimpses of socialist capacities are afforded suggests that experiments with more communal forms of living that have the potential of extending 'intense, affectional bonds' to a broader supportive community beyond the nuclear family and other forms of household relations can provide 'a compelling point of entry for a prefigurative politics which proposes new kinds of sharing relationships and new kinds of public places.'

5. *Socializing markets.* Bringing decisions about capital allocation into the democratic public sphere, alongside transformations in modes of consumption and ways of living, allows us 'to envision ways of reclaiming and transforming markets and money, so that they become a means of facilitating mutually beneficial exchange based on a mutually beneficial division of labour in an economy with an egalitarian distribution of economic power.' Only these kinds of markets and social relations will allow us to escape the steel bonds of competition that entrap so much of what passes for utopian thinking today.

6. *Planning ecologically.* The socialist project means developing the capacities within each state for the democratic allocation of time and resources and the quantitative and qualitative balance between production and consumption. The goal is to 'maximize the capacity of different national collectivities democratically to choose alternate development paths... that do not impose externalities (such as environmental damage) on other countries, by re-embedding financial capital and production relations from global to national and local economic spaces.'

7. *Internationalizing equality.* Envisioning this type of planning at the national level means developing international alliances and, eventually, an international system that facilitates rather than undermines these efforts. In turn, developing the consciousness and capacities that allows for the building of egalitarian social relations within states must include a growing commitment

to a solidaristic transfer of resources from rich to poor countries and to facilitating the latter's economic development via common struggles to transcend the geopolitical barriers to the development of socialist capacities. This not only means recognizing the existence of contemporary imperialism but coming to terms with the 'geographical conditions and diversities' of working class existence and learning how to 'arbitrate and translate' between these diversities and spacial scales in reviving socialist politics.

8. *Communicating democratically.* Socialists need to give priority to developing a vision and strategy for a diverse, pluralist communications media in place of the commodified market-driven media today, so as to allow for the capacities for intelligent collective dialogue to grow as well as to nurture the capacities for rich cultural development. 'For a renewed collective debate about the fundamental principles of social organization to be possible, and for a new socialist project to be articulated and get a hearing, a new media order is needed.'

9. *Realizing democracy.* The whole point of a socialist project conceived in terms of developing individual and collective capacities is make the deepening and extension of democracy viable. This entails the most serious commitment to conceiving and trying to establish the types of representation and administration that contribute to breaking down the organizationally reinforced distinctions between managers and workers, politicians and citizens, leaders and led, and to overcoming the barriers that separate what we are from what we might become.

10. *Omnia sint communia.* Progressive intellectuals in our time have devoted enormous energy to trying to get around what was obvious to many pre-Marxist utopians, that is, that you simply cannot have private property in the means of production, finance, exchange and communication and at the same time have an unalienated, socially just and democratic social order; and that you cannot begin to approach a utopia on the basis of the acquisitive and competitive drive. There is no way of rekindling socialist imagination so long as this basic principle is obscured, not least because doing so avoids all the difficult questions about making democratic collectivist capacities into real potentialities.

For Panitch and Gindin, building capacities and finding the organizational means to accumulate the capacities to develop an alternative to capitalism are key to realizing 'concrete utopias'. These capacities are developed in the concrete popular struggles of people around the world to assert their humanity.

A socialist economic policy

Albo meanwhile attempts to become more specific in proposing a socialist economic policy, which he defined as "the development of democratic capacities for control of the transformation of economic structures towards egalitarian ecologically-sustainable reproduction" (2004: 132). This socialist economic policy is oriented towards market disengagement and market control and democratic planning and coordination. It recognizes alternative development models, "that there are variable ways of organizing economic and ecological relations, and of managing the external relations between diverse models", and re-defines full employment "in relation to the maximization of voluntary participation of the adult population in a socially-useful paid work at full-time hours for solidaristic wages" (2004: 134-135). At the core of this policy is full employment.

Albo outlines the following 10 key principles of a socialist economic policy which he emphasizes should be seen as transitional and as "a strategy to move in the direction of full employment and alternate development models" (ibid: 135-143 for details of each of these principles).

- (1) Inward-oriented economic strategies will be necessary to allow a diversity of development paths and employment stability.
- (2) Financial capital must be subjected to democratic controls on debt payment and capital mobility.
- (3) Macroeconomic balance requires not only aggregate demand management but also new forms of investment planning and collective bargaining norms.
- (4) Reducing unemployment will entail both less work and a redistribution of work.
- (5) A 'politics of time' should extend beyond setting standard hours to consider re-allocation of work-time and free-time.
- (6) Productivity gains in the labour process should be negotiated against the requalification of work. [Here Albo focuses on training for long-term, broad skills; theoretical as well as practical knowledge; and skills that extend worker autonomy over the labour process. Life-time education should be the goal.]
- (7) The requalification of work should be linked to quality production within a quality-intensive growth model. [This model encourages workers' skills and capacities, incorporates resource-saving and durable production techniques, and produces free time, collective services and quality products.]
- (8) The decline in work-time allows the administrative time for workplace democracy.
- (9) Local planning capacities will be central to sustaining diverse development of full employment. [Albo points to decentralized popular planning in self-managed community services.]
- (10) Socialist economic policy should encompass new forms of democratic administration. [For example, a national employment policy allowing decentralization of decision-making at local boards and providing local communities a more active role in establishing production, employment and training priorities.]

Participatory economics

The collapse of the Soviet and Eastern European states in 1989 defamed socialism as an alternative to capitalism. Even to this day, it is hard to 'sell' socialism as an acceptable and viable alternative to capitalism. However, one could argue that socialist values such as egalitarianism and participatory democracy have never characterized any of these countries. Albert and Hahnel (1991) stress that the original socialist vision has never been tried, not because it is impossible but owing to the absence of a coherent theoretical model of how such a system could work. Recognizing the weaknesses in the original socialist vision, these authors went on to develop a new economic model which they called participatory economics or ParEcon for short.

According to Albert, ParEcon is built on four institutional commitments (2009: 5-7).

First, in parecon people participate in economic life via nested workers and consumers councils that repeatedly arise whenever people seek to control their own economies, as most recently in Argentina. The added feature of parecon's councils is a commitment to self managed decision making...

Second, remuneration in a parecon is for effort and sacrifice, not for output or bargaining power.

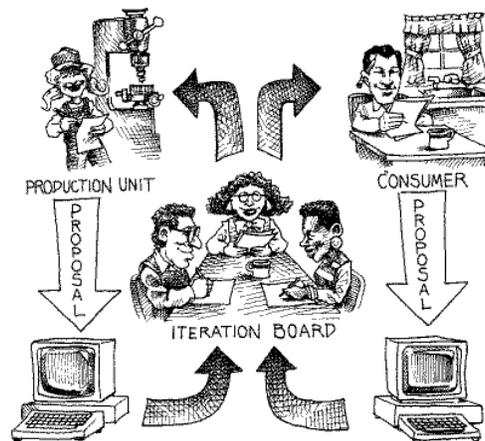
Third, participatory economics needs a new division of labor. If a new economy were to remove private profit, utilize self managing councils, and remunerate effort and sacrifice, but were to simultaneously retain the current corporate division of labor, its commitments would be inconsistent.

Finally, fourth, what if we have lots of workplaces and communities that are all committed to having workers and consumers councils, to using self managed decision making procedures, to

having balanced job complexes, and to remunerating for effort and sacrifice, but, in addition to these features, we opt for central planning or for markets for allocation? Would this constitute a new and worthy vision?

ParEcon rules out markets and central planning and instead focuses on participatory planning through the worker and consumer councils. Thus private property is removed and thus private ownership of the means of production. Albert (2009) illustrates in Figure 4 how the process of participatory planning is carried out in a participatory economy.

Figure 4. Participatory planning in ParEcon



Source: Albert (2009: 9).

According to Figure 4, "Worker and consumer councils propose their work activities and consumption preferences in light of best available and constantly updated knowledge of true valuations of the full social benefits and costs of their choices. Councils engage in a back and forth cooperative communication of mutually informed preferences" (Albert 2009: 8).

ParEcon advocates for a classless division of labor and proposes a new institutional feature called "balanced job complexes". This would mean "jobs would be systematically re-designed throughout the economy ... what we do is we re-design jobs so that they are balanced between skill and design work on the one hand, and the doing of the physical work, the less desirable or less empowering work." Importantly he adds that "We also systematically change the education system to democratize access to expertise and information and training, we integrate this with the system of production itself" (Wetzel 2003).

Participatory Economics also proposes an alternative consumption principle, for those who are able to work based on the principle: *To each according to their work effort or sacrifice*. "The idea here is that your effort or sacrifice is really the only thing that is under the voluntary control of each person, and so it is thus the only equitable way to determine consumption shares. Once jobs are "balanced," as proposed by Participatory Economics, the level of sacrifice or effort required by jobs will tend to be similar, so size of consumption shares, based on work, would tend to be equalized, and consumption differences would be mainly determined by how much each person chose to work, and perhaps modified by considerations of need as determined by the particular community (ibid).

Few worker-controlled and run factories in Venezuela, in particular Inveval in Carrizal, Miranda state, a valve factory formerly called Constructora Nacional de Válvulas (CNV) which was expropriated by the state in 2005, are moving toward developing a socialist factory model that incorporates many features of participatory economics. [Inveval is among the case studies analyzed in chapter 3 of this paper.]

Socialism for the 21st century

The most illustrative and popular, albeit quite controversial, model of the so-called humanist participatory socialism for the 21st century is perhaps Venezuela under Chavez administration. For Lebowitz, contemporary Venezuela under Hugo Chavez is a living and alternative to neoliberalism, imperialism and capitalism. In *Build It Now: Socialism for the 21st Century*, Lebowitz asserts that the Chavez administration has embarked on transforming Venezuela into such a society through its Bolivarian Revolution. He envisions a democratic, participatory socialism for contemporary Venezuela with strong emphasis on workers' self-management and local democracy. For Lebowitz, socialism for the 21st century puts primacy on human needs and human development: "the goal is the full development of human potential. Socialism is the *path* to that goal" (Lebowitz 2000: in Lindenfeld).

Although Venezuela is still a capitalist country, Lebowitz argues that since his first election to the Presidency in 1998, Hugo Chavez has been slowly moving to implement a humanist socialist vision of a social economy based on solidarity. Some of the basic tenets of the Bolivarian Revolution are in fact embodied in the 1999 Constitution. It stresses that the goal of society must be the full development of every human being and that participation and protagonism is "the necessary way of achieving the involvement to ensure their complete development, both individual and collective." The Constitution also requires the state to protect and promote cooperatives.

Azellini (2009) points out that initially the overall goal of the Chavez administration was a "humanistic and solidary economy", but since the end of 2005, it has been seen within a frame of socialist transformation as Venezuela is on a declared path toward a so-called socialism of the twenty-first century. The same author is quick to emphasize that this so-called socialism of the 21st century "is not a defined concept, but a discussion of a project in development. Values such as democracy, participation and freedom are—in contrast to the implosion of state socialism and the failures of representative democracy—considered as central. Therefore, of central importance has been the democratization of the economy and the transfer of power to the base through the community councils (*Consejos Comunales*)" (2009: 171).

In 2007, President Chavez reinforced this vision of a humanist participatory socialism by introducing what he called "the elementary triangle of socialism": social ownership of the means of production, social production organized by workers and production for social needs and purposes make up this triangle.

Figure 5. The elementary triangle of socialism



Source: Lebowitz, Michael A. (2010) 'Socialism: the Goal, the Paths and the Compass', The Bullet E-Bulletin No. 315, February 20, 2010; <http://www.socialistproject.ca/bullet/315.php#continue>; accessed 22 Feb 2010.

Lebowitz (2010) describes the dynamics of the elementary triangle of socialism.

Firstly, social ownership of the means of production is the way to ensure that our communal, social productivity is directed to the free development of all rather than used to satisfy the private goals of capitalists, groups of producers, or state bureaucrats. Secondly, social production organized by workers permits workers to develop their capacities by combining thinking and doing in the workplace and, thus, to produce not only things but also themselves as self-conscious collective producers. Thirdly, satisfaction of social needs and purposes is the necessary goal of productive activity in the new society because it substitutes for the focus upon self-interest and selfishness an orientation to the needs of others and relations based upon solidarity.

