

The Pitfalls of the Social Economy

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“In this volume I want to offer a methodology by which to recognize means which have turned into ends.”

Ivan Illich, *Tools for Conviviality*

At present, the automation of productive processes and of a good part of the service economy has generated a degree of structural unemployment whose growth cannot be contained. The greater the productivity, the greater the amount of labor power that must be disconnected, irreversibly, from the economic circuitry. Unemployment has a repercussion on the labor market by provoking a general decline of wages and undermines job security to such an extent that the usual means of damage control such as unemployment insurance, vocational training programs and economic assistance are overwhelmed. An abyss of exclusion is attracting a growing mass of workers who are being rendered superfluous and unnecessary by high technology. A useless labor force is accumulating on the margins of the productive system, a labor force whose management, given the aspect of a war economy that has been assumed by the market economy, has become problematic. Despite the disturbing scale of a problem that has no government or technical solution, there is nonetheless a solution that, far from threatening the stability of the capitalist regime, can, in a way, even reinforce its institutions. One of the typical properties of capitalism is its capacity to transform any reality into an economic phenomenon, whether a catastrophe, an environmental disaster or a war; consequently, nothing prevents exclusion from having its price, too, that is, it, too, should be susceptible to being transformed into a market and obtain a listing on the stock exchange. We are speaking of what they call the “Third Sector” in the United States, and in Europe, the “Social Economy”.

The social economy has nothing to do with socialism as it was conceived by Fourier or Cabet, nor does it have anything in common with the workers’ cooperative movement of the 19th century. And it has nothing to do with the revolutionary collectives of the Spanish revolution, since the revolutionary motives of the third sector are conspicuous by their absence. Not to mention the uprisings of runaway slaves. These remote historical references do not have the purpose of emphasizing any kind of historical continuity where the past would illuminate and guide the future, but quite the contrary. Ideologues want to disguise the prosaic nature of their social-economic projects with the heroic vestments of past epochs. The third sector is not the product of the class struggle, nor is it the fruit of any kind of communitarian will whatsoever; its roots are

instead to be found in the initiatives of municipal or national authorities, often of a conservative tendency; or in those of wealthy philanthropists; or in the social doctrine of the churches and the projects sponsored by moderate or “company” trade unions. Their objectives have always been varied: helping the dispossessed class to survive, as in the programs encouraging urban agriculture during the two world wars or in the wake of the Spanish war; providing activity centers and occupational therapy for retired workers; agrarian development plans that are hindered by peasant traditions and the low level of productivity of small-scale land ownership; the construction of cheap housing in a context of the overdevelopment of working class neighborhoods; and finally, job creation, to compensate for the losses sustained by the labor force of enterprises victimized by restructuring plans. The contemporary direct relation between environmental crisis, unemployment and the social economy, however, is more indicative of an instinctive reflex reaction in the interests of self-preservation on the part of the impoverished middle classes under capitalist conditions that have entered the critical stage, rather than of the rebirth among the excluded of an inherited genetic predisposition related to the associative impulses of the millenarians. There is never so much talk of community, sovereignty, self-management and utopia as when they do not exist.

The matrix of the third sector is comprised in the Americas by the “Community Development Corporations”, born in the sixties of the last century from the desires of altruistic residents and the proposals of certain religious institutions. Their objective was to compensate for the deficiencies of social services and housing in impoverished neighborhoods that had been abandoned by the municipalities. After an initial phase of self-organization and grassroots work, these structures were institutionalized and obtained funds from aid programs, government and bank loans and private donations, and eventually became the administrators of numerous local development projects. They have become professionalized and function like universal business enterprises: they build houses and schools, they cultivate gardens that supply their own supermarkets, they run job training programs, and provide health care-related services for the elderly, and in the process create hundreds of jobs. And best of all, they generate profits.¹ At these levels, in areas affected by turbo-capitalism, such organizations possess considerable assets and are responsible for between 6% and 7% of total employment, and have become a guarantee of efficacy for any social program sponsored by public initiative. On the other side of the Atlantic, cooperatives and mutual societies, narrowly-circumscribed circuits of exchange, popular credit programs, consumer groups and workshop collectives, play the same role. Although these “nonprofit” organizations, especially in Europe, like to characterize their activities as a transitional stage towards a humanized economy, as one more step on the road to the “post-market” era, they are instead an intermediate economy, “neither fish nor fowl”, devoted to guaranteeing the survival of the useless masses of the permanently unemployed that are continuously being produced by our “post-welfare state” capitalism. The role that is currently performed by the organizations of the third sector is similar to that performed by the trade unions in the previous phase of capitalism, when the labor market was still capable of being normalized. It is responsible for regulating the market of poverty and exclusion, maintaining poverty at endurable levels, a task that is no longer being successfully performed by government institutions. If labor is a commodity, or, to put it

¹ Community Development Corporations are “nonprofit” corporations under U.S. law, and therefore do not generate “profits” in the technical sense of the word. However, like most other nonprofit corporations they are managed by high-paid executives, and many CDCs have been plagued by corruption, accountability and patronage scandals. [American translator’s note.]

another way, if it can be bought and sold on the market, why should exclusion be any different? The low operating cost of philanthropic organizations is an evident fact, and the results can be quite noteworthy: it is likely that a retrained worker will be a good citizen, a better voter and an excellent consumer.

