

Working Group on Social and Solidarity Economy for Local Development SSE→LD¹

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What is the Working Group on Social and Solidarity Economy for Local Development – SSE-LD?

The Working Group (**WG**) on the Social and Solidarity Economy for Local Development SSE-DL is an informal convening of people from institutions including universities, research centers, NGOs, cooperatives, enterprises and others interested in contributing to the study and implementation in our country of SSE and Socially Responsible Enterprise (RSE) in pursuit of local development. SSE-LD is a means of integrating social and economic actors in the construction of socialism in Cuba through associativism and solidarity and social commitments towards a type of enterprise management that surpasses individualism, selfishness, and profit goals generally associated with private property. SSE –LD is economic strategy that prioritizes human values above those of the market.

The WG seeks to encourage values, skills, tools and indicators that permit the formation, management, and monitoring of all RSE economic participants in furthering ESS in Cuba, keeping in mind its close relationships with workers, customers, community, and the environment, all of which contribute to the improvement of the quality of life of the population

What do we propose?

- Contribute to the establishment of the theoretical and methodological bases for the development of SSE and SRE as an input to Local

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Development within the framework of the current updating (“actualización”) of the Cuban economy.

- Develop tools that promote the strategic management of ESS – DL on participative footings that are systematically and integrally focused.
- Build capacity among social actors to implement the development of SSE and RSE in the service of Local Development.

Theoretical Framework

There is no one single definition for the concepts used in this work, rather it can be said that in diversity exists strength given the challenge of aligning these ideas with Cuban reality and the conceptualization of the Cuban model of socialism, which itself is undergoing development.

Nonetheless, for the purposes of this article, we have chosen the following definitions:

“Social and Solidarity Economy (SSE) is a concept that refers to enterprises and organizations, particularly cooperatives, mutualities, foundations, and social enterprises that specifically produce goods, services and knowledge that pursue economic and social objectives and promote solidarity.”(International Center of Formation, International Labor Organization, 2013)

“Socially Responsible Enterprise (RSE) is a form of management that is defined by its ethical and transparent relationship with all stakeholders with which it is in contact and for establishing enterprise goals compatible with the sustainable development of society, preserving environmental and cultural resources for future generations, respecting diversity and promoting the reduction of social inequities.”(Brazil’s Instituto Ethos of Business and Social Responsibility and the Brazilian Service for Support of Micro and Small Enterprises –SEBRAE- 2007)

In regard to local development and its relation to SSE: “Development extrapolates the impact derived from economic growth in a specific territory. It goes beyond generating economic wealth, integrating social commitment as a

means to make the most of local assets, potential and vocations, beginning with the design of a participatory action plan and a model of governance based on shared management. In practice it is about transforming reality, defining and then implementing actions designed with a vision of the future, one that without doubt will generate better living conditions for the population of the specific territory... The primary objective of the process of local development is based on the living standards of the people: better conditions, similar opportunities for all, and principally the promotion of equality.... The Social and Solidarity Economy is established as an instrument to generate work, employment and income for a significant number of people, and to create sustainable and inclusive local development, cross-cutting experiences and actions. "(International Training Center of the International Labor Organization, 2014)

However, Cuba as a socialist country is a unique and possibly paradigmatic case of SSE. As this author previously wrote: "It is impossible to conceive of a capitalist economy, notwithstanding how progressive it may be, that in its essence is social and solidarity economy-based. At least the majority of corporations will respond overwhelmingly to the logic of the accumulation of capital. Only a truly "socialist economy with a market", rather than a "market socialism", can aspire, in the words of José Luis Coraggio, to the constitution of "new social relations that construct an alternative economy whose axle is the centrality of work for the reproduction of life". (Hintze, 15-18 September 2013)

"Therefore the Cuban Social and Solidarity economy is potentially the union of the three spheres (public sector, enterprises - both state and private –and cooperatives). It is possible to develop a macro-economy that in its essence is socially and solidarity based, composed of an assortment of economic actors, state, associative and private, that embody socially and environmentally

responsible principles as part of its microeconomic management of production, distribution, and consumption of goods and services.” (Betancourt, 2015)