Since 2001, the Chavez government enacted a number of reform measures: to expropriate idle land and distribute it to peasants, to support cooperatives, to provide for microfinance, and to obtain greater revenues for the state from oil (Lebowitz 2000). (Petroleum accounts for about 90% of Venezuela's total export income.) Many of Venezuela's social programs are funded by the government's oil income.

Although the 1999 Constitution explicitly promotes cooperatives as a mode of production and social relations, most of the new co-ops to date are small and scattered. According to Lebowitz, more than five percent of the labor force now works in cooperatives. Although the government's expropriation policy of closed industrial plants aims to turn over to their workers these plants, the setting up of cooperatives has occurred in only several large plants. It remains uncertain whether even with government support the cooperative sector can expand to become the dominant form of production and exchange relations in Venezuela.

What animates Lebowitz of the contemporary Venezuelan model of socialism (in the making) are: the attempt of the government to create a democratic and participatory economy through the creation of communal councils in urban and rural areas with some decision-making powers at the local level; and the development of co-management in state firms. [Participatory economy in Venezuela is among the case studies reviewed in Chapter 3 of this paper.] Lebowitz finds these two developments towards socialism encouraging and stresses the transformative power of these two processes: "Since people develop through their activity, antagonistic democracy in the community and workplace will change

them, and over time, they become people who understand this particular partnership between workers and society that can build the new society" (Lebowitz 2000; cited in Lindenfeld, <http://www.geo.coop/node/154>).

Lebowitz clarifies that co-management in Venezuela is closer to the Yugoslav model of self-management than to the German co-management system which became a form of worker co-optation. Co-management here refers to democratic participation with an emphasis on balancing the self interests of workers with those of the society as a whole.

Co-management in Venezuela differs with the Yugoslav model of self-management in that it avoids the mistakes of the former. In the Yugoslav model, "What was missing was a sense of solidarity with society as a whole, a sense of responsibility to and responsibility for society. Instead, the emphasis was upon self-orientation, selfishness" (Lebowitz 2005). Lebowitz highlights the marked difference of the Venezuelan form of co-management:

Co-management implies a particular kind of *partnership* -- a partnership between the workers of an enterprise and society. Thus, it stresses that enterprises do not belong to the workers alone -- they are meant to be operated in the interest of the *whole* society. In other words, co-management is not intended only to remove the self-interested capitalist, leaving in place self-interested workers; rather, it is *also* meant to change the purpose of productive activity. It means the effort to find ways *both* to allow for the development of the full potential of workers and also for every member of society, *all* working people, to be the beneficiaries of co-management. (ibid)

Lebowitz recognizes the inevitability of difficulties and contradictions in introducing co-management in Venezuela: "The main danger in introducing any change in productive relations is that the old ideas and familiar patterns will penetrate into the new relations and make them simply new forms of the old. This is how new relations are deformed and discredited" (ibid). He therefore stresses that democratic discussion, persuasion, and education, and the desire for unity will be important elements in the process of legitimizing co-management in Venezuela.

We need to recognise that co-management is a *process*. It is a process of learning, and it is a process of development. The very idea that people develop through their activity (a central concept of Marx) should help us to understand that co-management will change people and that, over time, it will produce the people who understand this particular partnership between workers and society that can build the new society. That recognition will help us to be tolerant of the initial errors of others and self-critical of our own mistakes; and, that process of mutual respect is a condition for the success of co-management.

An assessment of the on-going process of transformation towards 21st century socialism in Venezuela is not an object of this paper. Nonetheless, a paper by Azzellini (2001) critically discusses the dilemma of cooperatives and co-management that have emerged in Venezuela. While many entrepreneurs and the managerial staff of state-owned enterprises sees co-management (congestion) within the logic of social partnership (thus mere democratization of capitalist social relations), the union, many employees and part of the state apparatuses understand it as an interim step in the transformation process toward full worker control of companies in the future as part of building socialism in the 21st century (ibid: 185-186). Azzellini adds that:

To date, no overall political approach regarding the recovered companies exists, or at least it is not visible in the form of concrete politics. Moreover, while from above—mainly by the president—a certain policy is set, in the various institutions, programs, and states, no uniform

policy still exists. Frequently—as in the case of the EPS [Empresa de Producción Social, social production company]—there are even no generalized or homogenous criteria. Many institutions and their employees also seem to be more concerned with the production of quantitative statistics than experimenting with alternative economic and labor models of organization.

At the same time, there are many successful initiatives that exist solely because of the scope of the measures in relation to the relatively short period of time they have been applied. There has also been a significant growth of independent initiatives from below that can be readily observed. The transformation process in Venezuela is still very open and flexible. As Chávez recognized publicly on January 28, 2007, and discussed during the months before by organized workers takeovers, it had been a mistake to turn the employees into partial owners of the factories by distributing shares through a cooperative. Given the experience with mixed ownership models, the state has started to promote the new model of Empresas Socialistas (Socialist companies), where the property is not distributed to the employees and the aim is not any longer a model with mixed ownership. (ibid: 189)

Nonetheless, Hanecker (2007) argues in *Rebuilding the Left* that a revolutionary process - through protagonistic democracy - is taking place in Venezuela under Hugo Chavez's leadership through the state's various initiatives of creating spaces for participation i.e. communal councils, participatory budgeting, co-management schemes in strategic state enterprises, workers' cooperatives. By taking over state power in order to direct state apparatus from a revolutionary perspective, "it is possible, from above, to encourage people to build democratic power from below" (ibid: 149). That "the popular sectors are transforming themselves into the true protagonists of history in that process and the government is creating the foundations for a new state that is built from below" is for Harnecker "the best way of contributing to the struggle against powerful enemies who oppose the humanist, solidarity-filled, socialist world we want to build" (ibid: 151).

The literature by David Miller, Michael Albert, Ethan Miller, J-K Gibson-Graham, Leo Panitch and Sam Gindin, Greg Albo, Marta Harnecker and Michael Lebowitz cited in the previous pages have provided glimpses of how transformation as a continuing and gradual (or incremental) *process* takes shape and how such a process gradually propels people to recognize the possibility and existence of alternatives to capitalism, which in turn gradually capacitates them to act towards the development and construction of these alternatives.

Conclusion

It is evident that contemporary discourses on alternatives to neoliberalism in particular and capitalism as a whole reviewed in this chapter provide an array of alternatives: from the developmental state model of capitalism, to revitalizing social democracy under capitalism (Keynesian approaches, more market regulation), to co-existence of capitalist and non-capitalist systems (mixed economy, solidarity economy, diverse economy, market socialism), to a gradualist approach to a socialist agenda, and to a dramatic break from capitalism.

These alternatives to contemporary neoliberal capitalism may be classified into two major groupings. One group espouses an 'egalitarian'-oriented and ecologically-sound model of capitalism. The other group advocates either a gradual shift to a 'new' socialist project or a dramatic break from capitalism.

There are points of convergence and divergence between these two major groups. In general, there is agreement of both groups on the following: (1) the destructive effects of neoliberalism (self-regulating

markets) thus the need for market control and regulation; (2) an enhanced regulatory role of the state; (3) (full) employment promotion; and (4) except for the participatory economy alternative, a recognition of the role of markets albeit for the socialist-oriented advocates a shift of the role of the market from capital accumulation to a mechanism of equitable redistribution.

On the other hand, the points of divergence of these two major groups are: (1) the first group's belief of the irreversibility of globalization contra the second group's espousal of re-embedding 'financial capital and production relations from global to national and local economic spaces'; (2) the former's focus on export-orientation contra the latter's emphasis on inward- or domestic-oriented production and social relations; (3) the former's maintenance of the capitalist mode of production and division of labor contra the latter's advocacy for social ownership of the modes of production and egalitarian social relations; and (4) the former's espousal of the capitalist doctrine of production for capital accumulation contra the latter's emphasis on production for social needs and total development of human potentials.

Among the socialist-oriented group there are convergences and divergences as well. The points of convergence are: (1) focus on principles and values of cooperation, solidarity, democracy, egalitarianism, mutuality, diversity, and respect; (2) inward-looking or domestic-oriented and ecologically-sustainable production; (2) emphasis on development of human potentials; (3) social or collective control of means of production (with workers' cooperatives or councils as the preferred institutional mode); (4) democratic and inclusive participation in political and economic decision-making in various if not all levels; (5) protection and social ownership of the commons; (5) redistributive role of the state; and (6) internationalizing equality through global-interconnectedness.

However, within this group, the major breaks in ideas and propositions are: (1) recognition of the role of the market as a redistributive mechanism contra the total abolition of markets; (2) mixed economy or diverse economy contra abolition of private property (full collective or social ownership of production); and (3) co-management in enterprises contra workers' self-management. Whether these alternatives advocate for a gradualist and pragmatic approach to an alternative to capitalism or a radical break from capitalism surely determines the differences of propositions of the Left. But as Santos points out, 'the success or failure of economic alternatives and transnational labor solidarity should be judged using gradualist and inclusive criteria' (2006: iv), and 'projects should not be dismissed because they do not immediately present a radical break from capitalism' (Novelli 2008: 172).

What this paper aims to focus on in the next two chapters is the transformative power of 'alternative' struggles, projects and initiatives in developing counter consciousness and alternative/counter discourses and capacities in envisioning and constructing alternatives to capitalism.

Chapter II

Consciousness, Counter Consciousness and Capacities – Enabling Constructions of Alternatives

Introduction

The Economy haunts and constrains us as social beings—we find our life pathways and visions of social possibility hemmed and hampered by its singular capitalist identity (Gibson and Graham, 2001: 14). In spite of this, people have continued to imagine a world beyond capitalism and embark on a variety of alternative forms of economy, which are as yet humble challenges to capitalism. We are particularly interested in the processes of alternative initiatives which provide spaces not only to imagine a world beyond capitalism, but as importantly feel and experience glimpses of a future world. How do people embark on such alternatives living in system which in many ways has colonized even people's imagination? What are the motivations and transformative processes involved in such initiatives? What insights do these initiatives offer to the significant amount of literature on visioning another world?

We argue such questions and insights to be fundamental to the articulation of an alternative vision which can inspire and support peoples' struggle to make significant breakthroughs out of the system. We use here the argument proposed by some Marxist theorists who maintain that "macro-explanations need *micro-foundations*", and elaborated by Little (1991: 196). In supporting such argument, Little argues that "social explanations of macro-phenomena must be such that it is possible to indicate, at least schematically, the mechanisms at the level of local individual behavior through which the aggregate phenomena emerge" (1991: 200). He suggests that "if we take the micro-foundation approach seriously, it is important to identify individual-level motivational structures and forms of consciousness" (ibid: 198). Taking from Little's approach on micro-foundations, and from the Marxist concept that people develop through their activities, we attempt to bring together some of the main issues related to the concept of consciousness and its transformation. Likewise, we are keen to identify some of the key indicators of the process of transformation, aiming at operationalising it for the analysis of the cases studies in the next chapter.

Consciousness and Counter-Consciousness: A Literature Review

Many thinkers have been concerned with consciousness and its powerful potential for transformation. Marx sees consciousness as "a function or attribute of social systems of activity, drawing its content and structures (or forms) from the differentiated systemic links, and not restricted simply to the reflection of an object in the perception of a subject" (Mamardasvili, 1986: 103). "It is not the consciousness of men that determines their existence, but their social existence that determines their consciousness" argued Marx in *A Contribution to the Theory of Political Economy (1859)*. As people change their circumstances they also transform themselves. This is the concept of revolutionary practice, that Marx (*Thesis on Feuerbach*, 1845) sees it as "the coincidence of the changing of circumstances and of human activity or self-change." Marx stressed that "it is only through the process of experimentation undertaken by the masses that the move is made from the economic to the political through *circumstances and people themselves being changed simultaneously*. It is in this revolutionary practice that this process of the development of consciousness becomes entrenched. And it is through this that *the class in itself becomes the class for itself* (Harnecker 2007: 59; Marx 1963).

Marx's framing of consciousness has been highly influential and inspiring in the study of the social transformations throughout the twentieth century. Marx (1859) saw transformations in the social order (superstructure) led by changes in the economic foundation (base). However, he distinguishes between the material transformation of the economic conditions of production and the ideological (legal, political, religious, artistic or philosophic) forms in which men become conscious of this conflict and fight it out (Marx, 1859). He maintains that the transformative consciousness "must be explained from the contradictions of material life, from the conflict existing between the social forces of production and the relations of production" (ibid). What Marx meant with base and superstructure and how one determines or influences the transformation of the other has been highly debated and widely interpreted.

