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experiences," naturopathic, holistic approaches to health, and vegetarianism ranked lowest amongst a list of items considered "important to the project of Les Verts."

81 This is Eder's argument in The New Politics of Class. However, changes in the social opportunity structures of the new middle strata—such as the disciplining and atomizing effects of neoliberal restructuring—may erode their capacities or willingness to assume the leadership of counter-cultural movements.

The Social Economy in Québec: Discourses and Strategies

MARGUERITE MENDELL

In 1992, Colin Leys and I edited a collection, *Culture and Social Change*,¹ which was the result of several meetings we had organized between activists and academics in Québec and Ontario to debate the role of social movements in these two provinces. The exchanges were fascinating; the differences between these two provinces were even more profound than we had imagined, as our discussions and debates traced the history of popular movements, their relationship to the labour movement, their mobilization strategies, and their place in the political culture in both provinces. Indeed, the left in Québec – the labour movement and social movements – was largely committed to Québec sovereignty; we knew this, of course, but perhaps we did not fully appreciate the wide cultural and historical references that distinctly shaped these movements in each province. The history of popular struggle in Ontario and Québec was distinguished not only by language but by political and cultural influences. We could not address the issues without understanding, first, these distinct points of reference. This may seem obvious, but it was striking to discover how deep the differences were, despite solidarity between the groups represented at our meetings and a keen interest to share each other's experiences.

Exchanges were held at two universities, Queen's and Concordia. The discussions focused on the histories and strategies of the labour movement, the feminist movement, community organizations, the environmental movement, and church coalitions in Québec and in Ontario. We discussed the relationship between old and new
movements and the impact these might have on a new socialist project at the time. The nationalist question in Québec was a powerful mobilizing force; popular groups with a long history of militancy succeeded in getting labour on their side. This relationship has yet to emerge in Ontario. I am glossing over important debates within the labour movement, which did occur in Québec and are ongoing, to come rapidly to a different point, central to the questions we were raising at the time, and which I would now like to raise again in the context of the "social economy" in Québec today.

I refer especially to our focus, in the book, on new discourses and practices within the labour movement and the old and new social movements at the time. This was particularly evident in Québec, with the establishment of a labour solidarity fund in 1983 and the creation of community economic development corporations (CDECs) by the Québec government in the mid 1980s. The Fonds de solidarité des travailleurs du Québec, established by the Fédération des travailleurs et travailleuses du Québec (FTQ) immediately assumed a strategic role in the Québec economy. In its initial phase, the active engagement of the Fonds in job creation and economic development brought it into open contact and often into conflict with local activists. It was also severely criticized by the Confédération des syndicats nationaux (CSN), the more radical labour union in Québec. However, its influence as a strategic player in Québec was already clear in the late 1980s, as the political discourse changed, reflecting the critical role now occupied by the labour movement in revitalizing the Québec economy and in creating employment. At the same time, the quickly expanding economic role of community organizations forced a new dialogue between the labour movement and the popular sector.

The Confédération des syndicats nationaux (CSN) had already begun an important dialogue with the feminist, environmental, and community movements, in ways in which the FTQ had not, as it focused on its solidarity fund and job creation strategy. This dialogue marked a turning point not only in the debates it generated within the labour movement itself but in formulating new alliances and strategies that have influenced left politics in Québec since.

In 1995, the CSN also established a solidarity fund, Fondaction (Le Fonds de développement pour la coopération et l’emploi), which has been fully operational since late 1998. Unlike the Fonds de solidarité des travailleurs et travailleuses du Québec, which has invested widely in the Québec economy, the CSN fund will invest only in firms that have a clear and direct impact on job creation or the maintenance of existing jobs, firms with a commitment to participatory management and/or management training programs for workers, worker-managed
firms, and firms engaged in environmental protection and/or environmental politics. Together, these are social economy enterprises, whose objectives move beyond profitability to social utility and the collective good. In Québec, these two funds, in addition to a large number of new sources of investment capital, which, in many instances, also involve the FTO, represent a critical source of risk capital for initiatives that, otherwise, have no access to capital. This alternative capital market includes social criteria in its allocation of investment capital.

In Culture and Social Change, we wrote that the new intersections between labour and social movements required structural changes within the labour movement, both conceptually and politically. Once the labour movement no longer felt that it had to preserve its structures to prevent erosion by the surrounding culture of social movements, it could change its discourse and practices at the same time as it could influence the discourse and practices of these movements. This has been occurring in Québec for almost fifteen years now, with strategic alliances between labour and community or social movements within a dominantly neoliberal policy regime that is thereby challenged and forced to accommodate and concede on many fronts. These new discursive practices between labour and social movements increased the capacity to mobilize a new politics of contestation in Québec. Since the time of our meetings and the publication of the book, these discursive practices have themselves dramatically changed.

Until 1995, the dialogue between labour and social movements represented an important advance in progressive politics, but social movements did not have an independent voice, as did labour in its capacity to negotiate with business and the state. The force of the women’s movement in Québec has dramatically changed this. Social movements have joined the three major actors—labour, business, and the state—to negotiate economic development strategies in Québec’s new social economy.