Background

The First International Conference on Socially Responsible Enterprise, Cooperatives and Local Development was held in Havana, Cuba in June 2011. It was the result of the international cooperation project, Socially Responsible Enterprise and Local Development in Cuba (SRELDC), a consortium on international organizations with financing from NGOs and foundations from Latin America and Europe, and friendly governments such as Brazil and Ecuador, and coordinated by Sol²Economics (www.soleconomics.com) with continuing support from The Christopher Reynolds Foundation and the Avina Foundation. The Conference was organized and sponsored by ANEC (National Association of Economists and Accountants of Cuba) and by CEEC (Center for the Study of the Cuban Economy) of the University of Havana. During five days of exchange, participants shared and discussed effective strategies of Latin-American enterprises and organizations that have adopted social responsibility as a business principal to stimulate economic growth and equitable development. It included the participation of Paul Singer, National Secretary of the Solidarity Economy of Brazil.

Based on the success of the First International Conference, SRELDC was invited by ANEC to design a special panel on socially responsible enterprise and inclusive business at the **II International Meeting of Public Administration for Development** (Havana, July 2012). Project RSEDLC contributed 15 international experts from a wide range of fields to the agenda, including Doris Soliz, the Ecuadorean Minister of Social and Economic Inclusion.

Following this came the **International Workshop for Interchange of Cooperative Experiences** at the Hotel Palco in Havana on November 1-2, 2012, organized by ANEC, CEEC, and UNDP, with support from the Avina and ECODES (Spain) foundations. Among those attending were leading directors of agencies of the Social, Solidarity, and Popular Economies of the governments of

Brazil and Ecuador. The contents of this gathering were technical in nature. It brought together a group of 15 foreigners and 45 Cubans and produced a set of recommendations to promote implementation of a strategy for cooperativism on the island.

The **First International Seminar entitled “Social and Solidarity Economy: Approaches to Its Insertion in the International Economy”** was held September 15-18, 2013, in Jibacoa, Mayabeque, organized by ANEC and the Center for the Study of the International Economy (CIEI) of the University of Havana. A total of 64 Cubans and foreigners participated, among them 22 directors and associates of ANEC from 14 provinces, including its President and First Vice-President, and 24 presentations were delivered. At its conclusion a meeting took place between the organizers and representatives of key institutional participants that led to the creation of the Group SSE- SRE that later would become Red ESORSE, the Cuban Network of Social – Solidarity Economy and Socially Responsible, under the auspices of ANEC. Its first activity was to draft a document summarizing the conclusions of the seminar and a corresponding set of recommendations for presentation to the Commission of Implementation of the Guidelines (CIDEL) through the ANEC President’s office.

A coordinating team would be in charge of organizing and promoting the work of the ESORSE Network, with the goal of creating in a participatory and inclusive manner, an action plan for its members to carry out. Subsequently, working groups were constituted that grouped network members around the following thematic areas:

- Conceptualization/ Research
- Management tools
- Training
- Public Policy
- Support for Local Initiatives
- Promotion

What have we done?

From its formation until June 2014, the Network ESORSE held systematic monthly gathering at the ANEC national office, and the organizations that comprised the group carried out activities that incorporated the objectives of the Network.

In February 2014 members of the Network participated in the workshop “**Methodology and Tools for Strategic Local Planning**” (ANEC, CEDEL, PNUD); in May 2014 they partook in the **XII Gathering of Management and Administration of Historic Centers** (Office of the Historian of the City of Havana); also members taught the course, “Management of Local Development Projects” organized by ANEC in five provinces of Eastern Cuba, with support from Oxfam Cuba.

In conjunction with the international Project SRELDC, Network ESORSE sponsored a delegation of 10 Cubans to travel on a **learning journey about Brazilian Cooperatives** with significant support from the Brazilian government’s Ministries of Labor and Higher Education. Among the travelers were Cuban government officials, including a member of the Commission of Implementation of the Guidelines (CIDEL) as well as cooperative presidents and ANEC leaders.