Gramsci for one argued against "a sharp separation between the sphere of economics (production of surplus value) and a sphere of politics (struggle for state power)" (Simon, 1991: 28). Instead he argued that social relation of civil society (the sphere of class and popular-democratic struggles and of the contest of hegemony) interpenetrate with relations of production (ibid). This of course has its implications in terms of social transformations. Simon notes that "although *Prisoner Notebooks* contains many references to base and superstructure, this is in effect replaced in Gramsci's thought by his concept of *historical bloc* to indicate the way in which a hegemonic class combines the leadership of a bloc of social forces in civil society with its leadership in the sphere of production" (Simon, 1991: 84). To Gramsci, "the task of creating a new hegemony, in opposition to that of capitalist class, can only be achieved by means of transformation of popular consciousness, of people's ways of thinking and feeling, of their 'conceptions of the world', and of their standards of moral conduct" (Simon, 1991, 26). Gramsci uses the term *common sense* to describe the general conception that every human being has on the world. The concept is rather broad and is often "confused and contradictory, containing ideas absorbed from a variety of sources, which tend to make and accept inequality and oppression as natural and unchangeable" (Simon, 1991: 26). But common sense for Gramsci contains also positive elements such as people's practical activity, their resistance to oppression making it a space in which the dominant ideology is constructed, but it is also contested (ibid). Gramsci sees here the enormous potential for transformation of common sense nurturing the nucleus of contestation "into a new, coherent, socialist common sense" (Simon, 1991: 27).

Following on Marx and Gramsci, Freire talks of conscientization or critical consciousness, "as the ability to analyze, problematize (pose questions), and affect the sociopolitical, economic, and cultural realities that shape our lives" (Pepi, 2004). In the same line, Freire maintains that "we all inherit beliefs, values, and thus ideologies that need to be critically understood and transformed if necessary" (ibid). For such transformation to happen, Freire suggests praxis and dialogue: praxis referring "to the ongoing relationship between theoretical understanding and critique of society and action that seeks to transform individuals and their environments". Pepi (2004) points to Freire's argument that "people cannot change a given situation simply through awareness or the best of intentions, or through unguided action" but "we, as active subjects, must continuously move from action to reflection and from reflection upon action to a new action".

Constantino's *Neocolonial Identity and Counter-Consciousness*, seems to argue along similar lines with Gramsci. To Costantino (1978: 31), consciousness "is the manner by which a society in its development explains the world and views itself. But more than that, it is the recognition of the changing nature of social forms therefore it is an awareness of the necessity for basic and hence revolutionary change." Reviewing the work of Constantino, Haji (1979: 217) sees the journey to consciousness involving "a long and cumulative process beginning in "counter consciousness...the reaction against the prevailing

consciousness and becomes consciousness when it triumphs" (Constantino 1978: 32). Haji (ibid) argues that consciousness is not just an abstract or metaphysical thing; it is a material force. As consciousness undergoes changes in conformity with the changing social base (or the mode of production), "Consciousness as an impediment in the realm of the spirit is compounded by consciousness as a material force" and as such, "changes in the material base are delayed by the weight of consciousness itself as consciousness is imprisoned by the relatively unchanging base" (Constantino 1978: 32). Haji further argues that for Constantino, "consciousness is an operative, dynamic force for change" (ibid).

Similarly to Gramsci, Constantino seems to suggest a complex structure of consciousness. Although it has as its main characteristic a "dynamic force for change" it carries with it a 'conservative bloc' which clings on to the existing dominant material base and the dominating ideology. This seems to be reinforced by the very definition of the concept of 'consciousness' which is at the same time the interpretation that society attaches to the world and itself – the current consciousness, but has also the potential for revolutionary change – the future (transformative) consciousness.

Counter consciousness is thus 'retrieving' the consciousness that breaks away from the 'imprisoning logic of capitalism'. We are specifically interested in the process of counter consciousness – the change in the internal balance of different constituting blocs of consciousness in favour of consciousness as a revolutionary force. Constantino sees counter consciousness as the start of a long and cumulative process in building the (transformative) consciousness. Gramsci too argued for developing this positive site of the common sense. How does this process of 'retrieving' happen? Which are the conditions or other elements which facilitate such a process? Here Constantino's observations are likewise helpful. He argues firstly on the importance of the context. He sees counter-consciousness as emanating "from the matrix of present consciousness, and it must be a response to local conditions and local needs" (Constantino, 1978: 278). It is not possible according to Constantino to import a ready-made counter-consciousness and it is even dangerous to do so. He argues that "while it is true that material conditions and the activism necessary to change them will inevitably call forth a counter-consciousness, it is likewise true that the quality of this counter-consciousness will also depend on the level of intellectualization of those who think for and on behalf of the forces for change" (1978: 278).

The concept of consciousness is used vastly in the literature concerned with social transformation and at times is labeled differently. Gibson-Graham's *An Ethics of the Local* is particularly concerned with processes of transformation at the individual level. Following Connolly (1999: 46), they introduce the concept of 'politics of becoming' as "a process through which we would not only begin to envision other worlds, but also cultivate ourselves and others as possible inhabitants", and "without an active politics of becoming, such potentialities can easily become reintegrated into old discourses..., rather than directed toward new ways of being" (Gibson-Graham 2006: 51). Embarking in a project of transformation from "local economic *subjects*, who are acted upon and subsumed by the global economy" into "subjects with economic *capacities*, who enact and create a diverse economy through daily practices both habitual (and thus unconscious) and consciously intentional", Gibson-Graham bring up important questions. They see the practices of self-transformation in the domain of economy closely related/dependent on the existence and visibility of other relations (outside the capitalist framework). Connolly's conceptualization of the subject "as a being that is already shaped and as one that is always (and sometimes deliberately) becoming" is of great importance in the process of "active self-transformation". To Connolly, such self-transformation "functions as micropolitical process that makes macropolitical settlements possible". The authors argue that, "if the economy is a domain of historicity and contingency, other economies can be produced, and producing them is a project of politics". To Gibson-Graham "this suggests that we could move beyond capitalism and the economic politics of

opposition “within” it” and that these other economies open new spaces for micro-political processes of self-transformation, which in turn make possible changes at the macro-level.

The experiment of building community partnerships, to which Gibson-Graham refers in their project of exploring micro-processes of transformation, is an attempt to move beyond capitalism from within. Although aware that these community partnership initiatives were related to the formal (capitalist) economy, Gibson-Graham saw the great potential of such initiatives in the individual processes of transformation. Indeed, as Lebowitz (2008; cited in Harnecker, 2008: 61) points out “even though the needs that they attempt to satisfy do not in themselves go beyond capital, the very process of struggle is one of producing new people, of transforming them into people with a new conception of themselves – as subjects capable of altering their world”.

Gibson-Graham argues for a concept of diverse economy to address ‘capitalocentrism’ – “the hegemonic representation of all economic activities in terms of their relationship to capitalism—as the same as, the opposite of, a complement to or contained within capitalism”

<http://www.communityeconomies.org/papers/rethink/rethink7diverse.pdf>). Recognizing the fact that many people are involved in other forms of economy intentionally or not, Gibson-Graham argue that “our noncapitalist economic identity as such is not brought into language and visibility and our desires for non-capitalism are not kindled” (ibid). In this regard, Gibson-Graham emphasizes the transformative and energizing force of *a language of economic difference*, within which alternative economic projects can be conceived, and through which alternative economic subjects can be validated and come to self-recognition”. Moreover, visibility or social recognition of noncapitalist economic identities is the first major step towards a process of becoming – of being actively involved in creating non-capitalist practices.

Hence, counter consciousness expressed in framing processes must create material bases – here to mean concrete alternatives - that challenge the predominant captive consciousness shaped by capitalism and its institutions. These material bases and the processes of building them may well fit into what Panitch and Gindin (2009) have in mind in explaining Bloch’s concept of ‘concrete utopias’:

And what is especially important is that conceiving freedom and justice on the terrain of capacities leads beyond mere dreaming: it links the ideal to the possibility of change and so to what is politically achievable. This is what Bloch meant by ‘concrete utopias’ which, always operating on the level of ‘possibility as capacity,’ incorporate the objective contradictions that create an opening for socialist goals (‘capability-of-being-done’), the subjective element of agency (‘capability-of-doing-other’), and therefore the possibility of changing ourselves and the world (‘capability-of-becoming-other’).

To Panitch and Gindin, building capacities and finding the organizational means to accumulate the capacities to develop an alternative to capitalism, are key to realizing ‘concrete utopias’.

The analysis of consciousness and other concepts related to it provided in this section, points to some important points for consideration in the process of consciousness transformation. Our interest on unearthing that specific critical stage when consciousness transforms into counter-consciousness and becomes transformative consciousness, that stage in which the balance tilts towards ‘the coherent common sense’ has been partly satisfied by the literature we were able to review for the purpose of this research. However, the shift of balance is a complex, non-linear process and is context specific.

Retrieving consciousness is not merely an individual action of meditation, rather such process is 'helped' and 'supported' by the practice of acting collectively. Indeed, as Webster et al (2008: 9) put it, 'while global restructuring undermines agency through demoralization and depression, creating a sense of worthlessness and a corresponding lack of capacity, participation in movements transforms these self-destructive feelings, generating empowerment, creativity and determination to resist'. This same argument is made also by Harvey (2000 in Webster et al, 2008: 9), who capturing the key to this psychological transformation questions, 'Where, then, is the courage of our minds to come from?' Such courage is spawned by the spirit of movement, since genuinely democratic movements assert the innate value and creativity of persons, liberating the victims of restructuring from the dungeon of their commodity status (Webster et al, 2008: 9). The transformative consciousness is then to be conceptualized as a product of collective struggle, of people actively changing their circumstances or what Marx calls 'self-change' and as importantly seeing themselves as subjects of transformation.

The visibility of 'other' economies and a language of economic difference provide important spaces for 'retrieving' counter-consciousness and developing the 'coherent common sense'. The quality of counter-consciousness is partly conditioned on having an 'independent change agenda' or vision for social transformation (the contribution of intellectuals). The process of counter-consciousness is multi-dimensional and it carries along and/or produces processes of empowerment and of discovering and developing new capacities, which are shaped and shape non-capitalist practices.

To conclude this section, we argue that the trade union movement and the broader labour movement have an enormous potential in the process of social transformation. Their organizational power can be a powerful source of developing counter consciousness and of empowering people, of building capacities and accumulating those capacities to develop alternatives to capitalism. The historical engagement with the capitalist system to negotiate better conditions for workers has to be complemented with their serious engagement in developing and strengthening the framework of other economies. Capitalism is not The Economy. Alternative and other economies – people's economies - which are based on human needs and relationships and not in competition and profit-making are at the center of many non-capitalist micro economies. Forms of solidarity economy built on the principles and values of cooperation, equality, self-determination and democracy already exist and/or taking shape in any parts of the world. These forms include household economies, barter economies, collective economies including cooperatives, worker-controlled economies, subsistence market economies, community budgeting, community-based local currency exchange system, ethical trading, and many more.

The following chapter analyzes the transformative power of these alternative economies and production systems.

CHAPTER III

CONSTRUCTS, SEEDBEDS, ISLANDS AND IMAGES OF ALTERNATIVE ECONOMIES

This chapter reviews and analyzes several case studies on alternative economies at the micro level as well as state-led citizen democratic participation initiatives. The researchers encountered difficulties in gathering good case studies that are published. Many of the case studies initially gathered lacked the critical elements and discussions that the researchers identified in the analysis of the transformative power and viability and sustainability of alternative forms of economies. These critical elements and aspects include the following:

- politico-economic and historical context
- motivations, goals and objectives
- actors involved (coverage of target beneficiaries, membership)
- structures and processes
- programs and strategies
 - Development of counter consciousness
- impact and outcomes
 - On target beneficiaries
 - On the community
 - On the economy
- indicators of success and failure (and the framing process)
 - facilitating and constraining factors
- impact: critical factors in the development of counter consciousness
- prospects
 - lessons learned
 - viability and sustainability issues

About 13 case studies among about 40 that the researchers have been able to gather substantially met the above critical elements and aspects. Many of the interesting social experiments on alternative systems and approaches in many parts of the world have yet to be comprehensively and coherently documented and studied. Thus the limited number of published case studies does not mean that alternative initiatives and schemes are lacking.

