

Advocating for a ‘Solidarity Economy’

In a previous editorial, we mentioned that people disappointed with a solely-for-profit driven economy are looking for alternatives. One alternative is the triple-bottom-line economy, also called “Solidarity Economy”.

Its supporters believe that upholding dignity and maintaining ecological balance should be the primary goals of economic development, and that this cannot be achieved through individual pursuits of ever increasing economic gain, which lead to marginalization of the weak and to the degradation of the environment. Instead, people can work together to create a better world, designing alternative markets for their products and services which support the triple-bottom-line goals of social development, ecological conservation, and sustainability.

The **focal system** of a solidarity economy is the social enterprise, a mission-oriented organization with triple bottom line goals.

The **macro system** of solidarity economy consists of supply chains of social enterprises whose activities are inter-connected. This macro system interacts with the ‘external sector’, which consists of the government sector, the private corporate sector, the civil society sector, and the ‘rest of the world.’

Solidarity economy also has a **mega system** which is composed of the integrated supply chains of social enterprises plus the ‘external sector’, particularly those elements which support and do business with social enterprises.

The ‘mission’ of a social enterprise might be social development, for example poverty eradication or social inclusion; environmental conservation, such as the cultivation of alternative energy sources, greening; spiritual development or social welfare such as care of the elderly.

While commercial enterprise generates profit to serve the interests of its shareholders, the social enterprise generates profit to sustain the pursuit of its social mission.

The social enterprise differs from donation-sustained charitable organizations in its use of the business model to mobilize resources and to use resources to create added value. It must be noted, though, that several charitable organizations and NGOs have become social enterprises. In most cases, the limitations of donations as resource for outreach expansion have propelled many charitable organizations and NGOs to adopt the business approach, and in the process they were transformed into social enterprises.

While their motivations differ from those of commercial entrepreneurs, social entrepreneurs may not be easily motivated to collaborate with other social enterprises to co-create their macro and mega systems. Some social enterprises have become content in dealing with the mainstream, for-profit economy. The credit cooperative is an example of a social enterprise that has been co-opted by the mainstream, for-profit economy. In many developing countries it has failed to help develop social enterprises among their clientele base.

Advocates of solidarity economy must take up the challenge of providing business development services to social enterprises and bringing them together to learn from and do business with each other.

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