FROM THE WOMEN’S MARCH AGAINST POVERTY TO A “PROJET PAR LA SOCIÉTÉ”

Over the past two years, a great deal of attention has turned to the so-called social economy in Québec. The qualifier is deliberate, as the most lively debates have centered on the very term itself. A brief history of the events that led to a formal recognition of what I prefer to interpret as a social project rather than a narrow sectoral one, which typically confounds the social economy with the third sector, tells a remarkable story of popular groups in Québec society today and their
significant impact as new actors – previously confined to the margins of political debate and action – now joined with business, labour, and the state to negotiate new socio-economic strategies. Far from an incremental addition of marginalized groups to a corporatist elite of experienced negotiators who now have to adapt their language to the customary political discourse, a new framework for negotiation is emerging, which not only includes an additional player, so to speak, but has adopted a new political language embedded in the culture of radical groups and their history of popular struggle.

In June 1995, women's organizations coordinated by the Fédération des femmes du Québec, organized a Women's March Against Poverty. Hundreds of women from all regions of Québec marched over two hundred kilometres for ten days and mobilized tremendous support throughout the province, including local, regional, and provincial governments. They arrived at the National Assembly in Québec City on 4 June and presented the government with nine demands, each and all of which were to address the level of poverty among women and children and the growing number of socially excluded and marginalized communities in the province of Québec. This was the most influential event, I believe, in recent Québec history. It not only forced the government to respond but also to recognize the increasing and vital role played by the women's movement and the co-operative, associative, and community sectors in the economy.

The demand that received immediate attention from the Québec government and introduced the issue of the social economy into the political debate was for investment in social infrastructure. The argument was compelling: governments invest continuously in infrastructure – road maintenance, buildings, etc. – but ignore social infrastructure, goods and services with social utility essential to the well-being of all societies and provided largely by women, whose work is neither adequately recognized nor remunerated. This investment is more critical today; chronic unemployment, increasing poverty, and the growing humiliation of social exclusion have in turn increased the burden on women considerably, both as victims and as caregivers in a political environment that has abandoned the collective good in favour of market imperatives such as deficit reduction and the privatization of social services.

The response by the Québec government was immediate; it agreed to invest $22.5 million in social infrastructure over five years, but, more significantly, it opened a debate on the social economy, its definition, and the role of government. A committee – Le Comité d'orientation et de concertation sur l'économie sociale – was established to examine these issues. As well, regional committees – Comités régionaux
The Social Economy in Québec

d’économie sociale (CRES) – made up of representatives of women’s groups and of regional ministries, were created to identify their specific funding needs. These groups were to recommend a definition of the social economy to the Québec government as well as identify criteria and projects that it should support.

The report by the orientation committee was presented to a conference organized by the Québec government in March 1996, to which representatives of women’s groups and community organizations were invited for the first time. The government struck three subcommittees in preparation for a socio-economic summit on the economy and employment to be held in October, one of which was on the social economy. Once again, the principal mandate of this subcommittee was to define a Québec model of the social economy and the criteria for supporting projects. The October summit established a Task Force on the Social Economy for a period of two years. Its role was to select projects and develop a strategy for the social economy. Twenty-five projects were targeted for assistance by the Task Force, in sectors as varied as culture, forestry, domestic work, education, housing, transport, and manufacturing. These projects would create twenty thousand jobs in three years.

A NEW POLITICAL DIALOGUE

In retracing these recent events briefly, we are able to capture their far greater political significance. Indeed, the large and open mandate given to the orientation committee and its regional representatives, as well as the commitment of funds to designated projects, represented an immediate and important victory; even more important is the symbolic impact of this short history on Québec politics. The dialogue that had begun earlier between labour and popular movements was now extended to include the state. The emergence of the social economy as both a spatial and a socio-economic phenomenon transformed the role of its actors from struggling at the margins to full participation in a partnership model that, until now, had included only labour, business, and the state.

It is critical to note both the spatial and socio-economic aspects of the social economy; the collaboration of social movements with territorially based community organizations had already represented an important strategic change in left politics in Québec. This meant that, increasingly, efforts were directed towards the democratic revitalization of poor communities and regions directly challenging prevailing economic development models – both welfare state redistribution programs from above as well as the prevailing support for small- and
medium-sized business (or supply-side economics writ small). The remarkable speed with which these achievements were integrated into strategic plans for the Québec economy not only contributed to their visibility but, more significantly, moved beyond spatial considerations linked to territory to a new political space occupied by movements for the first time, forcing the Québec government to embrace novel and more inclusive networks of governance, rather than subvert them, as in the past, or contain them, as they have done until recently. While some interpret this critically as a threat to the autonomy and militancy of popular movements, this view misses the profound impact that the presence of these actors are having on the political dialogue and decision-making process in Québec.