The 13 case studies selected involve worker-run and managed factories in Venezuela (3), Argentina (2) and India (1); a general union of agro-livestock cooperatives in Mozambique; waste pickers cooperative organized by SEWA in India; recycling and micro-credit cooperatives in Brazil; a micro-finance cooperative of women home-based workers and other informal workers in the Philippines; a community partnering project in Australia; participatory budgeting in Brazil; and the social economy project of Quebec in Canada.

The major question that this chapter sought to address is: *How do various forms of people's solidarity economies and worker/people-centered production systems become spaces or provide spaces for the development of counter consciousness and concomitantly build capacities for the development of projects, initiatives and economies beyond the capitalist logic and/or envisaged as alternatives to capitalism?*

In order to address this major research question, the researchers formulated the following questions:

1. How is alternative/counter consciousness developed and shaped in various forms of peoples' economies, solidarity-based schemes and democratic projects?
 - a. How is counter consciousness translated into the organization's framing processes (identity and purpose and interpretation of the external threats and opportunities), policies, structures, organizational processes and strategies, and outputs?)
2. How do various forms of alternative peoples' economies, alternative production systems and democratic projects facilitate and/or constrain the development of an alternative/counter discourse to capitalism?
3. How do various forms of alternative peoples' economies and democratic projects facilitate and/or constrain the development of capacities to construct concrete alternatives?
4. Have trade unions and other workers' and peoples' organizations/social movements (agencies) been successful in building capacities to concretize alternatives?
 - a. How? What are the indicators of success?
5. Which factors facilitate and/or constrain the capacity of these agencies to build capacities for constructing alternatives?
6. What have been the outcomes of these alternative initiatives? Have the goals been achieved?
 - a. What are the indicators of success?
 - b. What have the initiatives/alternatives delivered?
7. What factors significantly made the initiatives (more) successful?
8. What is the transformational and sustainability potential of the initiatives?
9. What has been the outcome and impact of the alternative initiatives on the following:
 - a. Beneficiaries' economic situation
 - b. Beneficiaries political orientation
 - c. Organizational identity and purpose
 - d. Organizational structures and processes
 - e. Capacities developed to sustain initiatives

The previous chapter reviewing existing literature on alternative systems and processes is complemented by an analysis of select published case studies. This chapter does not discuss in detail the individual specificities of the selected case studies as these are already available in the literature. Rather, a general analysis and an assessment of the selected case studies using the critical elements and dimensions as well as the questions listed above are presented. Generalizations are then drawn which are then linked to the literature on alternatives to capitalism discussed in chapter 2. A good follow up to this research would be the conduct of new case studies on alternative forms of economic arrangements, solidarity-based projects and/or alternative production systems.

A similar undertaking was done earlier by Boaventura de Sousa Santos and colleagues. In *Volume II: Another Production is Possible: Beyond the Capitalist Canon* (2006) edited by him, a review of literature on alternative production systems and the literature on cooperatives, alternative development and ecological alternatives to development highlights both the links and gaps within and between the literature and the projects. Several case studies are provided and analyzed. Eight generalized theses are then culled from analyses of the case studies (ibid: xlviii-lviii).

1. *Production alternatives are not only economic: their emancipatory potential and their possibilities for success depend to a great extent on the integration of economic transformation processes and cultural, social, and political processes.*

2. *Collaboration and mutual support networks of cooperatives, unions, NGOs, state agencies and social movement organizations are key to the success of production alternatives..One of the most important factors in the creation, survival, and growth of production alternatives is the existence of a broader social movement that helps create them and preserve their integrity.*
3. *Struggles for alternative production and new forms of labor solidarity should be promoted both inside and outside the state.*
4. *Initiatives on alternative economic organization and labor solidarity have to operate simultaneously at different scales.*
5. *The deepening of participatory democracy and the advance of economic democracy are two sides of the same coin.*
6. *There is a strong connection between new struggles for alternative production and labor solidarity and struggles against patriarchy.*
7. *The success or failure of economic alternatives and transnational labor solidarity should be judged using gradualist and inclusive criteria.*
8. *Production alternatives and new forms of cross-border labour mobilization should seek synergy-based relationships with alternatives in other spheres of the economy.*

Certainly, these generalized theses are taken into consideration in the analysis of the case studies reviewed in this chapter.

In addressing the major research question, three major interrelated assumptions are posited in this paper. One, that alternative people's economies, alternative production systems, and state-initiated democratic participatory schemes may have the potential to become spaces and/or mechanisms for the development of counter consciousness (which may be expressed as, borrowing from Hickey (u.d), 'independent change agenda') that challenges the logic of capitalism. They are a product of peoples' struggle to survive and work with dignity. Two, that these spaces, projects, and initiatives are a reflection or 'materialization' of an alternative discourse (and practice) to capitalism. They are among the organizational means to build and accumulate capacities to develop and sustain alternatives (Panitch & Gindin 2009). Finally, these projects, schemes and initiatives are both a consequence and determinant of an emerging counter (alternative) consciousness seeking an independent change or transformative agenda. As such they provide essential insights on a new language of struggle.

Figure 6 is the analytical framework used by the researchers in analyzing the case studies. Various forms of people's solidarity economies and worker/people-centered democratic production and economic planning systems are considered as spaces and/or mechanisms or seedbeds for constructing alternatives to capitalism to the extent that these spaces can provide opportunities or chances for the development of alternative/counter consciousness challenging capitalism's logic (or at least neoliberalism) and capacitating people to act accordingly. This is because many of these spaces, projects and initiatives are reflections or 'materialization' of an alternative/counter discourse (and practice) to capitalism. Here, the transformative power potential of these projects and initiatives is emphasized.

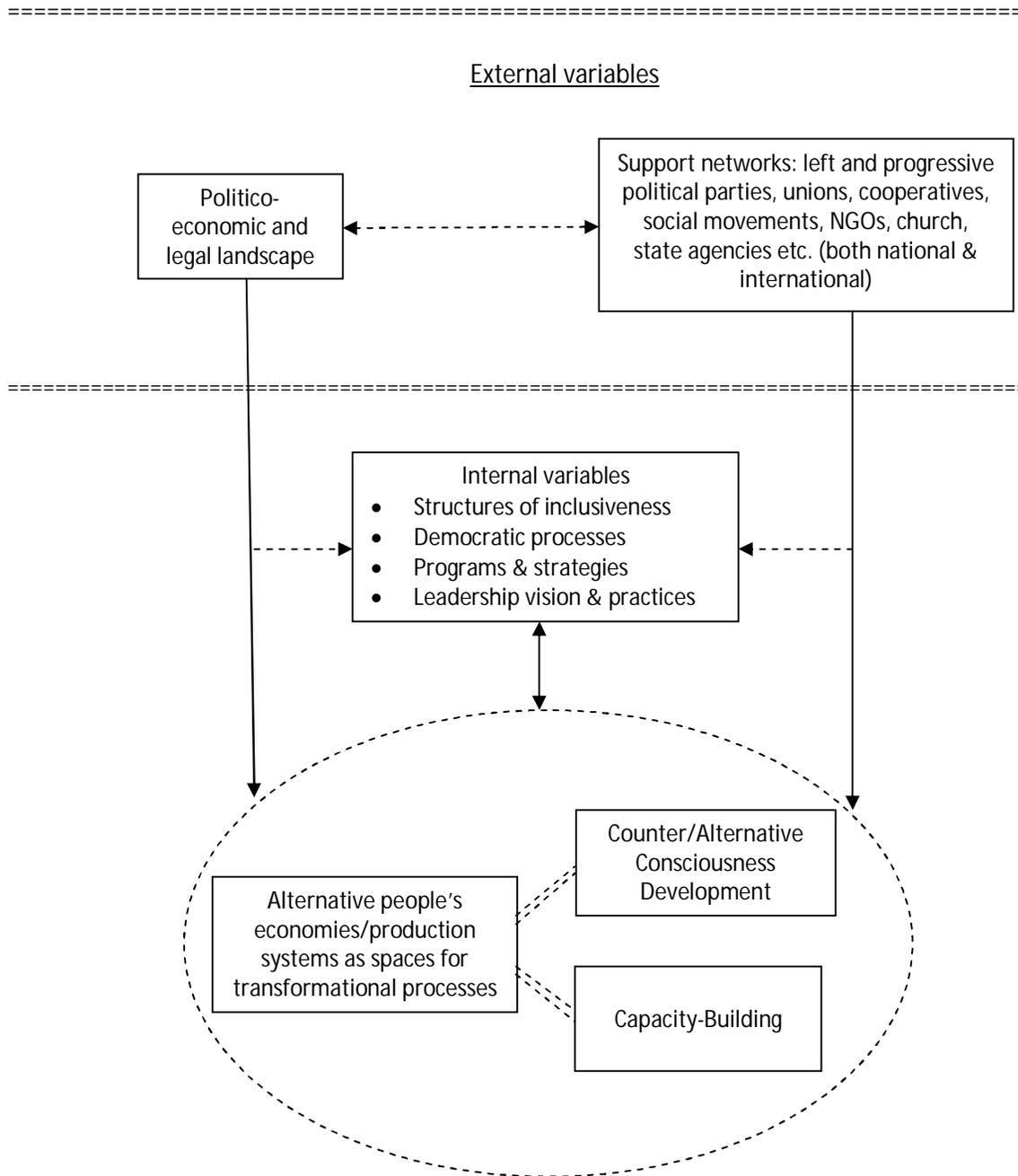
There are two sets of variables that affect the transformative power of these undertakings and initiatives. Depending on certain contexts, these variables may either constrain or facilitate this transformative power. The two major external variables are: politico-economic and legal landscape and

the existence (or absence) as well as the extent of support or solidarity networks such as left and other progressive political parties, unions, cooperatives, other social movements, church, state agencies, etc. The politico-economic and legal landscape may in turn affect not only the existence of these support or solidarity networks but their scope and extent of operations and support as well.

A number of internal variables also affect the transformative power of alternative people's economies and production systems. These variables include structures (degree of inclusiveness), processes (internal democracy), programs and strategies and leadership. The dynamics of these internal variables may either facilitate or inhibit transformational processes in these spaces. Also, these internal variables may be influenced by the two external variables. For example, a law that allows for broader membership coverage of cooperatives expands the inclusiveness dimension of cooperative structures. Another would be a law or regulation that encourages involvement of all citizens in budget planning at every level of the political structure. Support networks like non-government organizations meanwhile, apart from providing financial support, may provide leadership and organizational development training for members and/or beneficiaries and potential leaders that could help in embedding inclusiveness and internal democracy within the organization.

The series of tables in Appendix A sum up the critical elements and dimensions of the 13 case studies selected. Here, it is important to highlight several critical dimensions in the case studies which are relevant to the subject of inquiry of this paper. [The reader is strongly advised nonetheless to refer to Appendix A for background and more information about the case studies.]

Figure 6. The analytical framework



On the worker-run factories/cooperatives

There are six case studies of worker-run factories selected. Three are case studies of joint cooperatives under co-management schemes (51% state-owned and 49% worker-owned) in strategic state enterprises in Venezuela: Alcasa, an aluminum manufacturing enterprise; Invepal, a paper manufacturing enterprise; and Inveval, a valve maintenance and repair factory for the oil industry.

As briefly discussed in chapter one, co-management (cogestión) in Venezuela was set out in the 1999 Constitution of Venezuela as part of the participatory and protagonist democracy of the Bolivarian Revolution under Hugo Chavez. Co-management has been implemented since the beginning of 2005, although as yet there is no legal basis for its existence. Even prior to the 'official' implementation of co-management mainly in state-owned enterprises, co-management was already been advanced in the Alcasa Aluminum factory.

As practiced in Venezuela, co-managed state enterprises have a workers' assembly, an owners' assembly and a board of directors. These structures should be composed by at least 50% of workers functioning as collective decision-making bodies. Co-managed companies (or cooperatives) should be given access to credit and foreign exchange, and the use of government services at a cheaper rate (Azzellini 2009). Companies of 100% private capital, if declared by the state as "public utility companies" or of "social interest", can also be placed under co-management. Likewise, if the shareholders of a company decide, or the company falls into bankruptcy, or stops working without justified reason, co-management can be introduced subject upon a vote among the employees. Given the lack of existing legislation on co-management, different models of co-management have arisen.

Two of the case studies are worker-run factory cooperatives in Argentina: Brukman, a clothing manufacturing factory; and Zanon, a ceramic tile manufacturing factory. In Argentina, the debt crisis accentuated by the severe recession of the late 1990s resulted into many bankruptcies. There was evidence too that the industrial recession was fraudulently used by some owners to de-capitalize their firms, to get governmental credit and divest it for non-production related financial speculation, thereby depriving workers of their earned wages.

