DO INFORMAL INITIATIVES IN THE SOUTH SHARE A CAPITALIST LOGIC OR ARE THEY THE SEEDS OF A SOLIDARITY ECONOMY? THE CASE OF SANTIAGO DE CHILE

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2. Evolution of popular economy in Chile

3. Analytical framework and methodology

4. Analysis of the functioning logics of popular economic organizations in Santiago de Chile

5. Theoretical feedback on the notions of popular economic organization and collective initiatives
1. Introduction

• Do informal initiatives display the capitalist spirit of entrepreneurship that they are often supposed to share?

• “Popular economy” approach
  • Stresses the embeddedness of informal actors in social, political, economic and cultural contexts to understand their socio-economic practices

• Case of Chile: pioneering country in the popular economy movement in Latin America
  • Semi-structured interviews with a sample of popular economic organizations (n=24)
  • Qualitative and quantitative data
2. Evolution of popular economy in Chile

- **Around 1987**: golden age of the popular economy in Chile
  - 16% of people from popular districts belonged to a popular organization
  - *Condition of necessity*: important unsatisfied needs
  - *Condition of identity*: shared identity of « poblador »

- **Today**: the number of popular economic organizations has shrunk sharply

- **Condition of necessity**: still present
  - Level of poverty reached 15.1% in 2009

- **Condition of identity**: not present anymore
  - Political reasons
  - Economic reason
## 3. Analytical framework and methodology

Models of a capitalist firm and a popular economic organization

<table>
<thead>
<tr>
<th>Finality</th>
<th>Capitalist firm</th>
<th>Popular economic organization</th>
<th>Indicators</th>
</tr>
</thead>
</table>
| Capital accumulation |                 | Enlarged reproduction of group members’ life | • Explicite objectives  
• Evolution of employment  
• Evolution of revenues  
• Participation to extra-economic activities  
• Diversification of income sources |
| Beneficiary category | Investors       | Active members, families of these members and/or the members of the community | • Use of surplus  
• Support mechanisms in case of impossibility to work |
| Dominant category   | Investors       | Active members                | • Presence of an Assembly  
• Decision-making processes  
• Processes of executive management |
4. Analysis of the functioning logics of popular economic organizations in Santiago de Chile (1)

• 2 types of organizations

<table>
<thead>
<tr>
<th>Activity-based organizations (n=16)</th>
<th>Territorial organizations (n=8)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Production of a same good or product, mostly in craftwork</td>
<td>• Common element is not the activity, but the territory</td>
</tr>
<tr>
<td>• All informal, except 2 groups</td>
<td>• Almost all groups have a legal personality; but not necessarily formalized at the individual level</td>
</tr>
<tr>
<td>• 3 generations of groups</td>
<td>• Similar socio-economic profile</td>
</tr>
<tr>
<td>• Mostly women, from marginalized districts of Santiago</td>
<td></td>
</tr>
<tr>
<td>• Low to intermediate education</td>
<td></td>
</tr>
<tr>
<td>• Little employment and revenues generated</td>
<td></td>
</tr>
</tbody>
</table>
4. Analysis of the functioning logics of popular economic organizations in Santiago de Chile (2)

- **Activity-based organizations**
  - **Finality**
    - Growth dynamics

<table>
<thead>
<tr>
<th></th>
<th>Revenues</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth</strong></td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td><strong>Stagnation</strong></td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td><strong>Regression</strong></td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16</td>
<td>16</td>
</tr>
</tbody>
</table>

- **Political dimensions**
  - For 1st generation organizations, the economic activity was secondary compared to the political dimension
  - For more recent organizations, the political dimension is still present, but less strong
4. Analysis of the functioning logics of popular economic organizations in Santiago de Chile

- **Beneficiary category**

<table>
<thead>
<tr>
<th>Category</th>
<th>Effectifs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Divided</td>
<td></td>
</tr>
<tr>
<td>1.1. Among workers</td>
<td></td>
</tr>
<tr>
<td>Equal shares</td>
<td>2</td>
</tr>
<tr>
<td>Equal shares + small saving</td>
<td>3</td>
</tr>
<tr>
<td>According to needs</td>
<td>0</td>
</tr>
<tr>
<td>According to productivity</td>
<td>8</td>
</tr>
<tr>
<td>According to productivity + small saving</td>
<td>1</td>
</tr>
<tr>
<td>1.2. Assigned to 1 person</td>
<td>1</td>
</tr>
<tr>
<td>2. Reinvested in the activity</td>
<td></td>
</tr>
<tr>
<td>2.1. Investments in capital</td>
<td>0</td>
</tr>
<tr>
<td>2.2. Investments in raw products</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16</strong></td>
</tr>
</tbody>
</table>

- **Dominant category**

- All organizations but one have a General Assembly composed of the workers
- The majority of workers attends it systematically
- Democratic modes of decision making
  - 1 person=1 vote
  - Consensus
- Executive management mode:
  - All the workers (n=6)
  - Delegation to a leader
  - Delegation to a group of people
4. Analysis of the functioning logics of popular economic organizations in Santiago de Chile (3)

- **Territorial organizations**
  - *Other specific common needs*
    - Creation of common commercialization channels
    - Organization of common trainings
    - Common application to governmental subsidies

- **Political dimension**
  - Centered around the « corporatist » interests of the sector

- **Dominant category**
  - All organizations have a general assembly composed of workers
  - Democratic modes of decision-making
  - Executive management delegated to a management committee

- **Challenges**
  - Mistrust among producers
  - Producers often don’t see the benefits of association
  - Short-term and local vision
5. Theoretical feedback on the notions of popular economic organization and collective initiatives
Thanks for your attention.

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