The demand for social infrastructure investment addressed fundamental questions of equity and democracy in a society that had, for almost twenty years, been ideologically driven to believe that markets had been prevented from operating efficiently due to a bloated and wasteful public sector, that the welfare state had nurtured a culture of dependency, and that a free market economy would replace indolence with innovation, dependency with entrepreneurship. The results need little documentation. While the literature abounds with analyses of globalization, the impotence of national governments to engage in domestic revitalization programs, and the need to abandon full employment as a realistic objective, the growing number of people who can no longer be assured a sustainable livelihood in a society incapable of providing paid employment for more than 10 per cent of its population, has moved the debate beyond the roles that governments can play, to questions of social justice, citizenship, and democracy in societies governed primarily by principles of inevitability and a consensus on the impracticality of social intervention, especially regarding job creation.

The challenges are coming from social movements; the women's march marked a critical turning point in contesting the prevailing discourse by introducing a new political language. It openly addressed the ethical issues totally bypassed in policy discourse. The introduction of social infrastructure by the women's movement was, in a very real sense, destabilizing; the new vocabulary received the only appropriate response from the Québec government, which asked for help in defining the issues at stake. The inevitability thesis was turned on its head as the women's movement uncovered the real issue today, which is the absence of political will. The movement called upon the state to assume its role in public life, by implementing policies and strategies that both respond to a changing world economy and the necessary interventions to create new opportunities corresponding with these
realities, but that do not compromise the basic rights to a sustainable livelihood inherent in democratic societies. This has diverted the debate away from, for example, "the end of work" to new sites of employment, to new relationships between the state and social movements, especially community organizations, and to the involvement of the private sector. It has not questioned the claim that the link between work and income has been severed by demonstrating instead that the options are not between no work and a guaranteed income but between the legitimation of all forms of employment with the appropriate state support to provide living wages for previously unpaid work and for new jobs responding to unmet needs in society. The debates regarding work and guaranteed income flow from the inevitability thesis.

**The Institutionalization of Collective Action**

The definition of the social economy that was accepted at the summit includes those enterprises engaged in the production of goods and services contributing to the collective good. It introduced, to distinguish the social economy from the private sector, the notion of a "social profit" and "social utility" as overriding objectives. While the social economy would create jobs, this is not its principle function; the promotion of democracy, citizenship (creating an active citizenry), and empowerment in the workplace and in the community underlies the social economy. Moreover, it contributes to the overall well-being of society, as it offers a greater variety of goods and services. Many of the defining characteristics of a social enterprise are familiar; they derive from the rules governing co-operatives, principally that of the priority of persons over capital. What distinguishes the defining characteristics of the new social economy is an emphasis on social engagement, on participation.

Community organizations were able to occupy a strategic seat at the decision-making table in October 1996 because of their impressive track record. Throughout the 1970s and, especially, the 1980s, new intermediary organizations based in communities tackled difficult issues in innovative ways drawing upon the creative energies of community activists who now assumed new and additional responsibilities for economic revitalization of poor neighbourhoods and regions. These included community development corporations (CDCs), community futures development centres (CFCs), community economic development corporations (CEDCs), local community service organizations (LCSCs), the labour movement, and the cooperative movement.
The 1980s, as Louis Favreau and Carol Saucier write, was a period of experimentation in which social movements moved from mobilization around issues that cut across territory to what David Harvey has referred to as a “politics of place,” and Juan A. Tamas Carpi as an “instrument of social change.” Community groups began to define alternative socio-economic strategies that would mobilize community resources to provide needed goods and services by creating partnerships with other local actors. Favreau and Saucier consider this a redefinition of the social contract, this time between the community and intermediary organizations, which did indeed receive state funding, but which were largely autonomous. Community groups represented in these various new intermediary associations debated and implemented new strategies; the community sector assumed responsibility for resource allocation in its neighbourhoods; its mobilization skills and commitment to social issues were critical inputs to the collective project of economic revitalization that has become the basis for the social economy and for the support it is receiving from the Québec government.

The credibility of the community sector underlies the new political position it occupies in Québec. Of course, this is within a predominantly neoliberal political environment, and its capacities are certainly limited and must not be exaggerated, but the presence of the community sector at the major negotiating table is extremely significant; it represents a break with paternalistic practices of top-down targeted program funding, as dialogue with new partners who have a demonstrated ability to engage in economic renewal in other ways is defining new strategies and new relationships within communities and between the communities and the state. That this is discussed at the national level provides a critical opportunity to coordinate work that was, until recently, territorially bound and often confused with local development. That this dialogue is drawn from practice, from action, means that these experiences have to be and are taken seriously.

This has opened up many debates, the most serious of which is the anger and frustration expressed by women’s organizations, which now fear that their struggle has been repackaged to resemble more palatable strategies of local economic development, rather than the support they sought for primarily non-market activity provided by women. This is a difficult and troubling issue.