Various academics and leaders of SSE – SRE movements from both government and civil society from Argentina, Brazil, Canada, Uruguay and Cuba, contributed to the publication of the No. 75 edition of **Temas magazine**. The issue was dedicated to the Social and Solidarity Economy. (Revista Temas, 2013)

The documentary *Razones* subtitled in English and French, filmed by director Lissett Vila, and financed by the Canadian Fund for Local Initiatives, featured the stories of Cuban SSE entrepreneurs and became an important instrument for spreading knowledge about Cuban SSE abroad. During its 30 minutes it is possible to see Project SRELDC colleagues and many Cubans committed to

SRE and inclusive economic enterprises. (Vila 2013). It can be viewed at <http://soleconomics.com/video-razones-social-entrepreneurship-in-cuba/>.

At the **ANEC International Congress on Economic Management** (Havana, October 2013), Network ESORSE was put in charge of a session on Social and Solidarity Economy. Project SRELDC sponsored the participation of Ricardo Young, an elected member of the Sao Paulo City Council and one of the founders of Instituto Ethos of Brazil, who gave two plenary speeches, one of which took place at the opening session. Entitled “Sustainability: A New Agenda for Business”, it presented the fundamental reasoning as to why SRE is necessary for development.

At the **III International Meeting on Public Administration** (ANEC 2013), a track was established specifically for SSE in which there were presentations by experts from Brazil, Ecuador, Mexico, Canada, the United States and Cuba; all the foreigners were invited by Project SRELDC.

The Network ESORSE initiated the **First Workshop for the Development of Indicators for Sustainable and Responsible Enterprises** in Cuba, held on May 13-14, 2014 at Colegio Universitario San Gerónimo de La Habana. It was convened by the ANEC, Instituto Ethos of Brazil y and the Project RSEDLC, with support from the Avina Foundation, the Canadian Embassy in Cuba and UNDP. Its objectives were to articulate and prepare protagonists of all Cuban economic sectors – state companies, cooperatives, and sole proprietors (cuentapropistas) – to develop and legitimize SRE indicators for sustainable and responsible enterprises; and to identify organizations that would be involved in the promotion and dissemination of these guidelines. Sixty people participated, among them key international experts from the arenas of development and application of SRE indicators; Cuban institutions that study and promote SRE; a group of state companies, cooperatives, and sole proprietors that already practiced SRE, primarily in spontaneous fashion, or those entities that hoped to engage in it.

Subsequently, Network ESORSE teams were set up to review the indicators that were proposed for each form of property with the task of generating ideas

adequate to the Cuban setting. Another team was set up to study present Cuban law in place with regard to SRE.

Two members of Network ESORSE attended the **4th Academy of Social and Solidarity Economy** organized by UN's International Labor Organization (ILO) in Campinas, Brazil in July 2014. At that event they announced that as part of an upcoming July 2015 MARDELTUR Congress at the University of Pinar del Rio, Cuba, the First International Workshop on SSE would be held.

In September 2014 ANEC withdrew from Network ESORSE, an act that caused the Network to lose its institutional anchorage, Subsequently the Network attempted unsuccessfully to find new institutional support and reconstitute its alliances. Lacking institutional backing for a network, members agreed to strive to incorporate SSE and SRE concepts in the activities sponsored by their corresponding organizations. Additionally they sought to keep the SSE concepts accessible to the public through articles, publications, projects, meetings, interchanges, and scientific activities. Those who remained aligned with these efforts formed the **Working Group on SSE and SRE** and continued carrying out activities and coordinating with the SRELDC Project in Cuba.

In October 2014 four members of the Working Group participated in the **First National Meeting of the Social Economy of Mexico**, sponsored by INAES (National Institute of the Mexican Social Economy). Here conditions were created for the directors of INAES to attend the July 2015 International Workshop on SSE at the University of Pinar de Rio mentioned previously. This Mexican government participation would lead in October to the travel of a robust Cuban delegation to attend the Sixth Academy of Social and Solidarity Economy organized by the ILO in Puebla, Mexico, co-sponsored by the Universidad Iberoamericana of Puebla.

