Deconstructing Social Capital Discourse and a Case for the Solidarity Economy

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The solidarity economy movement is a burgeoning global justice movement that is concerned with economic justice, sustainability and democratic engagement. While social development practitioners have been concerned with alleviating poverty, they have largely adhered to neoliberal strategies and ignored the possibilities of transformative approaches to economic justice. Such approaches can entail shared ownership, sustainable consumption and fair trade practices. Recently, social development efforts have centered on the idea of enhancing social capital as a poverty alleviation strategy. In this presentation, we launch a critique of the use of “social capital” theories in social development practice and argue for a solidarity economy approach.

Social capital theory is premised on the idea that increasing civic engagement, enhancing social networks and building trust can lead to enhanced economic and social well-being. The theory affirms the belief that increasing social capital will result in better individual and community outcomes. Such logic ignores histories of oppression and colonialism, as well as contemporary global economic trends that continue to exacerbate inequality. Robert Putman and his followers’ original theory of social capital is unsound because social capital building often maintains social status, inequality and poverty rather than increasing access to wealth, resources and political power. As a result, social development scholars and practitioners using social capital theories as a foundation, are and will continue to be ineffective in alleviating poverty and inequality. Because social capital theories ignore the critical issue of gaining access to political power and resources, we propose solidarity economics as a viable approach to transforming communities.

The solidarity economy (SE) may be best understood as a set of organizing strategies to democratize economic relations where participants are connected by the values that imbue their activities. It is a set of practices that emphasizes cooperation, equity, environmental sustainability and community well-being over profit. The SE generally rests on the following principles: solidarity and cooperation, equity in all dimensions (race, ethnicity, gender, class, etc.), social and economic democracy, sustainability, pluralism, grassroots-level organizing, diversity and putting people and the planet first (Allard, Davidson & Matthaei, 2008; Moulaert & Nussbaumer, 2005). SE advocates argue for and engage in practices that favor worker ownership and empowerment, sustainable consumption and fair distribution. The development of community-owned resources such as community land trusts, the growth of cooperative businesses, and equity in the exchange of goods such as the fair trade movement have been notable SE responses.

A successful case of solidarity economy organizing is Nueva Esperenza in Holyoke, Massachusetts, USA, a model for affordable housing known as a community land trust which seeks to create shared wealth and responsibility of land by separating ownership of land from permanent structures like buildings, co-ops and apartment buildings. Another example is the Mondragon community in the Basque Region of Spain which includes cooperatives that are democratically run and that generate significant and equitable revenue for the people in the community. Following our critique of social capital, we make a case for the solidarity economy and explicate some provisional implications for practice, research and education.