**THE OLD AND NEW SOCIAL ECONOMY IN QUÉBEC**

A great deal has been written in Québec to distinguish the new from the old social economy, which was generally associated with the co-
operative movement and mutual aid societies and associations. The legacy of the co-operative movement is critical to the new social economy that has borrowed extensively from both the juridical and normative rules governing the movement. There are three principal contemporary theoretical references for the new social economy in Québec: Henri Desroches, Claude Vienney, and Jacques Defourny. Their approaches vary according to the emphasis that they place on legal, structural, and normative issues. These are not conflictual; their definitions, which pertain primarily to co-operatives, are, in fact, complementary. These authors together represent the contemporary theorists of the co-operative movement. The intellectual roots originate in the sixteenth-century writings of Thomas More and run through the important influences of Robert Owen, the Rochdale Pioneers, and theorists such as Fourier, Proudhon, and Saint-Simon. The legacy is rich and has more generally been associated with utopian socialism. Today, the predominant references are primarily to Charles Gide and Leon Walras.

In Québec, the contemporary theorist whose work has been most influential is Jacques Defourny; he focuses on the underlying values of the social economy and provides a normative framework. The definition provided by Defourny, which is applied by the Walloon Council for the Social Economy in Belgium and has been influential throughout Europe, was adopted by the Task Force on the Social Economy in Québec. In this definition the social economy consists of:

association-based economic initiatives founded on solidarity, autonomy, and citizenship, as embodied in the following principles: a) a primary goal of service to members or the community rather than accumulating profit; b) autonomous management (as distinguished from public programs); c) democratic decision making process; and d) primacy of persons and work over capital and redistribution of profits.

The Task Force of the Social Economy in Québec added a fifth principle: participation, empowerment, and individual and collective responsibility.

The history of the social economy in Québec begins with the first mutual insurance company, Société bienveillante de Québec, established in 1789. Mutual aid associations emerged throughout the nineteenth century. The first credit co-operative was established by Alphonse Desjardins at the end of the nineteenth century. It responded to the credit needs of agricultural producers and was inspired by Raiffeisen (1818-88) in Germany. Today, Le Mouvement Desjardins, Québec's highly successful credit-union movement, is actively engaged
in supporting the social economy financially and as a partner in several projects.

The so-called second wave of the social economy in Québec occurred in the 1930s, supported largely by the Catholic Church and its anti-state and anti-socialist position. The consumer, fishing, and forestry co-operatives established in the 1930s were joined in the 1940s by co-operatives in education, housing, and hydro-electricity. The number of credit unions, agricultural co-operatives, and mutual societies grew during this time as well. This period is considered a turning point in Québec, as co-operatives in production and consumption provided a means to raise the low standard of living. Their growth levelled off in the 1950s and resumed once again in the 1960s. From 1960 to 1975, the old social economy experienced a marked decline, which coincided with the growing involvement of the state in the economy and the rise of oppositional movements based in community organizations. Citizens' committees established community clinics in Montreal and Québec City, which were later transformed into CLSCs. Similar mobilizations in rural communities fought for the survival of villages hit by plant closures and economic decline. This period marks the overlap between the old and new social economy as it has been defined by several writers and activists in Québec.

The Mouvement associatif Québécois, which emerged in this period as an independent political voice based in low income neighbourhoods, was rooted in Christian social action groups of the 1940s and 1950s. The Catholic left in Québec has played an important role in both labour and popular movements. Paradoxically, the development of the co-operative movement, the old social economy, carries another Catholic legacy, influenced by the Catholic social theorist, Frédéric LePlay.14

During the 1970s, alternatives to co-operative production such as self-management appeared for the first time. Also, the state had become more involved in modernizing the economy of Québec from the 1950s onwards, laying the basis for what was to become known as Québec Inc., the concertation model that has characterized the economic development of Québec ever since.

The second generation of community action, 1976–82, is referred to as the golden age of activism. Groups began to struggle simultaneously for state recognition and autonomy, as they fought against the clientelist approach of publicly provided services. Social housing, daycare, women's health centres, and support groups for the poor and the unemployed established by community organizations demonstrated another way of providing services with dignity. It also marked a sociological shift from popular movements to territorially based communi-
ty groups that began to explore and implement alternative economic development strategies. As stated earlier, this legacy is critical to the new social economy, which is built on the militancy of popular movements and the work of these organizations. As Martine D'Amours writes, the context for popular struggle had changed. The ideological sea change in the mid-1970s, which began to rip apart the welfare state and leave groups attacking its clientelist approach with the threat of complete abandonment, in fact, created new openings to develop autonomous community initiatives and to call for legislative changes to provide more freedom and flexibility.25

The history of the social economy in Québec has been extensively documented and is repeatedly in the many discussions on the evolving new social economy, especially as it now moves beyond the co-operative movement to include a variety of social enterprises and partnerships with the private and public sector – to oppose what is often a narrow association with the “third sector” – or, even, in some cases, with the informal economy. In fact, expanding the definition of the social economy has been, in my view, the most critical victory for community organizations thus far. I would even go further to suggest that the government was itself taken aback with the scope and breadth of the social economy concept as it was defined by the orientation committee. Its definition is conceptual not sectoral; it considers the social economy normatively, as a reorganization of economic life, in which the economy is re-embedded in society, to borrow from Karl Polanyi.26 This is a radical victory as it demonstrates, through practice, not only the feasibility of “another way of doing” (agir autrement) but that efficiency and cost-effectiveness are not exclusive to private sector enterprises as prevailing dogma has it. Moreover, it has even forced a closer and more honest look at the private sector, which is replete with state assistance, and non-market arrangements and transactions costs, which escape the polemics about free markets.