Many small and medium-size enterprises defaulted to their creditors and outright declared bankruptcy. The bankruptcy law in Argentina allowed, as one alternative, the formation of cooperatives with government involvement. An amendment to the law was introduced in May 2002 which allows the bankruptcy court trustee to rule that workers could initiate production in the enterprise if majority of workers so agreed. This law however did not guarantee the indemnification of workers for the closing of the factory. Moreover, the law stipulated that the enterprise would continue to be an integral whole until such time that it could be auctioned off to a new buyer. A workers' cooperative is thus not guaranteed priority at the time the factory is auctioned. To date, workers in Argentina continue their struggle for the expropriation (with compensation) of private properties on behalf of the workers.

The last worker-run factory case study involves a wire machinery cooperative in India that produces wires for cranes and other hauling equipment.

Of the six case studies, factory occupation by workers took place four: Invepal, Inveval, Brukman and Zanon. These occupations occurred between 2001 and 2004.

1. *Structures and processes of democratic participation.* There are structures in place that enable the exercise of democratic participation i.e. Workers'/General Assemblies, roundtables of department speakers/representatives, factory council and its commissions, and executive board or board of directors. The Workers'/General Assembly as the highest decision-making body composed of all workers in the factory elects members of the board, the department speakers/representatives and members of the factory council. In Alcasa, the Workers' Assembly (WA) elects all positions in the factory. In Invepal, the WA even elects the president/director of the company which should have been the prerogative of the government since it owns majority (51%) of the joint cooperative. In Inveval, the WA elects the factory manager. Of the ___ cooperatives case studied, it is only Inveval that has a factory council. Both in Alcasa and Zanon, all workers no matter which position is held receive the same amount of pay. Workers' Assemblies are convened either weekly or monthly. In Zanon, the weekly-run WA makes all decisions. In the other worker-run factories, decision-making is shared with the executive board/board of directors/managing committee/direct commission and the factory council (in the case of Inveval). In Alcasa and Inveval, all positions can be revoked or recalled by the WA. In Zanon, no leadership position is permanent.
2. *Capacities developed.* In almost all of the case studies, the workers/owners of the cooperatives have been enabled to run and manage their factories after some period of difficulties brought about by lack of capital. As a number of these factories perform job rotation, workers have been able to acquire new skills and thus perform other jobs. Other capacities that they have developed through the process of running and managing the factories have been: public speaking in protest actions; mobilizations; community outreach; and coalition and alliance-building with other workers in other social production enterprises, peoples' organizations, community councils, NGOs, other social movements, etc.
3. *Outcomes.* Due to a confluence of factors and spatial and temporal specificities of the initiatives, outcomes certainly vary. At the time of the writing of the case studies, Inveval, Brukman, Zanon and the Wire Machinery cooperative in Calcutta seemed to be doing well as evidenced by increased production, increase in the number of employees, and increase in wages/salaries. In Alcasa and Invepal-Covinpa, after production has resumed and increased and more employees hired, these two worker-run factories, production slumped and losses were incurred. It is also interesting to note that this reversal of fortunes came after workers' participation waned as a result of new leadership's lack of enthusiasm on co-management schemes (Alcasa) or outright restriction of employees' participation (Invepal).
4. *Factors critical to more successful outcomes.* The case writers pointed out several factors that may have influenced successful outcomes. These are: (a) various training programs introduced complemented with political education (Alcasa); (b) shortened work hours so to afford various training and education activities in the factory (Inveval); (c) adoption of a new ownership model that is 100% social ownership and 100% worker-managed (inveval); (d) job rotation to overcome social division of labor; (e) state support in the form of guarantees to buy a certain amount of products (Invepal); (e) expropriation laws and minimal seed funding for cooperatives from the state; (f) legal framework promoting the development of cooperatives; (g) some businesses supporting local cooperative factories (Brukman); (h) strong political work; (i) existence of support networks (workers from other factories, unions, communal councils, cooperatives, student organizations, NGOs, etc.); (j) strong community outreach/integration with the community; and (k) the critical role of the local unions in: organizing workers' councils (Alcasa and Inveval); organizing internal school for political education; organizing recall referendum for a corrupt factory president (Alcasa);

confronting repressive factory administration and carrying out a democratically run factory with impressive outreach to the community (Zanon); leading the transformation of the enterprise into a worker-run factory (wire factory cooperative).

5. *Constraining factors.* These factors are also identified in the case studies: (a) lack of commitment of leadership particularly government-representatives in employee participation (in the case of co-managed/joint cooperatives Alcasa and Invepal); (b) contestation between leftist currents and traditional union representatives at the factory (Alcasa); (c) lack of transparency and accountability and corrupt practices of factory directors and management (Alcasa and Invepal); (d) workers' continuous struggle to have the state buy their products (Invepal); (e) state's apparent bias towards capitalists/big entrepreneurs (Brukman and Zanon); (f) lack of adequate working capital; and (g) corruption in government in the procurement of orders (Wire Machinery cooperative).
6. *Indicators of emerging counter (alternative) consciousness.* The authors/researchers deduced these indicators from the case studies selected. Some of the case studies readily talk of the development of a consciousness of emancipation and transformation after becoming aware of the inequalities and injustices they have suffered. These indicators have been: (a) the act of factory occupation itself and subsequent occupations until workers have successfully occupied the factories; (b) the expressed desire among workers for more and full control of the factory; (c) continuous experimentation of a factory model not based on the capitalist mode of production (shift to a socialist factory model); (d) continuous engagement in political work, alliances, joint struggles with other workers, unions, cooperatives, poor peoples' organizations, NGOs, and other social movements; (e) pursuit of job rotation to overcome alienation of workers and social division of labor (between manual and intellectual work); (f) workers' proposal of a new distribution model where their products are to be given away for free to the state- and social-owned enterprises in exchange for a certain amount of money paid by the state according to their own needs and the needs of the local community (Invepal); and (g) community integration of the factory: workers see their factory at the service of their community and not the market (Zanon).
7. *Critical factors in the development of counter (alternative) consciousness.* Here again the authors/researchers deduced these indicators from the case studies selected although some of the case studies identified some of these factors. In the case studies, the development of counter (alternative) consciousness have been influenced by: (a) the workers' struggle to get back to work in their factories for survival; (b) the workers' self-awareness of the inequities and injustices they have been suffering due to the exploitative nature of the capitalist mode of production and the dominant labour process; (b) the experience and learning of running and managing factories themselves; (c) continuous political education and activism within and outside the factory; (d) the experience of collective ownership of the means of production offered the workers a strong critique of capitalism's modus operandi; and (e) the self-confidence developed in running the factories rekindled the workers' consciousness of an alternative path to development and collectively struggle for it.

To avoid acquiescence and possible cooption, cooperatives under co-management schemes with the state must also include the organized community. The co-management scheme seemed to fare better in Alcasa and Invepal in Venezuela and Zanon in Argentina where the organized community is integrated into the work of these worker-run factories.

In short, a transformative consciousness is gradually developed in these spaces through the workers' fight for running the enterprise, their expressed enjoyment in working in a worker-run factory, their

willingness to work more than before and feeling satisfied about it, and the priority they give of feeling useful that they are doing something for the community over material concerns. These processes allow them to reach a higher level of self-development (Harnecker 2007: 148-149).

On agricultural and informal workers' cooperatives and micro-lending programs

The case studies selected included three cooperatives and one association of home-based women workers and informal economy workers: Maputo General Union of Agro-Pastoral Cooperatives (Maputo-UGC), a federation of agricultural and livestock cooperatives in Mozambique; SEWA waste pickers cooperatives, comprised of two cooperatives organized among waste pickers in Ahmedabad City, India; the Sao Paulo recycling cooperatives (about 30) and their micro-credit program in Brazil; and the PATAMABA Region 6 micro-lending program among home-based workers and other informal economy workers in Western Visayas (Region 6) in the Philippines.

1. *Structures and processes of democratic participation.* There are structures that promote democratic participation in the cooperatives case studied. These are: (a) the General Assembly (GA) which is the highest policy-making body in Maputo-UGC and in SEWA waste pickers cooperatives. As Maputo-UGC is comprised of 185 agro-livestock cooperatives covering 5,500 members, it created Ares Unions comprised of elected representatives of a group of cooperatives of a particular area. As a holding company (since 1990), its organizational structures include a GA, Board of Directors, Board of Management and Board of Supervision, all democratically elected. In the Sao Paulo micro-credit/recycling cooperatives, a 24-member project management committee drawn from local government, recyclers' movement, NGOs and the university manages the micro-credit program, while in PATAMABA Region 6 a 15-member Regional Coordinating Council and Committee which includes sectoral representatives of home-based workers, small vendors, small transport workers and small service workers is tasked of policy-making and overall management of the micro-lending program.
2. *Capacities developed.* In these cooperatives, members/beneficiaries acquire relevant skills through the provision of training activities. In the SEWA wastepickers cooperatives, women were able to discover new skills and talents i.e. cooking which led to the establishment of another cooperative offering catering services. In PATAMABA Region 6, the women beneficiaries acquired relevant skills for various livelihood activities and in running their own micro-enterprises. Moreover, women reported the capacity to lead in an organization and to do networking and lobbying. The beneficiaries of the micro-credit program of the recycling cooperatives have also acquired experiences in administration and financial control, decide collectively and take up new responsibilities.
3. *Outcomes.* For the SEWA wastepickers cooperatives, the women began receiving regular income plus profits equally distributed among all members. Whereas before they were seen as outcasts among city dwellers, their collective identity emancipated them from seeing themselves as socially and economically oppressed. For PATAMABA Region 6, many women beneficiaries have ventured into various livelihood activities through the micro-lending program. A high repayment rate (97% where the village captains are co-makers) is maintained. Also, many of PATAMABA's members have been enrolled in various social insurance programs by the state, or through local government units, or through the auspices of local legislators. In the case of the Sao Paulo wastepickers micro-lending program, higher income was recorded. For Maputo-UGC, it was among the top 100 largest

companies per volume of trade in 1999. Members receive regular wages above the minimum and are covered by a social security fund. It has maintained several health posts and offers free medical assistance to members and their families. This cooperative federation also owns and runs crèches, primary and secondary schools and a technical/vocational training institute. By providing access to micro-credit, the cooperative has encouraged individual production among members thereby promoting small-scale rural family enterprises. This micro-credit facility was later extended to some poor families outside the cooperatives.

4. *Factors critical to more successful outcomes.* The case studies listed several factors that have been considered critical to successful outcomes. For PATAMABA Region 6, these are: (a) the various values, capability-building and skills training provided by the cooperatives and their partner institutions; (b) strong networking, lobbying and advocacy work; (c) good relationship established with support organizations; membership and representation in local special bodies; (d) good credit record; (e) dedicated and committed leaders and members; and (f) development of credit discipline among members/beneficiaries. For the SEWA wastepickers, the critical success factors are: (a) the trade union-cooperative linkage; (b) SEWA's strong collective influence as an organization beyond the wastepickers membership; and (c) provision of various training programs and cooperative education and literacy program. The Sao Paulo recycling cooperatives' micro-credit program meanwhile point to these critical factors: (a) the municipal government's guarantee of priority to the recycling cooperatives in the city's tender for the collection of recyclables; (b) the high level of organization among the recycling groups; (c) networking based on trust relationships; (d) the empowering effect of outreach activities and action research that elicited participatory management scheme within the cooperatives; and (e) the micro-credit program. Maputo-UGC meanwhile point to several factors that contributed to the success of their cooperative. These are: (a) aggressive and innovative leadership; (b) access to market; (c) production units located in areas with good communication facilities; (d) diversification of products and agriculture and livestock related facilities and services; (e) modernization of cooperatives and production systems; (f) formal and technical training of cooperative members for efficient and transparent management; (g) readjusting its organizational form and objectives to survive economic reforms; (h) financial and technical aid from NGOs and access to credit for investment and technical support for training from People's Development Bank; (i) creation of area unions to coordinate actions of various member cooperatives; and (j) members' access to family plots demarcated in cooperative lands for their own cultivation & technical advice for the family plots.
5. *Constraining factors.* For the Sao Paulo recycling cooperatives, the fluctuation of prices of recyclable materials in the global market as well as the insufficient infrastructure and the lack of human skills necessary for collective commercialization have been the major factors constraining their initiatives. For Maputo-UGC, the following constrain its operations: (a) low indices of production of some of its cooperatives; (b) heavy dependence on external aid and bank loans; (c) increasingly competitive market due to liberalization; (d) imbalance or divide between stronger, more viable cooperatives and weaker, less viable cooperatives; and (e) competition between UGC and the cooperatives for the best workers who are transferred to production units and pilot cooperatives to the detriment of the weaker cooperatives. Meanwhile, the SEWA wastepickers are confronted with harassment from local authorities and the uncertainty of contract renewal for collecting wastepaper from government offices. In the case of PATAMABA Region 6, the constraining factors have been: (a) lack of awareness of some local government officials on the issues of home-based and other workers in the informal economy; (b) insufficient budget to conduct regular monitoring in far flung areas; (c)

natural calamities such as floods and typhoons that destroy livelihoods of beneficiaries; and (d) increased monthly contribution imposed by SSS for social protection benefits.