Nowadays, when capitalism has condemned part of the planet's population to obsolescence by denying it jobs and sustenance, modestly self-management oriented activities within the system, regardless of their results, possess a great deal of propagandistic and ideological relevance for those who work within the "grey zone" of collaborationist interns. False consciousness exploits and restricts the horizon of even the most authentic attempts to attain autonomy, as is revealed by the enthusiastic and uncritical glorification of numerous isolated actions, ignoring the social and political conflict in which they are necessarily circumscribed. The denizens of this self-complacent ghetto did not repudiate the mediation of a new civil society caste that wants to profit politically from marginalization without really posing any kind of threat to the system. Its would-be government leaders affirm the possibility of a more just society, without the need for either radical changes or violent revolution. All we need is the Internet and the gradual application of cooperativist recipes to bring about the complete self-management of society within a reasonable timeframe. Simply by peacefully and gradually displacing monopolies and the public sector from the center of economic activities, a center that will then be diligently occupied by the social economy thanks to the fact that it will be the beneficiary of the transfer of part of the profits of the private sector and state investments, a transfer arduously won in parliamentary battles. Thus, in the worldview of the left-wing lumpen-bourgeoisie, a particular form of bourgeois politics has been put on a pedestal, and the revolution is stashed away in the attic with other antiques, since it is no longer a matter of destroying capitalism, but of "transcending" it by way of negotiation between interest groups, the application of mutually accepted laws, and an agreed-upon system of taxation. It is not a question of socialism or communism, but of "post-capitalism". As for the State, it is not even touched: the State is the indispensable instrument for the transition to "ecological democracy", the tool that will facilitate our escape from capitalism, even while remaining within it.

What is immediately apparent in a complex world mired in crisis is the urgent need for an alternative, which for the civil society movement must be a simple alternative, easy to digest and transmit, without direct historical references and as far removed as possible from critical thought. It does not want to situate our era within history and explain it on the basis of its social antagonisms, because its purpose is not to clarify the field of battle, but to elaborate a mystifying discourse that serves as a disguise for the same old reformist practices of connivance with domination. Formulas of ecological-administrative stabilization of the economy, especially if they are condensed into catechisms, respond perfectly to this task. Superficial, mystical and holistic claptrap also makes its contribution. Thus, the prescriptions contained, for example, in municipalism, basic income, social currencies, "responsible" consumerism and tourism, the doctrine of de-growth and the credo of the "commons", are ideal vehicles for "reorienting" the masses, fed up with so much alienation, towards frugality and equilibrium. As dogmas revealed by altruistic gurus, "observatories", or "reflection groups", they are most ideal, because they have an infallible answer and a magical solution for everything, dispensing with the need for the social struggle and rendering any idea of class differences completely superfluous. As potential practices suitable for institutionalization and for the "democratization" of fragments of the territory, they are most

appropriate to serve as an example of “responsible” coexistence, or more accurately speaking, of self-righteous hypocrisy, inserted into the catastrophic world of the commodity.

The ideology of the “new commons” or the “global commons” is the only one among these currents that is rooted in clear historical antecedents, that is, the administration of communal goods, remnants of which still exist, as emphasized by the Swedish economist Elinor Ostrom in her book, *Governing the Commons*. It is, however, the same social economy under another name, situated on typical “post-development” lines, which aspires to articulate its politics by way of the “new” institutions without questioning the party system in the least, and to recreate the communitarian “fabric” by way of “social markets”, “food hubs”, free software and the collective production of renewable energy. Very interesting experiments, such as, for example, de-schooling, de-medicalization, collective day-care and health care centers, will always remain in the Samaritan sphere of good intentions, since the level of community engagement required for their implementation cannot be sustained in the mercurial, constantly-changing conditions of marginal economies. The difference between these practices and the third sector lies in the fact that the proponents of the “new commons” do not directly confront exclusion, since they are more concerned with voluntary segregation from the market on the part of deserters from consumerism. The concept of the “commons” has been extended until it includes every horizontal and non-mercantile activity that can be categorized under the rubric of “civil society”, normally overseen by various officials and department heads of the big city governments, who are, in fact, its most influential advocates. It is these municipal officials who concede meeting halls, equipment and resources to neighborhood, youth, sports or cultural associations, but we must take it for granted that this is not done gratuitously, but in order to ensure the loyalty of a political clientele. Far from pursuing integral autonomy, the *biencomuneros* are calling for more involvement of the public powers, especially at a local and regional level. Reconnection with a way of life that observes the limits imposed by Nature does not appear to be incompatible with the presence of external, governmental, powers, nor does it seem to be too incompatible with the existence of business and corporate interests. From this point of view, employers, bankers and bureaucrats are legitimate “social actors” with whom the representatives of “civil society” must negotiate.