In Québec, alternatives are emerging from the margins, contradicting prevailing views and the limited options and strategies they offer. The social economy is an important challenge. It has altered the political agenda in Québec; the dogma of inevitability has been severely shaken by the creative and imaginative ways in which community organizations have captured this new political space.

FROM DIALOGUE TO INSTITUTIONALIZATION TO DIALOGUE:
THE SOCIAL ECONOMY AS PROCESS

The Task Force on the Social Economy held a year-end review to which it invited its many participants working throughout the regions
of Québec. At this meeting, projects that had received support were
discussed, plans for the upcoming year were debated, and the chal-
enges ahead were raised, not the least of which was the future of the
social economy (the Task Force itself has a limited, two-year exis-
tence). At this meeting, it was strikingly clear that enormous steps had
been taken to broaden the definition of the social economy and thus
strategically involve the private sector through partnerships in which
the issue of governance remained paramount. For example, the estab-
lishment of a social economy fund – Fonds de développement de l'é-
conomie sociale – was announced. The objective is to create a twenty-
three-million-dollar investment fund in one year; the government of
Québec has contributed four million dollars; the remaining nineteen
million dollars is expected to come from “le milieu,” the community.
In fact, the objective is to substantially involve the private sector,
thereby obliging it to invest in the social economy. Major companies
and banks have already contributed, no doubt influencing other
private actors to do likewise.

Critics whose arguments are by now familiar fail to see the radical
transformation process under way. Resources are being reallocated
from the private to the social economy. Indeed, rates of return are
expected; however, these are considerably less than rates in financial
markets. Moreover, the investment horizon is much longer, shifting
current investment behaviour from short-term to a longer-term per-
spective. This is no small feat in a predominantly short-term specula-
tive investment environment. Most significant is the question of gov-
nance, as private sector actors are invited to participate in these initia-
tives in which they hold a minority decision-making role. The govern-
ing body of this fund has wide representation with social economy
actors holding strategic positions.

We are witnessing what Alberto Melucci refers to as “new frame-
works of sense,” in which social movements of the recent past have
ceased to be fixed characters but instead represent important symbolic
challenges that render power visible and, thus, negotiable. Ruling
groups find themselves forced to innovate and include new actors in
new ways; previous distinctions between the state and civil society
become blurred; the explicit role and place of the private sector
becomes more fluid as well. As new public places are created, witness
the many forums for discussion in Québec and the political space occu-
pied by the social economy; the result is a pluralization of decision-
making centres. This then raises the controversial issue of institu-
tionalization; there is a growing literature addressing the threats this
may present to oppositional politics. This analysis brings its own risks
to bear on these same actors by not recognizing the fundamental and
profound effect that the institutionalization of a new social praxis grounded in solid alternative economic strategies is having on public perceptions. These perceptions legitimize what are otherwise acts of contestation from outside. They thus become the cultural form that shapes the issue for the future and the new institutional order it implies. This perspective is extremely useful in evaluating the processes under way in Québec and in assessing whether the social economy is, in fact, able to transform strategically the public agenda.

The analysis of the emergent political culture is critical and complementary to the growing literature that focuses primarily on spatial considerations – as it analyses new coordinating mechanisms emerging at national, regional and local levels – to situate an experience such as the one described here in the new context of globalization, decentralization, and the hollowing-out of the nation-state. What we are able to observe through these events in Québec is the emergence of new mechanisms that coordinate relationships between various social actors and provide new and more powerful roles for previously marginalized individuals and groups through a new cultural legitimacy ascribed to these experiences.

This is a dynamic story that continues to unfold; to dismiss it as either the formalization of an informal economy or the co-optation of progressive groups is simplistic at best and strategically irresponsible at worst. It blocks important opportunities to transform power relations in fundamental ways not only by accessing control over vital resources but by engaging in a radical cognitive project that demonstrates the viability of democratic alternatives. Indeed, the old social economy, the co-operative movement, accommodated capitalism; but the new social economy is more than a cyclical response by these traditional actors: it is redefining social relations.\(^{18}\) Of course, asking these questions remains critical to the project; the process is ongoing. What does this new mixture of markets, associations, and hierarchies, to borrow from Hollingsworth and Boyer, imply?\(^{20}\) As Favreau and Saucier\(^{10}\) suggest, we must continue to ask whether the social economy represents an expansion of democracy or of social corporatism. Is it part of a new welfare mix of workfare/welfare? These questions remain important benchmarks to remind those involved of the objectives sought.