"Cuban Remix: Socially Responsible Business", an article by Julia Sagebien and Eric Leenson of Project SRELDC, was published in the November 2014 issue of the *Stanford Social Innovation Review* and put forth that "in a measured but transcendental manner, the Cuban economy controlled by the state had opened space for socially responsible enterprises". (Sagebien and Leenson, 2014)

At the urging of Project SRELDLC, the U.S. National Cooperative Business Association (NCBA) made a preliminary **fact finding trip to Cuba in July 2014** with a delegation of top U.S. cooperative leaders. The group published a report in November 2014 that among other recipients was presented to the Cuban Interests Section in Washington, the Cuban Association of Agricultural and Forestry Technicians (ACTAF), and to the National Association of Small Farmers (ANAP). The NCBA created the *Cuba-US Cooperative Working Group* to catalyze collaboration with Cuba in regard to cooperativism.

Inspired in Network ESORSE, the Group of Social Studies of Work (GEST) of the Center of Psychological and Sociological Research (CIPS) undertook in **September 2014** the research project “**Socially Responsible Enterprise within Cuban state spaces: Creating a Proposal for a Management Model**”. Its objectives, work areas, and criteria include:

1. Analyze models of SRE management currently functioning internationally.
2. Design a base line of SRE in Cuba with emphasis on relevant economic, legal, environmental, ethics, and social assumptions.
3. Delineate the components of a SRE management model with emphasis on the resulting relationships and their interactions; and
4. Construct RSE indicators specific to particular economic sectors.

The RSEDLC Project supported the participation of two Cubans of the Working Group at the prestigious International Certificate Program in Leadership of Cooperative Enterprises and Organizations of the Social Economy offered by the **School of Social Economy of Andalusia, Spain**, first in **February 2015** and then in **September 2015**.

“Social and Solidarity Economy and the Update of the Cuban Model of Socialism, written by this author was published in the blog Catalejo of the magazine *Temas* in February 2015 (Betancourt, Catalejo, 2015)

At the ***XXXIII International Congress of the Latin American Studies Association (LASA)*** celebrated in San Juan, Puerto Rico, May 26-30,2015, the program included a panel entitled “Social and Solidarity Economy and Socially Responsible Enterprises: Alternatives and Paths for Social Inclusion and Transformation” coordinated by CIPS. In parallel a community event was hosted by the Foundation for Puerto Rico on experiences of ESS and RSE in Cuba. Participation of these speakers was made possible by support from Project SRELDC.

This author presented the paper, “Non-Agricultural Cooperatives in Cuba’s New Economic Strategy”, in the event ***Rethinking Cuba: New Opportunities for Development***, held at The Brookings Institution, Washington, DC in June 2015. (Betancourt, July 2015)

The **First International Workshop on Social and Solidarity Economy was held from June 30 – July 2, 2015** at the Congress of Marketing, Tourism and Local Development organized by the Faculty of Economics of the University of Pinar del Rio. The Workshop achieved the following: 1) An exchange regarding understandings of the concepts of ESS and the role they can play in carrying out programs of inclusive and sustainable development as well as the relationship of ESS with SRE in the Cuban context; 2) Discussion of the creation of South-South and triangular networks of individuals and institutions that favor ESS; 3) Giving value to, and exchanging experiences, strategies, tools of SSE-SRE that have been successful in generating these processes; 4) Influencing public policies to incorporate ESS into their management agendas and positioning citizens to be agents of change and central figures in new opportunities. (Scientific Program, June 2015)

The Brazilian National Secretary of the Solidarity Economy, Paul Singer, gave a plenary speech. Sixty five talks were presented by professionals from 10 countries from organizations of Social and Solidarity Economy, SSE - SRE activists, United Nations agencies and their partners in development as well as government officials charged with designing relevant public policy, academics

from different research centers, social interlocutors representing workers organizations, associations and other non-profit organizations, and social enterprises.

