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Local Community Development and the Social and Solidarity Economy

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Abstract

Local Community Development (LCD) is the expansion, perfection and transformation of the economy in a given social, ecological or environmental subsystem of a particular locality or territory. It foment economic, social and cultural links that generate community identity, providing the people, families and organizations of the area with a sense of belonging to a living, organized and integrated collectivity. The concept and theory of SSE arise from the experience and knowledge of a number of small and medium economic organizations which unite based on links of families, neighbourhoods, communities and cooperatives, reciprocal and mutual aid. Economic rationality is manifested in them, which has the active presence of solidarity in production, distribution, consumption and accumulation. LCD coincides and converges with the objectives of an ESS, manifested as the practical deployment of solidarity rationality in the production, distribution and consumption activities in a locality.

Keywords

local development; local community development; reciprocity; life strategies; traditional knowledge

1. The idea of Local Community Development (LCD)

The idea of local community development (LCD) which is integral to human development was first formulated by the French economist and priest Louis-Joseph Lebret (Lebret 1966). In his book *Concrete development dynamics*, Lebret defined LCD as a set of coordinated and harmonic activities that allow a population or community in a given area to transition from a less humane to a more humane life phase. LCD is evaluated or measured by the intensity and rhythm of the change; the percentage of the population that participates in and benefits from the process; the degree of solidarity and cooperation experienced among the participants; and the authenticity of the human and social values that are achieved.

According to Lebret, the economic effort of this development is oriented towards the following objectives, ordered according to importance: 1) the production and distribution of the “necessary goods” for a dignified life for all members of the community; b) the facilitation of people’s access to “improvement goods”, which will allow them to attain higher intellectual, cultural and spiritual value; c) production of the “comfort goods” or “facility”.

It is notable that making efforts to produce or obtain the “comfort goods” or “facility” whose utility is not disdained, but whose excessive use may dehumanize personal and community life is only in third place in the order of objectives.

LCD requires, and at the same time foments, the formation of economic, social and cultural links that generate or reinforce local identity. This local identity provides people, families and organizations with a sense of belonging to an active, organized and integrated collectivity. With this collectivity, people, families and organizations act with solidarity and assist each other. In this sense, LCD coincides and converges with the objectives of the SSE. If development is understood as expansion, perfection and transformation of the economy in a given social, ecological and environmental system, we can say that LCD and SSE share objectives contributing to development in the social, ecological and environmental subsystem of a given locality or territory.

2. Agents for Local Economic Development and SSE

The concept and theory of the SSE arise from the experience and knowledge of a number of very diverse small and medium economic organizations formed from different kinds of links: of family, of the neighbourhood, of community, of cooperation, of reciprocity, of mutual aid. The study of such experiences identified the existence of distinctive economic rationality, which is distinguished from that of other economic forms. Central to this economic rationality is the active presence of solidarity in the organization and processes of production, distribution, consumption and accumulation. This is why it was given the name solidarity economy.

This special rationality of the SSE determines a way of growing, perfecting and transforming the economy which is manifested in the LCD processes. Thus it is important to understand the properties of this solidarity rationality, which integrates the economic, social-political and cognitive-cultural dimensions of life. Simplifying the expression, it is termed “social, economic and cultural solidarity”.

A “rationality” is not an abstract form that acquires reality when “applied” to organizations and processes. On the contrary, it is the set of objectives and motivations of those who are protagonists of certain experiences and ways to do economy, and the methods and modes of action and interaction with which they try to fulfil them, that generate a social-economic and

cultural rationality. This explains the importance of making explicit the set of motivations that promote the actors or protagonists, that is, the people who make the SSE.

There are diverse agents with various motives but their motives converge. They are:

1. Poor people with experiences of popular economy who display activities and construct economic organizations to subsist and satisfy their necessities.
2. People and associations that look for alternatives to the capitalist and statist economic methods because they have understood the magnitude of the injustices, inequalities and problems of contemporary economics, politics and culture.
3. People and organizations seeking to renovate the ways of cooperation and self-management, trying to reach higher levels of efficiency in a more demanding economic, political and technological context that require more knowledge, creativity, autonomy and solidarity.
4. People and groups that become aware of the gravity of the environmental, ecological and human problems that have produced the unsustainability of the current mode of development, and consequently consider the need for “another development” with emphasis on the local, in exploiting non-conventional resources and energy, and in self-support.
5. People and groups with cultural and social tendencies to create and disseminate new ways of working, distribution and consumption in community and service ambits, in which they express the aspiration of many Christians, Muslims, Jews, Buddhists, Hindus and humanists to live in greater coherence with the ethics and spirituality that encourage them.