6. *Indicators of emerging counter (alternative) consciousness.* In all the cooperatives, the associative and collective experience of the members provided opportunities for them to develop a 'collective ownership' consciousness. Through their collective undertakings, members particularly women came to recognize their role as subjects in a transformation. By being able to occupy important decision-making posts in their cooperatives, women assumed a protagonist role. Access to power and resources provided by their organizational experiences have been utilized to overcome difficulties by themselves. Their resolve to rise from past failures indicates an emerging consciousness among these women of their ability to economically empower themselves and assume a protagonist role at home and in the community.
7. *Critical factors in the development of counter (alternative) consciousness.* For the SEWA wastepickers, the PATAMABA Region 6 women members/beneficiaries, and the Maputo-UGC members, their long-term organizational involvement and collective action in improving their conditions empowered them to gain confidence in their abilities to collectively emancipate themselves economically, politically and socially. In the case of the SEWA waste pickers, their collective identity as union members made them reclaim self-respect. Similarly, the inclusive processes, participation and solidarity practices of the Sao Paulo recycling cooperatives empowered the underprivileged and excluded. For all the cooperatives, access to education, technical training, land, credit, employment and a voice in decision-making have emancipatory elements.

On state-initiated and state-supported democratic/popular participatory schemes

Two case studies looked into the role of the state and its institutions in promoting democratic and participatory schemes to create a more-inclusive form of governance. The first studied participatory budgeting (OP, Orçamento Participativo) which was started in Porto Alegre in 1989. The other involves the active promotion and support of the state of Quebec in Canada on the social economy through the Chantier de l'économie sociale.

1. *Structures and processes of democratic participation.* The participatory budgeting (PB/OP) process started in the Workers' Party (PT)-run local governments in Brazil in 1989. Popular assemblies, regional and thematic assemblies, and the Forum of Delegates and the Municipal OP Council are the structures involved in the process. Citizens of each sub-area have a direct voice in the annual allocation of capital investment at the municipal level through the popular assemblies. These assemblies are involved in the preparatory meetings that review the implementation of the previous year's allocations. Priorities for investment are then selected in the regional and thematic assemblies which elect as well councilors to a Forum of Delegates and Municipal OP Councils. The Forum of Delegates assesses needs, reviews and prioritizes works and services requested under each theme. The Municipal Assembly votes for priorities (newly elected councilors take over). The councilors work with the City Participatory Budget Council to harmonize priorities decided by the democratic processes.

In Quebec, Canada, a Summit Conference on the Economy and Employment was held in 1996 at which time the government set up a task force on the social economy. The task force was made up of representatives of unions, women's groups, the Mouvement Desjardins, the government, Hydro-

Quebec, the Conseil de la coopération du Québec (CCQ), community groups and the traditional private sector. The task force was able to define and recognize Québec's social economy model and recommended government's increased support for the social economy. Thus, government financial assistance for the social economy increased from less than \$200m in 1996 to 1997 to more than \$1b annually in 2002 to 2003. About 85% of the government assistance went to home services especially the implementation of childcare centers. The task force eventually became the Chantier de l'économie sociale. It has a general assembly and an elected board of directors. This board of 28 members includes representatives of cooperative and non-profit enterprises, social economy development groups, and large social movement (community, women, labor, environmental, cooperative and culture, leisure and local development movements). The Chantier is tasked to promote the social economy; to support the consolidation, experimentation and elaboration of new projects and fields; to encourage consultation between diverse participants of the social economy; and to ensure these actors are represented within the public domain.

2. *Capacities developed.* The PB/OP experience in Brazil provided the political space to increase the capacity of excluded groups, albeit not the very poor, to influence investment decisions. It motivated formerly marginalized groups to self organize. It facilitated "a learning process that leads to better and more active citizenship" (Souza 2001: 179). The poor learned how to debate, brainstorm and consult among themselves and other members of the assemblies which public projects in the municipality, subject to its resources, should be given priority. Thus its most valuable contribution is the extension of participation and decision-making power to the formerly excluded groups (ibid: 180). By aiming to expand democracy down to the lowest level, PB also politicized the excluded groups.

The case study on Québec's Chantier failed to mention which capacities were developed by the state's initiative to solidify and support the social economy. Nonetheless, it could be surmised from the case study that coordination, networking, partnership-building and collective and participative processes have been involved in the pursuit of the Chantier's objectives. These processes allowed all the actors involved to likewise develop these capacities.

3. *Outcomes.* The PB/OP case studies listed the following outcomes: (a) improved facilities (sewer and water connection, housing, etc.) for the poor; (b) higher transparency through higher participation and influence of the poor; (c) improved accountability due to more people-oriented budget allocation and timely implementation; (d) transformation of political culture from confrontational tactics and corrupt political bargaining (clientelism, populism, patrimonialism, authoritarianism) to constructive debate and participation and civic engagement in governance; (e) opened a debate about 'popular democracy' v. 'representative democracy'; and (f) increased the chances to influence long-term planning.

In the case of Québec's Chantier, the outcomes so far have been the following: (a) formal recognition of the role of the social economy within the socio-economic landscape in Québec; (b) creation of a new financial instrument (RISQ) with \$10m available for socio-economic initiatives; (c) government program spending to the social economy has increased from 0.5% to 2.7% in the period 1996 to 2003, with significant progress in childcare centers, home help service enterprises, labor market integration firms and adapted work centers; (d) changes in legislation on cooperatives which allow for the creation of solidarity cooperatives.

4. *Factors critical to more successful outcomes.* The case studies on PB/OP listed the following factors which have been critical to more successful outcomes: (a) strong organizational capacities of social movements, where they are present, in opposing corruption in local governance and in advocating direct popular participation in decision-making as part of agenda for social inclusion; (b) PB/OP as part of the political agenda of PT (Workers' Party); (c) changes in the Constitution in 1988 making municipalities as federal entities and tax recipients, further improvements in the Constitution in 2000 and 2001 and the setting up of a significant housing fund in 2003; (d) PB/OP participants include leadership that shapes popular opinion, drives social agenda and mobilize communities; and (e) outreach efforts by dedicated municipal staff who are highly aware of the potential of participation to shape local development.

In the case of Quebec's Chantier, the following factors have been critical in the achievement of more successful outcomes of the initiative: (a) the efforts spent in convincing the diverse networks within the social economy to work together within a common goal; (b) the establishment of a clear definition of the social economy; (c) making past achievements more visible; (d) the sector-by-sector strategies that allow for the emergence of new economic activities able to respond to social, economic and environmental needs; (e) the integration of local and regional development policies that would ensure support for collective enterprises; (f) the establishment of new training and funding tools; (g) an environment that encourages consultation and representation; (g) the collaboration of the Quebec government (however imperfect at times); (h) the degree of visibility of different social economy initiatives; and (i) the link between the social economy and the social movements which share the values of solidarity and equity in their struggles.

5. *Constraining factors.* It should be noted that not all municipalities in Brazil implementing PB/OP have had successful outcomes. Souza (2001: 179) lists the main weaknesses (or constraints) of PB/OP: (a) forms of clientelism still survive; (b) civil society is still developing; (c) financial limitations and resources for PB are still scarce; (d) communities tend to stop participating once their demands are met; (d) difficulties persist in broadening participation: they very poor, young people and the middle classes are under-represented; (e) programmes disappoint participants because of the slow pace of public works; (f) cleavages between the PT and the executive; (g) PB risks reification of the popular movement, making it difficult to maintain a clear separation between its role and that of the government; and (h) fragmented decisions and short-term demands may jeopardize urban planning and long-term projects.

For Quebec's Chantier, they are faced with the following constraints: (a) the economy based on communitarian values is far from the dominant view; (b) there are still difficulties in identifying, recognizing and using the term 'social economy'; and (c) suspicion among the participants of the task force motives since the process took place within the limits 'imposed' by the state.

6. *Indicators of emerging counter (alternative) consciousness.* For Souza (2001), PB/OP's most valuable contribution is the extension of participation and decision-making power to the formerly excluded groups. Through participation in the various processes of PB/OP, the poor are also politicized. PB/OP has engendered 'empowerment', "a form of political consciousness that is both critical of existing inequalities and injustices and yet, at the same time, aware of the promise of collective action in achieving progressive reform" (ibid: 165). PB/OP has helped reduce clientelist practices therefore changing political culture predicated by more active citizenship and solidarity. As it provides incentive for the excluded groups to self-organize, it motivates the exercise of citizenship among these groups. In this regard, PB/OP has the potential to sustain non-elite political activism (Souza

2001). That people continue to vote for local government officials that advocate genuine participatory budget processes is a clear indication of an emerging political consciousness.

PB/OP shows on a local level what the Left could do nationally (Harnecker 2007: 136). It provides the space for the transformative Left to demonstrate to people that the Left is actually better; they give people a preview of an alternative route (ibid: 29).

In the case of Chantier, it recognized that the modest gains of the existing initiatives given the dominance of the neoliberal perspective. In this regard, it is actively working towards building a global network within the social economy. The gains of the social economy however modest they are inspire groups and movements to conceptualize larger and more complete strategies that aim to develop a world economy that is based on solidarity.

7. *Critical factors in the development of counter (alternative) consciousness.* The recognition that to expand democracy, the poor have to be politicized is very evident in the PB/OP. The learning process involved in the PB/OP and the process of empowerment that goes with it and the spaces it provided which support self-organization, participation and activism of poor people have been the critical factors in the development of counter (alternative) consciousness.

The participants of the social economy movement in Quebec allowed them to create a different kind of economy and to collectively achieve this as a community. The achievements of the social economy help to shatter the 'capitalist common sense' that neoliberalism is the only model of development.

Community partnering for community and economic development

This was a pilot project initiated in 1999 and 2000 that aimed at developing an alternative approach to community and economic development in the context of the Latrobe Valley, Victoria, Australia, by creating initiatives built on skills, interests and ideas of people who have been marginalized through the restructuring process and generate community-based enterprises that address both social and economic goals. The Latrobe Valley is a resource region that has experienced downsizing and privatization of its major employer, the state-owned power industry in the 1980s. In the past, this was a prosperous region accustomed to full employment and periods of rapid growth. After the privatization, it is now characterized by population loss and some of the highest rates of unemployment in Australia.

This four-stage research project was informed by the techniques of asset-based community development and action research, as well as by discourses of the diverse economy and communities of difference as elaborated by Gibson-Graham in chapter one of this paper. In the two-year span of the project, four community enterprises were developed, each with varying degrees of success within the four years since the project concluded.

1. *Structures and processes of democratic participation.* This pilot project utilized several participatory processes namely: (a) conversations and interviews to bring to light the assets that people already had, as well as the diverse economic practices that they are already engaged in; (b) training workshops (based around communally making and eating food like pizzas) to emphasize collective possibilities, and create an environment of fun and familiarity where people could take risk and 'play

together' with new ideas; and (c) open invitation workshop to brainstorm about how community assets could be directed towards new enterprises.