A Forum on Sustainable and Responsible Tourism was held on October 2015 in La Guira, Pinar del Rio sponsored by University of Pinar del Rio's Center for Studies on Management, Local Development and Tourism (GEDELTUR) along with *Temas* magazine and supported by Project SRELDC. Utilizing the popular format of the monthly series of debates, *Last Thursday*, originated by *Temas* magazine, four panelists and a moderator addressed this new subject before academics, government officials, and professionals from the tourism industry. A comparable academic event, but of larger magnitude is being organized for 2016 by the Faculty of Tourism of the University of Havana.

The 6th ILO Academy on Social and Solidarity Economy took place in Puebla, Mexico from November 23- 27, 2015 cosponsored by INAES and the Universidad Iberoamericana of Puebla. Among the 190 speakers and participants, the second largest delegation was the Cuban, with 25 persons, sponsored by Project RSEDLC. After the closing ceremonies, this group which included a number of the original members of Network ESORSE, decided to reconstitute the Working Group on Social and Solidarity Economy for Local Development in order to take up the founding objectives and create new and strengthened alliances with institutions and individuals interested in contributing to the study and implementation in our country of the potential benefits of SSE and RSE. This effort will be made in service of local development and the updating of the Cuban socialist economic model.

Conclusions

The long and impressive list of actions promoted by Network ESORSE Network and its successor Working Group SSE- LD oblige us to reflect upon their successes and limitations.

Certainly neither ESORSE nor WG ESS→DL were the first or only groups in Cuba to broach the subjects of SSE and SRE. There have been antecedents in the work of the Center of Study of the World Economy (CIEM) of the University of Havana and the NGO, Centro Felix Varela (CFV) as well as many others with regard to cooperativism. Nonetheless those of ESORSE – WG ESS-DL have been the most persistent and inclusive. Network ESORCE's resilience, even after losing its institutional support, was a sign of the commitment of its members and supporters. A lesson learned is the necessity of formalizing its institutional ties, something that did not happen with the ANEC.

The continuing support of international cooperation – especially Project SRELDC - has been crucial in making contributions beyond financial resources. They include locating and bringing highly relevant Latin American experts and experiences for valuable interchanges, providing access to theoretical and practical knowledge, supporting events in Cuba of all types with multiple participants and speakers along with the development of information and capacity building resources. However such collaboration has not led to the implementation of direct, on the ground projects of support for SSE in Cuba despite willingness of potential donors, due to impediments against these types of projects that still exist.

Both the Network and the WG have established a strong representation in Havana and Pinar del Rio provinces and to a lesser extent in Matanzas and Mayabeque. ESS – RSE work has not reached effectively other provinces where certainly there is interest in these types of experiences. This expansion is a challenge for 2016 and effective means for achieving this may be through contact with other existing networks such as the Inter-University Network on Local and Territorial Development and the Network of Heritage Cities.

The concepts of SSE and SRE are still not generally accepted in Cuba in political and academic circles. Some consider them to deviate from orthodox socialism and to serve as apologies for capitalism. Despite approaches to government authorities and advisors, and even with their occasional inclusion in dialogues

and activities, neither the Network nor the Working Group have succeeded in changing these perceptions and even less in affecting public policies, for example, with regard to cooperatives.

We who believe that SSE and SRE can complement and contribute to Cuban socialism see their relevance when faced with a production matrix that is ever more diverse and complex with private - cooperative sectors that now represent one third of the active work force (Henken, November 2015); with rising features of social and geographic inequality resulting from the introduction of the “market”; with efforts toward decentralization and local development that require integrating value chains among all forms of property and management, along with an active citizen participation; with the necessary inclusion of other associative forms and provision of services that emerge in a changing civil society; with opportunities to gain access to foreign investment partners with proven and active strategies for enterprise sustainability; and with the need to create individual and collective consciousness that preserve and rescue the values of solidarity and social equity.

We reiterate our conviction that in Cuba it is possible to develop an economic system that in its essence is socially driven with solidarity values, composed of protagonists from the state, associative and private sectors who include as part of their management philosophy the principles of responsibility with stakeholders ranging from society to all surroundings natural and manmade. Such an accomplishment would constitute a real contribution to the global movement advancing the establishment of Social and Solidarity Economies.