These different agents including people, groups, associations and organizations meet with each other where they live. They meet and recognize each other, share their concerns and projects, discover the unity of their objectives and the possibility of collaborating with the resources and capacities that all have to some degree. Thus they reinforce the organizational and community links of those who live in the same area and the initiatives that are produced to generate an LCD with this social-economic and cultural rationality that they share.

3. Rationality of SSE and LCD

The special rationality of the SSE, and of the LCD, is manifested in the objectives and interests of the organizations, in the ways their members relate, in the circuits of distribution and assignment of the resources they generate, in the ownership properties they adopt, and in the relations, they establish with the market, the State and local institutions.

The manifestation of this rationality can be identified synthetically and schematically as follows:

- Confronting in an integrated manner a set of human, individual and societal needs; and needs of physiological subsistence, coexistence and relation with others, capacitation and cultural development, personal growth and social identity, autonomy and critical integration with society. Participation is central to this process. Participation in this process implies not only working, producing, selling and buying but also a way of life, a complex social and group practice that tends to be integral, and “life strategies” beyond “subsistence strategies”.
- Establishing a close link between production, distribution and consumption. There is some division of labour, commercial relations with others and monetary distribution processes in an SSE, but in their relations in their own organization and with other similar organizations they share and cooperate so that monetary mediations between

production and consumptions are less important. Not every job has a price or remuneration. Besides, what each receives does not always correspond to a contribution of equivalent value. The proximity of production, distribution and consumption requires establishing personal connections, which implies an emphasis on family, neighbour and territorial relations.

- Using preferably local or nearby resources and production factors, or those from their own solidarity sector, if possible favouring the poorest and small economic units instead of supplies from larger, rich and distant economies. Also, produce preferably for one's own locality, orienting production to satisfy the needs, aspirations and desires of the local community. This does not preclude using resources from other sectors or from outside the local territory, or from producing for the general local and export market, the latter especially when there is not sufficient local demand. Essential is a preference for the small and local, which is amplified in concentric circles of circuits of production and distribution.
- Operating with a qualitative and subjective concept of efficiency. The relation between objectives and methods, between costs and benefits, transcends a strictly quantitative calculation. Objectives and methods are highly intertwined, thus fulfilling an objective itself is a method to achieve another objective. For example, satisfying certain basic needs is a method to satisfy relational and coexistence needs and vice versa. Work and the community use of time may be both a cost and the achievement of certain objectives. Thus it is not always possible to measure efficiency quantitatively, because costs and benefits may not have a monetary expression or be completely separable.

SSE organizations and enterprises (SSEOEs) offer their members a set of extra-economic benefits and satisfactions that are added to the account or total value increase that each member makes. To measure the product generated by SSEOEs, it should be considered that both the physical production and a set of services which, if they would have not been generated in the organization, would have had to be acquired in the market.

The operation also implies a set of important savings; collective management based on traditional knowledge and customs, reduction of the costs of information and communication, self-control of the work, a number of free benefits, using partial, discontinuous and secondary labour not used in other kinds of businesses, the contribution of social creativity, using low-cost means of work, etc., which are a set of aspects that allow SSEOEs to operate with low costs.

- Preferring family and community consumption over individual and mass consumption. It can be found in sharing goods and services within family and community, in particular when these goods and services are available and better satisfy the personal and community needs.

An important aspect of the rationality of these organizations linked to consumption is their method of accumulation. To the extent that these economic units establish market relations with others, they have the possibility of accumulating unconsumed surplus, forming a reserve capital and making productive investments in their own organization. However, the main type of accumulation is in the development of values, capacities and creative energy by those who participate in them. We may say that these organizations seek to assure the future not only by possessing material activities, but especially by cultivating the richness of social relations, and by potentiating the capacities and human resources that once acquired will always be available to confront growing, recurrent and new necessities.

In these elements constituting solidarity rationality is a special economic factor operating in the SSE and LCD. It can be called **factor C** (community), which is added to the conventional factors K (capital) and L (work). This factor is the presence of special community elements and solidarity values which are expressed in different ways—cooperation in work, shared use of knowledge and information, participative decision-making, social integration of different functional groups, activities of coexistence and participation, fair and solidarity-based distribution of the benefits, etc.

By being present within the economic and social units, factor C achieves tangible positive effects, a reduction in costs or additional benefits that are added to the results of the economic operation. In other words, factor C means that the formation of a group, association or community, or the presence of integrative links and solidarity values in the companies, provides a set of benefits to each member, and better yield and efficiency to the whole economic unit, due to a combination of economies of scale, economic benefits of association and positive externalities.