The role of popular education is critical as these responsibilities urgently require both analytical and practical tools. In their analysis of the social economy, the Confédération des syndicats nationaux (CSN) emphasized the importance of another way of learning or doing, “apprendre autrement.” The experiences of the social economy are the product of what Anthony Giddens refers to as “knowledgeable communities” that construct their own socio-economic development
strategies.\textsuperscript{31} Sheila Rowbotham in her recent book, \textit{Women Encounter Technology},\textsuperscript{32} reminds us that “women studies after all had its origin not only in the desire to extend what was studied but to transform the power relationship in how knowledge was constructed.”\textsuperscript{33} And, as she writes elsewhere, there are now new possibilities for poor women to organize around issues of production.\textsuperscript{34}

In many regions and localities of Québec, the new capacities of communities and movements to extend their democratic practice into the organization of local economies constitute these new possibilities. The principal challenge, at the moment, is to bridge these fragmented experiences and present them as viable and democratic alternatives. This is occurring; the number of conferences organized throughout the province in a very short period of time is extraordinary; the annual review of the social economy convened by the Task Force provided a critical occasion to evaluate and to plan ahead; the labour movement continues to hold meetings and conferences both within the unions and with larger public participation. The role of dialogue has never been more important; protest discourses become integrated into the language of politics, creating Melucci’s new frameworks of sense.\textsuperscript{35} Still, there is a call for more learning opportunities: to consolidate a social project that originated within popular movements and to equip activists to move from experimentation to intervention with tools adapted to their reality and objectives.\textsuperscript{36}

Ian Gough includes the capacity to make choices in his work on basic needs; Amartya Sen speaks of the necessity to recognize and nurture capabilities; Enzo Mingione, influenced by Sen, demonstrates the futility of vast income distribution programs to break what he calls malign circuits of poverty. To be able to do this, people need practical knowledge based in everyday life experience,\textsuperscript{37} but the learning of a new social praxis has wider implications. The lessons of the social economy are being diffused through their increased visibility in Québec. As Tamas Corpi observes: “Citizens and community have in associative forms the process of production and management, as well as a field for democratic learning and experimentation, a mechanism of autonomy in the face of market alienation and the bureaucratic power of the state.”\textsuperscript{38}

In her year-end review of the work of the Task Force, Nancy Neamtan, director, addressed some of the critical struggles ahead, not the least of which are unrealistic expectations. In raising this, she also emphasized the very real achievements that had been made in economic, social, and political terms. The projects that had received support were committed to solidarity and democracy; they also represented hybrid enterprises that combined market, non-market, and non-
monetary arrangements. She also insisted on the fragility of the social economy and its need for continued government support.

The divisions that had emerged between the women's movement and the social economy were addressed. Did these undermine the social economy? Were the objectives of economic democracy and solidarity conflictual? In French, the terms used to distinguish "l'économie sociale" from "l'économie solidaire" have created confusion and conflict. The solidarity economy refers primarily to non-monetary activity, as distinguished from the social economy and its place within the capitalist economy. The debate divides along two lines: those who feel that the non-monetary sector has lost out, as support has largely gone to social enterprises and those who fear that, indeed, the non-monetary sector will now receive support and become monetized, so to speak, as previously unpaid work is rewarded and becomes the site for poor-quality, low-wage employment. This debate is ongoing among Québec intellectuals; a recent publication _L'Économie sociale. L'Avenir d'une illusion_, reveals the depth of the critique.39

In my view, this debate is misplaced and, as the social economy develops, will be detrimental if it is not resolved or nuanced. If the social economy – including its actors, its dialogue, and the role it has played and continues to play in transforming the political landscape in Québec – is interpreted instead as a process of negotiation, the analysis changes from one that seeks a quick fix to one that recognizes the institutional gains that are being made as this process continues. An appeal has been launched by intellectuals and activists to do just this, to recognize the political space being occupied by intermediary organizations in Québec and the barriers they have broken by insisting that their role is not to manage poverty but to transform poor communities.40 This involves resources, imagination, the ongoing commitment of the public sector, and institutionalization.

Favreau and Saucier contrast the 1980–90 period of experimentation with a process of institutionalization that began after 1990, in which new relationships and discursive practices have emerged between community organizations, the state, business, and labour. The old social economy actors – the co-operative movement (in particular, Le Mouvement Desjardins) – are playing a vital role. The labour movement and its investment funds have made investment capital available and, in so doing, are participating in decision-making bodies. The Fonds de solidarité, for example, has turned over the management of its SOLIDES fund to CODECS. This is a complete break with its earlier ways of deciding everything at head office in Montreal. Also, alternative investment funds created within communities are now forming partnerships with intermediary organizations,
providing yet another source of capital with somewhat more flexible investment criteria. To this we now add the new Fonds de développement de l'économie sociale. And so, the community sector has essentially established an alternative capital market, complete with diversified funds.41 The Québec government recently passed legislation to create solidarity co-operatives to include not only producers and/or consumers but citizens involved in these co-operatives. It also passed legislation permitting its investment agency, le Société de développement industriel (SDI) to provide loan guarantees for non-profit enterprises for the first time, including, therefore, community enterprises. This is an important step.