The municipal “urban commons” does not allow for the formation of social movements that promote a radical break with the system, movements capable of confronting the interests that are destroying the cities, because it does not incline towards real encounters, real debates and the planning of real actions. Municipal mediation prevents this from happening. But it does allow, for example, programs for a “new culture” for certain neighborhoods or even whole cities by convincing the municipal authorities of the need to declare a certain quantity of urban or undeveloped rural land to be off-limits for development. Or it can create “food councils” that unite producers, distributors, consumers and municipal technical staff for the purpose of agreeing upon “logical approaches to responsible consumption”, the keystone of “food democracy”. For once, Engels was right when he said that democracy was the last hope of every reactionary cause. A similar process is underway in the rural areas, as the regional authorities serve as the main intermediaries for negotiations involving the business owners and our “democrats”, thanks to which protectionist strategies will be implemented in the form of land “banks”, contracts for territorial stewardship, charters for endangered landscapes and the founding of agrarian parklands. The grooming of municipal and territorial political candidates has now become the essential precondition for “economic democratization”, that is, for the real implantation of a circular cooperative system capable of helping to defray the costs of the basic needs of a considerable sector

of the population in which the excluded are not relevant. The effective autonomy of the citizens involved in the use of the commons and the real efficacy of the above-mentioned strategies against industrial food and unbridled consumption, not to speak of their effectiveness against the suburbanization of the territory and the generalization of extractive industries, have yet to be displayed. It is evident that municipal governments and regional and national legislatures are not the convivial tools envisioned by Illich, accessible to all, as often as they desire and for ends that they desire like the assemblies, since in order to make use of them you have to organize a political campaign, participate in elections and pass legislation. From this circumstance we can deduce that this “democracy” with its philistine adjectives is not achieved by way of the defense of the territory or by any other kind of defensive struggle: the vapid speeches of the subsidized environmentalists, the professional “greens”, the advocates of the “new commons” and their de-growth cousins, do not make the slightest mention of struggles, as if the construction of highways, vacation resorts, vast plantations, reservoirs, airports, high speed trains and other useless projects did not exist.

Capitalism has become so unreformable that the appropriation of the currently-existing means of production would be useless for the construction of a free society based on solidarity. It would automatically reproduce the same type of society, with similar characteristics. Industrial society must be dismantled before it can be subjected to self-management. In another context we have already said that the anti-capitalist struggle requires a significant degree of segregation, and consequently, a serious ensemble of independent collective institutions. And we also said that the neighborhood and communal structures are infinitely superior to traditional organizations, parties, trade unions or councils, since the separation between the spheres of labor and everyday life has become obsolete. The dimension of negativity contained in the struggle was not sufficient, and a transformative subject cannot emerge from such struggles without the further support of a positive network of communitarian experience, islands of resistance that harbor non-capitalist ways of coexistence. Such practical achievements show that life subjected to economic imperatives is not the lesser evil, and that one can subsist and even live outside of them. This is not, however, an appeal for marginalization, but for the preservation and extension of human relations in our surroundings. These achievements cannot by any means be created from scratch within a capitalist society with which they coexist, except in the form of very limited experiments in self-management on a tiny scale. The biggest mistake would be to consider them to be ends in themselves rather than means to an end, a mistake made by the proponents of social economy. They are not isolated objectives, totally disconnected from social conflicts, but weapons for intervention in these conflicts. The capacity to live *on the outside* will have the virtue, on the one hand, of rendering the reproduction of the dominant social relations more difficult by fostering sociability and inhibiting individualism; on the other hand, it provides a good logistical base for the defense of the territory. In order to transcend the boundaries of the enclave, however, that is, in order to be generalized, it needs to go on the offensive, and engage in a large-scale invasion of the spaces dominated by capital. A real revolution is necessary. This is the dilemma from which those who resort to a legal “assault on the base” [*asaltar los suelos*] in favor of a political and environmentally “sustainable” rectification of global capitalism are trying to escape.

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