4. Potentials of SSE and LCD

What has been indicated so far about SSE and LCD must be understood as a theoretical expression of behavioural tendencies, and not necessarily as an exact description of what really happens. Intermediating between “what is” and “what should be”, the theoretical formulation of rationality identifies the potentials not fully realized but already present to some degree.

The study of the different forms of popular economic, cooperative and solidarity organizations has shown that:

- a) The economic experiences that arise from the people and their communities carry this solidarity rationality in a way that we may consider germinal or embryonic, in the sense that they have not always been displayed in all their dimensions and aspects.
- b) These inherent forms of doing economy are viable both at the subsistence level and in a perspective of growth and development and contain potentials that can greatly transcend those which have so far been their practical manifestations.
- c) The viability and possibility of development increase as the solidarity economic units and their members organize and act with more coherence in relation to this social-economic and cultural rationality of which they are budding carriers. A decisive aspect of the potential growth of the SSE is given by the degree of identification of its members with the ideals and values that characterize them and with the kind of social utopia to which they are oriented. This identification may occur both at the level of discourse expressed as the experiences lived, that is, as a self-conscious reflection, and as concrete social practices.
- d) SSE and LCD are neither the only nor the most decisive factor for the social-economic and cultural development of a society. Socio-economic and cultural development is a process that involves the entire society, and in which there is the active participation of the market with its variety of companies, intermediaries and consumers, and the State with its institutions, rules and organizing activity. We distinguish three sectors in the economy—the market capitalist economy, the State economy and the SSE. Each is observed to have special advantages according to the ambits or territorial spaces in which there is human interaction.

The main agent of international development, which articulates production, commerce, finances, transport and world economic flow is the capitalist market. The main agent that regulates and coordinates the development and economic interactions in each country is the

State. The main agent of local development, which expresses social-economic coexistence in a town, neighbourhood or small locality is the SSE. It is important to comprehend that these three modes of production, distribution, consumption and accumulation give rise to different ways of “city building”. This theme deserves special consideration due to its close connection with the LCD.

5. SSE and the community relations in large cities

The morphology of modern large cities does not favour community relations. Cohabiting reduced spaces, multitudes of anonymous individuals remain in their reciprocal exteriority, showing themselves to others as competition and even potential threats, due to which precautions must be taken to guarantee their personal and property security. Contemporary metropolises have many problems (congestion, overcrowding, atmospheric contamination, personal insecurity, poverty, marginalization, insalubrity, etc.), which demonstrate how inadequate the current economy is for the needs and quality of life of people.

Cities do not have to be like this. A city is a social product—the historical result of the actions of persons and groups that define their way of inhabiting and living. Land occupation by different groups and social sectors, the location of infrastructure and urban equipment in the different city levels, the functional organization of the urban space—are all the historical results of the organization and functioning of the economy, and reflect the rationalities that reign in the successive phases of the historical evolution. A city is constructed in different ways by the different economic sectors that develop in it, each influencing with its specific rationality according to the size and relative importance that each sector has reached.

The economic sector presided by the State tends to occupy and structure the urban space hierarchically and according to the organization of the political power. The central government is established in the city centre, making evident the hierarchy of the executive, legislative and judicial powers. The different dependencies of public administration are built immediately around the political centre, also following a line of administrative hierarchy which is seen in the architectural forms of the buildings which house their services. The other administrative organs, with their communal structure and decentralized services, show a similar hierarchy of political power in the city. When the construction of residential neighbourhoods for the population is planned and organized by the State, they are usually monotonic populations of houses homogeneous in design, size and form, with a square arrangement of streets and plazas, transport, infrastructure and services.

The capitalist economic sector builds cities with the rationality of the market. The economic subjects compete with each other to occupy the spaces that offer better perspectives of profitability and capital gains due to their proximity to the centres of power, the capital market, the supply of commerce and consumption. Thus they constitute different industrial, commercial, residential, educational, recreational, etc. zones, corresponding to the financial capacity of the different social groups, from the most affluent in the highest and central positions to the lowest in the periphery, producing a very evident differentiation in the quantity and quality of the infrastructure, buildings and equipment in the different sectors of a city, which is thus highly segmented.

The SSE sector constructs a city in accordance with its own special rationality. One of its features is the tendency to integrate economic, social, cultural, political and religious activities in complex organizations that aim to meet human needs in an integrated manner. The SSE sector does not favour the separation of spaces destined to different economic and social functions but tends to re-integrate the activities of production, distribution and

consumption in the urban spaces inhabited by the local communities. The productive activities of families and communities will intertwine with daily life and with the activities of work, commerce and consumption.