A recent document, in which the Québec government announced its full commitment to job creation, included a passage on the social economy that reveals the changing interpretation from its early sectoral version to a normative one. In this document, the government affirms the capacity of the social economy to generate economic initiatives based on solidarity and concertation at both the local and regional levels. It also expresses its commitment to fulfilling social needs. This is a long way from the former association of community economic development with local business development, from a social economy rooted in the co-operative movement, or from the new social economy's confused association with the third sector.

In the appeal launched by Québec intellectuals for a social and solidaristic economy, they insist that the social economy alone cannot be a “projet de société” — a social project; rather, it is part of such a project. It cannot be relied upon to create jobs; this is not its role. Instead, as the European Federation of Unions (Confédération Européenne des Syndicats) and many organizations representing the social economy in Europe recently wrote in a common declaration, the importance of dialogue is critical to recognize and make more public the exemplary role of the social economy in extending economic democracy and worker participation.42 Québec, where this is occurring, is experiencing a radical transformation of political culture, which, as Polanyi wrote in 1932, may save democracy. For Polanyi, the crisis of the 1920s and 1930s was predicated on the fundamental incompatibility between democracy and economically driven policy. We have been living with this contradiction (the incompatibility between a policy entirely driven by economic imperatives and democracy, which is based on a different set of principles in which economic activity is embedded) for almost thirty years. It has fallen to civil society to reclaim democracy; this is the greatest challenge facing social activists today. The catastrophic record of these last thirty years and the unyielding commitment to failed doctrine
has opened up unimagined spaces for a social praxis grounded in democracy.

NOTES


2 Only recently has the FTQ diversified its solidarity fund to include a new source of investment capital with lower rates of return, less stringent eligibility criteria, and investments within the $5,000 to $50,000 range. These instruments, SOLIDES, represent the first effort by the FTQ to work more closely with the community sector; as in most cases, these SOLIDES are managed within communities by intermediary associations such as the cdecs. This is a complicated story that includes some skepticism; even the more open SOLIDES suffer from criteria that are often too rigid and limiting. Still, it is an important step by the FTQ to diversify its highly successful fund and a salutary attempt to provide community organizations with investment capital. The eligibility requirements will, no doubt, be modified, to respond more adequately to the environments in which they are located. For more detail on these funds, see Benoit Levesque, Marguerite Mendell, and Solange van Kemenade, “Profil socio-économique des fonds de développement local et régional au Québec,” report prepared for the Federal Office of Regional Development (Québec) [FORD(Q)] in collaboration with PROFONDS, groupe interuniversitaire de recherche sur les fonds de développement régional et local (Montreal, 1996).

3 Within five weeks after the legislation to create Fondaction was passed in Québec, the fund had accumulated $7.6 million. Both Fondaction and the Fonds de Solidarité offer significant fiscal advantages, which were reduced somewhat in the 1996 federal budget, but continue to attract many individual investors. This represents an important example of a facilitating environment that, in important ways, shifts decisions regarding economic development and employment from the state to the labour movement. It reduces the amount of capital available to conventional capital markets considerably. The Fonds de solidarité has accumulated approximately $2 billion; Fondaction, approximately $50 million.

4 Levesque, Mendell, and van Kemenade, “Profil socio-économique des fonds de développement local et régional au Québec.”

5 Colin Leys and Marguerite Mendell, “Introduction,” in Leys and Mendell (eds), *Culture and Social Change*. 
6 In 1995, the CSN published a document on "l'économie solidaire" that addressed the increasing importance of the community sector in the provision of social services in contrast to the growing number of precarious jobs emerging in this sector. Although this early document remained too closely associated with a sectoral view of the social economy, it opened the door to an important, still-ongoing dialogue within the labour movement. This early work was largely influenced by the work of Jean-Louis Laville and others in France on "l'économie solidaire"; Jean-Louis Laville (ed.), *Les Services de proximité en Europe: pour une économie solidaire*, Paris: Syros/Alternatives, 1992; Jean-Louis Laville (ed.), *L'Économie solidaire. Une Perspective internationale*, Paris: Desclee de Brouwer, 1994.

7 For more than thirty years, beginning with the Quiet Revolution, the Québec government has been heavily engaged in industrial strategy. The nationalization of Hydro Québec marked an important turning point in Québec economic development. It was followed by the creation of the Caisse de dépôt et placement, the public-sector pension fund. Both these public enterprises have also significantly altered the place of the Québec economy internationally, with extensive investments outside Québec. The Québec model of concertation that evolved through the 1970s has distinguished Québec from other regions in Canada. The collaboration between labour, business, and the state was the basis for Québec's "grappes industriels," or what became known as Québec Inc. The overriding nationalist project is certainly a key factor; the drive to build a dynamic economy in Québec had the support of the major actors in society.

