

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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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

	Capitalist firm	Popular economic organization	Indicators
Finality	Capital accumulation	Enlarged reproduction of group members' life	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Use of surplus • Support mechanisms in case of impossibility to work
Dominant category	Investors	Active members	<ul style="list-style-type: none"> • 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

Activity-based organizations (n=16)

- Production of a same good or product, mostly in craftwork
- All informal, except 2 groups
- 3 generations of groups
- Mostly women, from marginalized districts of Santiago
- Low to intermediate education
- Little employment and revenues generated

Territorial organizations (n=8)

- Common element is not the activity, but the territory
- Almost all groups have a legal personality; but not necessarily formalized at the individual level
- Similar socio-economic profile

4. Analysis of the functioning logics of popular economic organizations in Santiago de Chile (2)

- **Activity-based organizations**

- *Finality*

- Growth dynamics

	Revenues	Employment
Growth	5	2
Stagnation	8	2
Regression	3	12
Total	16	16

- 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*

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

- *Dominant category*

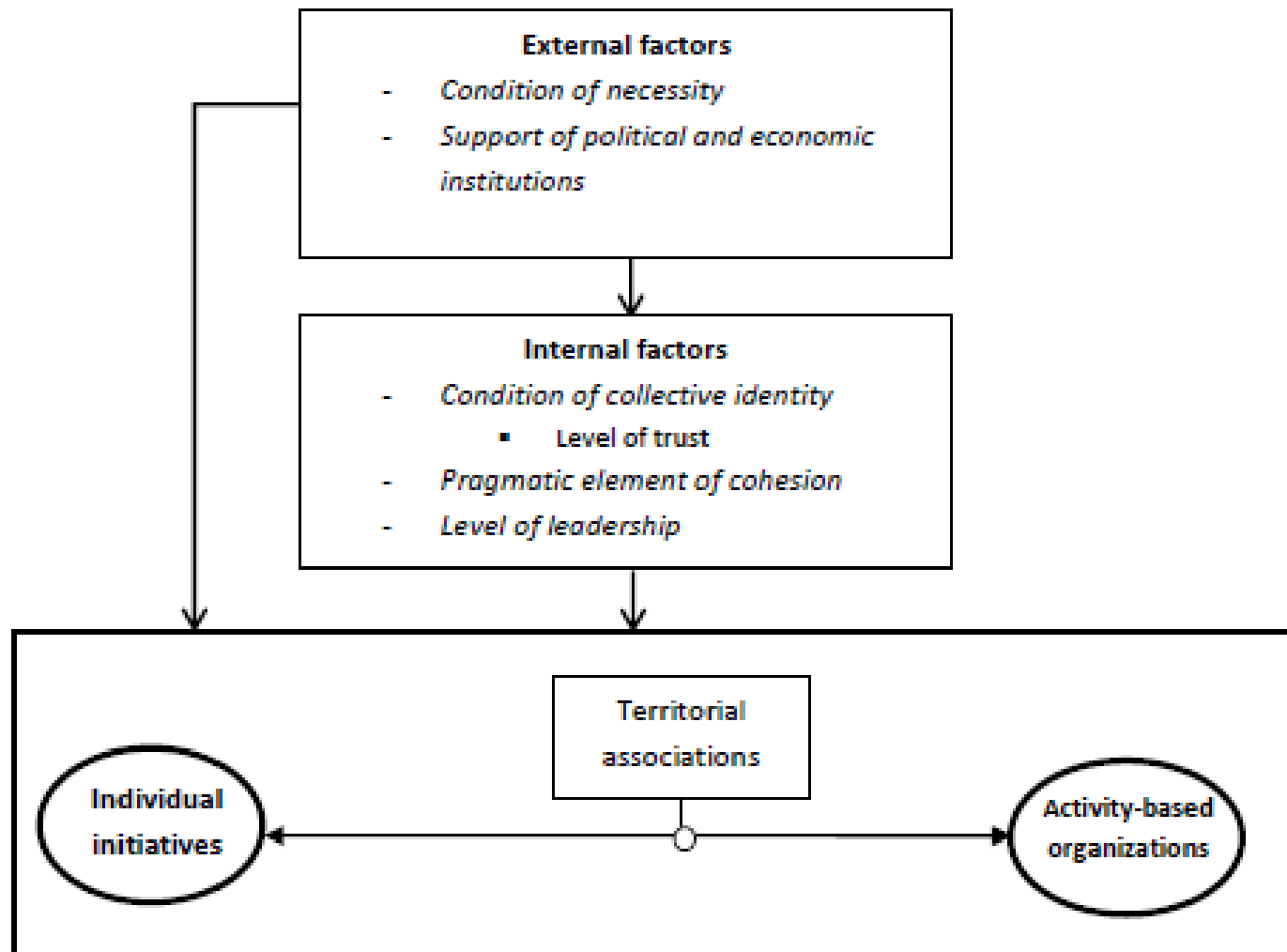
- All organizations but one have a General Assembly composed of the workers
- The majority of workers attends it systematically
- Democratic modes of decision making
 - 1 person=1 vote
 - Consensus
- Executive management mode:
 - All the workers (n=6)
 - Delegation to a leader
 - Delegation to a group 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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