This is important from the perspective of development for several reasons. It means more intense and extended productive use of urban soil. It largely influences the use of time because it allows reducing the commute between work and home. From the perspective of social identity and work motivation, it avoids the feeling of marginalization and disengagement from companies which is generated when people live far away from the centres of productive activity. It may even produce a reduction in social conflict, if closeness generates sentiments of identity and internal cohesion of the human group, while distance produces feelings of alienation, separation and opposition.

Personal and community participation -which is strengthened by the SSE organizations and enterprises- is manifested in the participation of the citizens in the planning, design and construction of the city in their neighbourhoods and in the design of their functional and symbolic elements (see the entry “Partnership and co-construction and SSE”). There are very interesting experiences of citizen participation in the elaboration of budgets in communities.

6. Final Remarks

Finally, we illustrate some of the main contributions that SSE and LCD processes have in the development, transformation and general improvement of society.

One essential improvement is overcoming poverty. This is not conjunctural and transitory as are State subsidies, but structural and permanent since it is accomplished by the deployment of the capabilities and resources of the same groups that confront problems of subsistence and marginalization.

It is worth noting that just the fact that thousands of families reach subsistence from their previous marginal situation, and that they do so without having to use State assistance or to submit to the conditions demanded by capital, is a formidable achievement in terms of creating the conditions or premises of self-sustainable and sustained development.

Another contribution of the SSE is in the use of the labour force. Less skilled or less productive workers may find work in solidarity organizations, the so-called secondary workforce, and partial or discontinuous jobs may be available that are unlikely to occur in other sectors of the economy.

SSE and LCD activate creative, organizing and management capacities that are disseminated socially and have never been economically exploited. When they arise and display what could be called “popular entrepreneurship” their contribution to development is notable, since the business factor is one of the most scarce and decisive sources.

They also favour integral human development. They satisfy physiological, self-preservation, spiritual and coexistence needs with organizations that tend to be integral, in the sense of combining strictly economic aspects, with the social, cultural and political dimensions of individual and collective lives. When the economic units of the solidarity sector are more integral, they provide the participants with a superior degree of self-control with respect to their own living conditions.

Thus SSE and LCD give rise to the constitution of new social subjects—associations, organizations, communities--, as well as decreasing conflicts and providing better social integration. The expansion of the “intermediate groups” produces new economic actors who may activate a large number of economic projects and activities; these intermediate actors are

added to those usually recognized as the basic generators of economic initiatives, the individual and the State. Better social integration and decreasing conflict make it possible to create and liberate resources and capacities often inhibited by fear and distrust.

These socio-economic experiences manifest special preoccupation for the conservation and cultivation of nature because of their specific rationality that orients them to use preferably local resources and provide the satisfaction of the needs of their community and immediate surroundings, instead of responding to more distant claimants of the goods and services they produce. Persons and human groups are especially interested in their immediate environment, in the surroundings with which they link and on which their life and progress are strictly dependent. Each human group or community tends to take responsibility for that portion of the earth, air and water which serves them vitally. Thus both the oldest and most traditional forms, as well as the new ones that compose this economic sector, tend to adapt to the microclimate and conserve the resources of the place.

If the discovery and empowerment of resources is a function of the existence of projects, SSE and LCD are mobilizers of new resources, because they are inexhaustible sources of projects. They constitute a large, novel and creative project of transformation and human and social development, which due to the motivational force of their objectives is capable of identifying the means and resources necessary for their execution.

One important advantage of SSE compared to other ways of doing economy is that those cultural and relational values which are not “owned” in the way material goods are may nevertheless be possessed. The happiness of one is reinforced with that of the others; knowledge is developed as it communicates; the friendship of two or more persons grows only if it is reciprocal; the creativity of an individual is empowered in a culturally rich and creative social context; the degree of security of a person due to participation in an organized group is higher when the security of the other members of the group is higher; acting in the benefit of the others produces qualitatively superior personal satisfaction.

Another significant contribution of SSE and LCD is that of knowledge and technology. While modern technology finds them in the knowledge possessed by scientists, engineers and specialist technologists, the popular and solidarity economy opens the immense and multifaceted field of knowledge disseminated socially and the popular creative spirit. This implies an almost infinite multiplication of the approaches and spaces of reality subject to useful knowledge. Everywhere there are realities whose knowledge allows hidden productive potentialities to surface; we can understand that nobody knows their immediate and particular reality better than those who live and experiment it directly. From this, technologies arise adapted to the specific conditions in which they are to be used, understandable and acquirable (in the sense that they may be made “their own”) by many; different and alternate technologies than those which are usually used in capitalist companies.

The transmission and communication of knowledge may be done fluidly in an SSE, as a process of reciprocal learning, without interfering with the private forms of appropriation which give rise to “technological secrets” which characterize the capitalist economic sector and are an impediment to the necessary integration of knowledge into production.

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