2. *Capacities developed.* In the course of implementation of the project, people developed the capacity to be an actively involved in shaping the Valley's future development. New community projects were established as a result of the project, which reflect the various capacities of the people involved: community and environmental gardening, making large outdoor decorations, woodworking, and circus skills. In all these enterprises, the people involved learned how to run and manage the enterprises themselves.
3. *Outcomes.* By the end of the pilot project in 2000, the project implementers reported the following: (a) shift the perception of people from that of "economically marginalised" to being already economically active and as having the capacity to be involved in shaping the Valley's future development; (b) a new representation (perception) among participants of the Latrobe Valley as a caring, skilful and learning community; (c) people imagining various ways in they might act on their abilities and ideas; and (d) the establishment of four community initiatives started during the funded project as people with very different life experiences and backgrounds came together to build community projects: the Latrobe Valley Community Environmental Gardens, a non-for-profit incorporated association, to transform an old caravan park into a community and environmental garden; the Santa's Workshop space where people could make large outdoor decorations; the Latrobe Community Workshed as a woodworking workshop; and the Latrobe Cyber Circus which provided opportunities for further skills development.
4. *Factors critical to more successful outcomes.* These outcomes have been facilitated by a host of factors, namely: (a) the role of local agencies such as the council in providing ongoing support for such endeavors ; (b) through the processes of conversation, workshops and fieldtrip people began to identify with the representation of themselves as active economic subjects and contributing citizens; (c) the sociable and meaningful context for training contrasted with obligatory courses members were required to attend in order to receive unemployment benefits; (d) the strategic approach of providing support to the projects, rather than being delivered in blanket form as by a funding grant. Such strategic support has to be given in such a way that it does not hinder a group's capacity to deal with challenges themselves (and even to learn from its mistakes); and (e) the four initiatives were all located within the community economy and still interconnected with the formal economy.
5. *Constraining factors.* Two factors were identified as constraints to the project: (a) an underestimation of the importance of building strong relationships with local institutions such as councils, churches and unions; and (b) the projects' heavy dependence on funding support from political institutions.
6. *Indicators of emerging counter (alternative) consciousness.* Some of the outcomes listed above also pertain to a certain extent to shifts of thinking among the people involved – a gradual shift of consciousness that began with the realization of the causes of their marginalization and the realization that they can become subjects of a transformative project. This is evident in: (a) the shift the perception of people from that of "economically marginalized" to being already economically active and as having the capacity to be involved in shaping the Valley's future development; (b) a new representation (perception) among participants of the Latrobe Valley as a caring, skilful and

learning community; and (c) people imagining various ways in they might act on their abilities and ideas to solve their problems and emancipate themselves from economic deprivation.

7. *Critical factors in the development of counter (alternative) consciousness.* The communities involvement in the various phases and processes in the project and their actual social practice in the enterprises that emerged from the project were critical to a shift of mindset from one of hopelessness to one of being able to shape an alternative path of community development based on the assets available in the community, peoples' skills, interests and ideas. The case study identified four critical factors that contributed to this 'new' consciousness: (a) recognizing 'community' as the call to become something new and different; (b) the hope that other forms of communities do work; (c) a new perception of people on themselves, their capacities and potential, and discovery of new interests; and (d) the inclusive processes which empower people to imagine the various ways in they might act in their abilities and ideas.

From the analyses of the 13 case studies, several generalized lessons and insights can be drawn which are briefly discussed in the next section.

Generalized Lessons and Insights from the Case Studies

1. There are workers cooperatives (particularly those fully owned, controlled and run by workers themselves), solidarity-based micro-economies and state-initiated democratic/popular participatory schemes that provide organizational means and self-education processes for workers to gradually take over, manage and consequently change the modes of production within their workplace and democratize governance at the local government level towards a more egalitarian and human development centered approach.
2. They have the potential to become spaces and means to build and develop greater confidence among workers, as they become aware that they could transform prevailing socio-economic relations.
3. The worker-recuperated and worker-run cooperative movement is a resourceful, pragmatic, micromanaged alternative to continuing poverty and unemployment among the working class (in Argentina). It provides the organizational means for the development & exercise of workers' capabilities to take over production, distribution, marketing, research, advertising, public relations, and above all, political and community outreach (Ranis 2006: 20).
4. To the extent that a number of worker-run factories and other cooperative forms are akin to Gramsci's factory councils, they are expected to further a spontaneous 'self-education' process towards a system of self-managed firms. This is of course predicated on his ideas on the functions that trade unions, intellectuals and the (Socialist) Party are called upon to perform and his notion of hegemony. As factory-based organizations, factory councils allow exercise of workers' control over production and the labor process. Gramsci envisaged factory councils as the "true school for developing the reconstructive capacities of the workers" and the "only means of letting them know in concrete terms that the end of their domination is at hand, since the working class is now aware of the possibility of doing things itself" (1977: 95).

5. It could be said that many of today's worker-run factories (particularly in Latin America) are the contemporary version of Gramsci's factory councils. These worker-run factories/cooperatives serve as a means to motivate production that replaces the capitalist form. They are spaces for experimentation in participatory processes in production. They make workers feel that they are the owners of the means of production (to do the actual work, decide what to produce and how to do it). They are a space for socializing the company to the country (Harnecker 2007: 148).

How transformation takes place in these spaces: fight for running the enterprise, enjoying working in a worker-run factory, working more as before & feeling satisfied about it, less bothered by material things than about feeling useful that they are doing something for the community, allows them to reach a higher level of self-development (Harnecker 2007: 148-149).

6. Depending on a multiplicity of factors, these forms of economic solidarities and state-initiated forms and spaces for democratic citizen participation, have a strong potential to develop several emancipatory elements that are critical to the development of a transformative consciousness:
 - a. Increase self-organization among workers and the poor;
 - b. Sustain workers' and the poor's political activism;
 - c. Enhance direct participation and decision-making among workers and the poor;
 - d. Reduce alienation among workers;
 - e. Enhance exercise of 'citizenship' at the workplace and in the community; and
 - f. Develop a new form of relationship between cooperatives, unions, popular organizations, state apparatuses, and the community based on cooperation, mutuality and democracy;
7. In particular for the case studies involving mostly women, cooperatives and other forms of alternative economic organizations could become spaces for women's 'process of becoming' subjects in a transformation and assuming a protagonist role at home, in the workplace and in the community.
8. A process of political consciousness-raising - 'retrieving the consciousness' – can occur in and through these solidaristic and democratic forms. It involves empowering the workers and the poor to become aware of existing inequalities and injustices so that they could be enabled to change their present circumstances, to change existing mode of production or production systems in their workplace and change the state's system of governance (at least at the local level) through collective action (counter consciousness) and participation.
9. These initiatives and projects are just as much a consequence as a determinant of an emerging counter consciousness (desire for change/alternative).
10. These initiatives and projects are multi-dimensional in nature. Though initially they have obvious economic objectives, they eventually acquire political as well as social dimensions. The development of a political dimension (transformative consciousness) prevents the tendency of complacency to set in when material gains have been met. It holds up the possibility of reverting back to the 'capitalist common sense' by discontinuing the struggle for social transformation.
11. The case studies indicate that there is no single model of an alternative, but rather a collection of experiences with different features. Thus it is quite naïve to search for one logic in the realm of an

alternative. A multiplicity of factors is likely to be responsible for particular emancipatory outcomes in a given place even among similar forms of economic solidarities i.e. worker-run factories/cooperatives. This multiplicity of factors either facilitates or constrains the economic, political and social outcomes of these initiatives. Among these major factors are: the role of the state and the existence of political opportunities for the development of alternative economic organizations, multi-dimensionality of an alternative, its span of outreach or inclusiveness, existence or absence of mutual support networks (local, national & international), and the degree of exercise of participatory democracy.

12. Nonetheless, the case studies provide strong evidence albeit in varying degrees that workers and the poor are capable of taking over and managing the means of production (in the case of workers'/peoples' cooperatives) and address their marginalization through participation in government decision-making (in the case of participatory budgeting and social economy promotion), which experiences provide them greater awareness, confidence and capacity that they could transform prevailing socio-economic relations first in the workplace and in the community and eventually in the larger society.
13. Visibility (social recognition) of perceived 'alternatives' as conceptualized by Graham-Gibson may have a domino effect to the extent that existing initiatives, projects and schemes motivate the pursuit of similar undertakings.
14. In judging the sustainability and replication of these 'alternatives', recognition should be accorded to the multiplicity of factors affecting the outcomes. These initiatives and projects are on-going experiments involving patient and trial-and-error methods and actions in creating new social relations in production and in the community.
15. At the same time, caution should be exercised not to romanticize the more successful initiatives, projects and schemes, but to critically view how factors and forces that contribute to more successful and sustainable outcomes can be maximized and how constraints and obstacles can be minimized.
16. Unions play a critical role in the development of spaces that nurture counter consciousness and transformative consciousness. In the worker-run factories, the local unions were involved in: organizing workers' councils (Alcasa and Inveval); organizing internal school for political education; organizing recall referendum for a corrupt factory president (Alcasa); confronting repressive factory administration and carrying out a democratically run factory with impressive outreach to the community (Zanon); and taking the lead role in transforming the enterprise into a worker-run factory (wire factory cooperative). As a union comprised mostly of women, SEWA's initiative of organizing waste pickers, among others, highlights what a union could do beyond the formal workplace.
17. The role of the state is critical on the outcomes and sustainability of alternative initiatives, projects and schemes. But as the case studies imply, the state (the government) is not one monolithic bloc of interests but rather a constellation of contradicting interests (within and among state apparatuses). This has serious implication on state-led or political leadership transformational agendas such as Hugo Chavez's 21st socialism agenda in Venezuela and the participatory budgeting schemes in Brazil. Control of the state needs to be accompanied as well by transforming state apparatuses, especially those that perpetuate the power of capitalists.

Chapter IV

From Consciousness to Counter-Consciousness to Transformative Consciousness: How Solidaristic, Humanist and Democratic Economic Spaces Motivate the Development of Alternatives beyond Capitalism

A Concluding Chapter

The review and analysis of 13 selected case studies showed how, in varying degrees, worker-run factory cooperatives, cooperatives and micro enterprises of the rural and urban poor and women informal economy workers, state-initiated and supported democratic participatory schemes, and other community-centered projects and initiatives could become spaces for developing counter consciousness – the process of ‘retrieving’ consciousness that breaks away from the imprisoning logic that capitalism is the common sense. This counter consciousness is mirrored by peoples’ continuous struggle to actively change their circumstances, what Marx calls ‘self-change’. Counter consciousness is basically the recognition that just as one’s consciousness is determined by her social existence (social forms), the mode or foundation of this very social existence can be changed. But the march from counter consciousness to transformative consciousness involves a long, slow, difficult and cumulative process of collective learning and struggle, during which people develop new capacities, capabilities and self-confidence that they can be subjects of a transformation to a new social formation. The difficult, distraction-filled and bumpy road to transformative consciousness is a complex, non-linear and context-specific process.

Many of the core concepts, principles, practices and programs offered by the various alternative proposals reviewed in chapter one are reflected in various degrees in the case studies. First, various forms of solidarity economies are articulated in the case studies. The emergence, persistence and resilience of these forms of solidarity economy prove that other economies are possible – the diverse economy discourse - within capitalism. Gibson-Graham stresses the power of visibility or of social recognition: locating non-capitalist activities and seeing them as prevalent and sustaining provides more possibilities in their creation. Indeed, it is through the diverse economy discourse that we could locate forms of solidarity economies as, what Ethan Miller aptly refers, ‘islands of alternatives in a capitalist sea’. Although, save Brazil’s participatory budgeting and to some extent Quebec’s social economy initiative, these cooperatives, labor enterprises and community-based initiatives are small in scale, low in resources and sparsely networked, they are building the foundation for ‘new cultures and economies of solidarity’ (Miller 2009:16). The collective struggles of each of these solidarity-based micro economies are founded on common values and principles: direct democracy, unity-in-diversity, shared power, autonomy, communication, cooperation and mutual aid, local-rootedness and global inter-connection. These are the same values and principles advocated by Bello’s deglobalization paradigm and Sklair’s socialist globalization.

In these diverse, locally-rooted, grassroots economic projects and initiatives are founded some of the basic tenets of market socialism – collective ownership of the means of production, self-management and citizenship in and beyond the workplace. In many of these solidarity economies, market is seen as a distributive mechanism rather than a tool for private accumulation. Market socialism’s emphasis on the role of the state in ensuring participatory form of politics finds expression in the case of participatory budgeting in Brazil.

As discussed in chapter three, the initiatives and projects adopted in the case studies showed how people develop new capacities and capabilities through their activity and their struggles, a central concept of Marx. As micro processes of transformation, they allow the move beyond capitalism from within. This is the very essence of Bloch's concept of 'concrete utopia' - 'possibility as capacity' – which Panitch and Gindin articulated in their 'motivating vision' of a socialist project. Overcoming alienation, attenuating division of labor, transforming consumption, communal forms of living, socializing markets, communicating democratically, realizing democracy, building international alliances to internationalize equality, and abolishing private property are, in varying degrees, the outcomes or achievements of the initiatives and projects of the case studies at least within their organizations and their communities, and at the same time the critical factors that contributed to the development of counter consciousness and transformative consciousness. Similarly, some of the key principles of Albo's socialist economic policy are observed in the case studies, in particular the worker-run factories. These are: 'politics of time' which involves the re-allocation of work-time and free time; the requalification of work which would allow training for long-term, broad skills and skills that extend worker autonomy over the labor process; work-time reduction allowing administrative time for workplace democracy; and decentralized popular planning in self-managed enterprises. Decentralized popular planning is also one of the tenets of participatory budgeting in Brazil.

Some of the elements of participatory economics as advocated by Albert and Hahnel are also visible in some of the case studies particularly the worker-run factories/cooperatives case studies. Self-management is implemented in Inveval, Brukman, Zanon, and the wire machinery cooperative. In the Inveval case study, a workers' council was established. In all these factories, private ownership of the means of production had been abolished and a new division of labor had emerged. Participatory planning is pursued albeit in varying degrees. In the Inveval case, the goal towards adopting a socialist factory model and the workers' proposal of a new distribution model (where their products are to be given away for free to the state- and social-owned enterprises in exchange for a certain amount of money paid by the state according to their own needs and the needs of the local community) is akin to the alternative consumption principle advocated by participatory economics.

Finally, the worker-run factories case studies, the participatory budgeting case study, and to a lesser extent all the other case studies reflect some of the features of Lebowitz's humanist, democratic, participatory socialism. For Lebowitz, the goal is the full development of human potential and the path that leads to this goal is socialism.

In all the case studies, the role of the state has been critical. A contradictory role of the state even in Venezuela is in fact very much observed. As experienced by the worker-run factories under co-management in Venezuela, some state apparatuses and government officials in co-managed enterprises may have other agendas that contrast Hugo Chavez's policies. In Argentina, expropriation and bankruptcy laws, while they provide opportunities for workers to take over production in bankrupt enterprises, do not provide security and stability that these enterprises will continue to be run by workers' cooperatives. In the wire cooperative in India, while the local government controlled by the left party supported in the beginning the bid of the workers to acquire the factory, this support was withdrawn by the same party later on. These experiences particularly in the case of Venezuela highlight what Poulantzas argued: that the taking of state power should be extended to the transformation of state apparatuses.

Do the case studies really offer alternatives to capitalism?

Being mainly micro initiatives, it is difficult to see them immediately as alternatives to capitalism. Indeed as De Sousa Santos and Garavito (2006: xxii) argue, 'because of their anti-systemic nature, these proposals and experiments are fragile and incipient'. In fact such initiatives are often dismissed as marginal or reformists. We argue that it would be regrettable to deny the significance of such initiatives for people's lives or by classifying them as "contaminated by the dominant system" (ibid: xxiii) or just not radical enough. Such approach could be very detrimental to the strengthening of an alternative framework as "it can close doors to proposals that might gradually bring changes that create pockets of solidarity within the heart of capitalism" (ibid: xxii).

Indeed, the vexed question of reformism versus revolution comes up once more prominently in determining whether an initiative or a project is an emerging alternative to capitalist arrangements. Here Marta Harnecker's *Rebuilding the Left* is most instructive and insightful. In addressing the question 'Has the Left become reformist?' she reflects on what Lenin wrote decades ago:

The greatest, perhaps the only danger to the genuine revolutionary is that of exaggerated revolutionsim, of *ignoring the limits* and conditions in which revolutionary methods are appropriate and can be successfully employed...

True revolutionaries have most come a cropper when they began to write 'revolution' with a capital R, to elevate 'revolution' to something almost divine, to lose their heads, to lose the ability to reflect, weigh and ascertain in the coolest and most dispassionate manner *at what moment, under what circumstances and in which sphere of action* you must act in a revolutionary manner, and *at what moment, under what circumstances and in which sphere of action* you must turn to reformist action. [V.I. Lenin, 'The Importance of Gold Now and After Socialism's Total Victory', Complete Works, Vol. 35, p. 555. Marta Harnecker's emphasis. Cited in Harnecker 2007: 130.]

Moreover, Harnecker warns that the distinction between reformists and revolutionaries is not always clear. Revolution for one is not necessarily linked to the use of violence. Citing Luxemburg (1973: 50-51), she stresses that "the problem is not saying yes or no to reform, but examining *when* it makes sense to fight for reform and *how* revolutionary fruit can be plucked from it".

For Harnecker, *reformists* are "those who wish to improve the existing order through reform", and *revolutionaries* are "those who, although pushing for reform, fight at the same time to modify that order profoundly, to bring about a change that cannot happen without a break with the previously existing order" (2007: 131).

In the light of the above, Harnecker (2007: 131-132) proposes three criteria to determine how revolutionary a political practice is:

First: if the reform advocated are accompanied by a *parallel effort to strengthen the popular movement*, in such a way that growing sectors of the people organise and join the struggle.

Second: if *lessons can be learned and taught* when the Left works within the existing institutional framework. An electoral campaign, for example, can be an excellent space for popular education, provided that the campaign is expressly geared to increasing the people's awareness of the most important political questions.

Third: if the political practice is *different*, one that makes it impossible to confuse the Left's behaviour and that of traditional political parties. It should also reflect an effort to *expose the limits* of existing institutions and the *need to change them*, but without raising hopes about the path of reform being able to solve problems that demand revolutionary solutions.

On the other hand, Harnecker proposed the following as indicators of reformist deviations:

First: a tendency to moderate programmes and initiatives without offering 'alternative political proposals to the existing order'...

Second: instead of investing time and effort in fomenting rebellion and a fighting spirit, constantly calling on 'leaders of unions and the workers' movement to conduct themselves' responsibly and with maturity.

Third: the tendency to work in existing institutions passively, without fighting to change them or to change the rules of the game.

Arguably, the initiatives and projects discussed and analyzed in the case studies qualify albeit in varying degrees the criteria set by Harnecker of an alternative or a potential alternative or what Gorz (1964) termed as 'non-reformist reforms'. For Gorz, "[A] struggle for non-reformist reforms – for anti-capitalist reforms – is one which does not base its validity and its right to exist on capitalist needs, criteria, and rationale. A non-reformist reform is determined not in terms of what can be, but what should be. And finally, it bases the possibility of attaining its objective on the implementation of fundamental political and economic changes" (1967: 7-8). These 'non-reformist reforms' may pertain to initiatives that do arise within the capitalist system, but such initiatives "facilitate the acceptance of and lend greater credibility to alternative forms of economic organisation and labour solidarity" (De Sousa and Garavito, 2006: xxii-iii).

An alternative then involves "making possible tomorrow that which appears impossible today" (Harnecker 2007: 70). This implies identifying what is progressive in the present reality and strengthening it. It also implies the need for the popular movement to organize, grow and transform itself into a decisive pressure group to move the process forward, fighting against errors and deviations that arise along the way. Echoing Marx, Lebowitz (2003: 180) stresses that "even though the needs they attempt to satisfy do not in themselves go beyond capital, the very process of struggle is one of producing new people, of transforming them into people with a new conception of themselves – as subjects capable of altering their world."

Without doubt, the initiatives and projects undertaken in the case studies are imbued of values and offer socio-economic arrangements that are not within the capitalist canon. Though they are not dramatic breaks from capitalism and their survival depends on competing successfully in local and global markets in a predominantly capitalist regime, their achievements "embody forms of production and sociability beyond the capitalist values and institutions" (Santos 2006: xxi). Thus they open up spaces for further transformation of capitalist values and socio-economic arrangements.

The quality of counter-consciousness is partly conditioned on having an 'independent change agenda' or vision for social transformation (the contribution of intellectuals). The process of counter-consciousness is multi-dimensional and it carries along and/or produces processes of empowerment and of discovering and developing new capacities, which are shaped and shape non-capitalist practices.

The visibility of these 'other' economies and democratic participatory projects indicates the materiality of realizing an 'independent change agenda' and a vision for social transformation. They can provide the organizational means to undertake processes of collective learning, of discovering and developing new capacities, and of empowerment. A worker-run cooperative for example is a way to motivate production that replaces the capitalist form. It is a space for experimentation in participatory processes in production. It make workers feel that they are the owners of the means of production, to do the actual work of running a factory, to decide what to produce and how to do it (Harnecker 2007). It is a space for socializing the company to the country (ibid: 148).

Like how Gramsci envisaged the factory councils in Italy (in 1919 to 1920), these initiatives and projects offer "a new system of workers' democracy which would be a school of political and administrative experience and thus effecting a radical transformation of the workers' consciousness" (Simon 1982: 79). As observed particularly in worker-run factories case studies, although the initiatives and projects undertaken mainly had economic objectives in the beginning, they gradually acquired political dimensions as people involved engaged in various struggles. Arguably, worker-run factories, like Gramsci's factory councils, ended the separation between economic and political struggle and are thus embryonic apparatus of power (Simon 1982). They satisfy the urgent necessity of the present – of creating embryos of alternatives within capitalism – to create and anticipate the future (transition to a new order beyond capitalism).

"Circumstances make men just as much as men make circumstances" (Marx and Engels 1975: 53-54). Despite their limitations, the lessons and insights that can be drawn from the case studies as well as other peoples' struggles and social experiments all over the world form what Marx calls the 'material practice' from which the formation and re-formulation of a more coherent historically-grounded theory, plan or proposal of an alternative to capitalism can be worked out.

Areas for further research

Men make their own history, but they do not make it just as they please in circumstances they choose for themselves; rather they make it in present circumstances, given the inherited. Tradition from all the dead generations weighs like a nightmare on the brain of the living. And just when they appear to be revolutionizing themselves and their circumstances, in creating something unprecedented, in just such epochs of revolutionary crisis, that is when they nervously summon up the spirits of the past, borrowing from them names, marching orders, uniforms, in order to enact new scenes in the world history, but in this time-honoured guise and with this borrowed language.

The social revolution [of the nineteenth century] cannot create its poetry from the past but only from the future. [K. Marx, The Eighteenth Brumaire of Louis Bonaparte]

Inspired from Marx's (Later political Writings, 32) powerful 'The Eighteenth Brumaire of Louis Bonaparte', we see this project as contributing to the development of a language of struggle for the future - a language that is rooted in the present struggles of people all around the world, and a language that can inspire movements and uplift spirits.

Despite limitations in their scope and achievements, such initiatives provide the essential building blocks of knowledge and practice that would inform any project of working out a strong and coherent alternative framework and program beyond/outside capitalism. Indeed, as De Sousa and Garavito, 2006: xxii) suggest 'the role of critical thought and practice is to broaden the spectrum of possibilities, through

experimentation in and reflection on alternatives for building a more just society. By suggesting possibilities beyond what actually exists, these forms of thought and practice question the separation between reality and utopia and formulate alternatives that are utopian enough to challenge the status quo and real enough to avoid being easily discarded as unviable’.

The case studies reviewed certainly do not provide sufficient information to warrant a good assessment of the extent to which such initiatives are inspired or reflective of the theoretical debates on alternatives and how in turn they have influenced the theoretical discourses. They are surely inspired from people’s struggle to survive and work with dignity and carry with them the potential for social transformation at a larger scale. They reflect the specificities of historical consciousness of people in different parts of the world, with its (the historical consciousness) progressive and conservative blocs and the internal workings of such blocs. At the same time, the struggles carry with them an original language – product of the specific historical moment and social relations. Therefore, a critical assessment of such initiatives and/or similar initiatives becomes an essential element to be considered in the theoretical debates.

We propose a follow up phase of this research project with a special focus on similar or related initiatives discussed in the case studies that although within the capitalist system, are seen as contributing to the credibility and acceptance of alternative forms of economic organisation and labour solidarity. By analyzing such initiatives in the framework of the critical elements and aspects identified in this research, this phase could give a unique contribution to the efforts of strengthening an alternative framework of development.

The involvement of people from trade unions in the Global Labour University alumni network in this phase of research is of particular importance not only for carrying out the task of identifying and assessing critically initiatives with potential of transformation, but also to help bring these initiatives to the attention of unions or strengthen their involvement in such initiatives. An action-oriented case study method using conversations, open discussions and other participatory processes is preferred.

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