8 The nine demands consisted of: a social infrastructure program with jobs primarily for women; a pay equity law; an increase to $8.15 in the minimum wage, to bring it above the poverty line; application of labour standards to all persons participating in employability programs; an automatic deduction at source of spousal support payments; the availability of at least 1,500 low-cost housing units per year; access to training programs and services with appropriate financial support; for immigrant women, the retroactive application of a reduction from ten to three years of sponsorship by their husbands; a freeze on tuitions and an increase in student bursaries. Martine D'Amours, *L'Économie sociale au Québec. Cadre théorique, histoire, réalités et défis*, Montreal: Institut de formation en développement économique communautaire (IFDEC), 1997.

9 The unemployment rate in Québec for 1996 was 11.3 per cent, more than 40 per cent in certain regions of the province, and more than 14 per cent in the city of Montreal. In Montreal, the unemployment rate in certain low-income districts is more than 20 per cent and much higher for women and youths.
The initial demands by the women's organizations were very clear. This was neither about "employability" or workfare programs; nor was it about the transfer of public sector jobs into the social economy. Their demands were for the legitimation and remuneration of ongoing unpaid work by women and for new jobs. The report presented to the Québec government by the orientation committee, *Entre l'espoir et le doute* (Between Hope and Doubt) made this very clear (Comité d'orientation et de concertation sur l'économie sociale, *Entre l'espoir et le doute*, 1996). This was a sticking point as the initial outlay by the Québec government came from existing budgets. The call was for new money to come from both the private and public sectors and for the creation of new jobs.

*The End of Work* by Jeremy Rifkin has popularized this thesis (Jeremy Rifkin, *The End of Work. The Decline of the Global Labour Force and the Dawn of the Post-Market Era*, New York: G.P. Putnam Sons, 1993). However, his argument has detractors; among them, the latest Human Development Report, which puts the issue of political will up front. This is a serious challenge to the inevitability argument. The HDR goes so far as to argue for a commitment to full employment. The opposition to the end of work thesis has been weak at best. Instead of the changing nature of work and the validation of different types of employment, the dual society of the future — a highly paid and small population of strategic analysts (to borrow Robert Reich's term) and the "rest" — low-paid service workers — is the vision of the future. Rifkin's suggestion that this can be resolved through the redistribution of income appears radical to those unwilling to re-engage the state. The fatalism and inevitability, however, is generally accepted. And so the counter-evidence of productive initiatives emerging in localities and communities is compelling. The emphasis must, however, be placed on socio-economic initiatives that far exceed the third-sector vision of Rifkin and others. André Gorz, a long-time critic of the Revenu minimal d'insertion (rmi) in France, has joined with those who support guaranteed income and a growing service economy based in communities. The experience of the social economy in Québec has moved considerably beyond what might be a misérabiliste view of the world. The work of Gorz, Rifkin, and others reinforces a dualization already well under way and must be forcefully resisted (André Gorz, "Le Travail perd sa centralité dans la vie des gens," *Entretien. Alternatives économiques*, no. 157, March 1998: 62–5; André Gorz, *Misère du présent. Richesse du possible*, Paris: Éditions Galilée, 1997; Rifkin, *The End of Work*).


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CDCCs had been established by community groups in different regions in Québec; there are currently seventeen CDCCs. CDCCs were created by the Québec government in the early 1980s and were the first community-based organizations with a clear economic mandate of job creation and enterprise development. The first three CDCCs consolidated the work of community organizations in three low-income neighborhoods in Montreal. The CDCC in Pointe St. Charles has received the most attention, as it had already embarked on an economic development strategy that was the basis for government support for this model of local economic intervention. There are currently seven CDCCs in Montreal and one in Québec City. The CDCCs were established by the federal government in fifty-five low-income regions in Québec; their mandate is similar to the CDCCs in rural areas; the CLSC grew out of the community clinics of the 1960s and 1970s to become unique, state-supported community service organizations throughout the province of Québec. If we add to this the labour movement, with its increasing involvement in local issues, and the cooperative movement, in particular, the coopératives de développement régional (CDRs), the number of intermediary institutions in Québec that had already begun to challenge prevailing economic development strategies by harmonizing social and economic objectives in their localities is surely significant.


This is, of course, the “social capital” that is regularly invoked now as the missing link to economic development. Inspired by James Coleman and popularized by Robert Putnam, it is receiving great attention by policy makers everywhere. In Canada, the federal government organized meetings to bring together leading experts on this issue; in the US, President Clinton held a rally in Philadelphia during the summer of 1996 to revive the American community spirit. Moral incantation is confused with economic analysis, producing a cacophony of voices on the subject. References move from the industrial districts in Italy to church bazaars in rural America! That being said, the legacy of community organizations in Québec was the critical platform on which to build new economic initiatives grounded in community culture. Indeed, solidarity was the most important resource in these alternative economic initiatives.

CDCCs in Montreal, for example, have formed an inter-CDCC that meets regularly to coordinate their work and develop common strategies. This
was a long time coming because CDECS felt compelled to work alone for fear of losing their gains and state support. It is only recently that these organizations have themselves shifted from a mindset attached to previous paternalistic relations with the Québec government. This is one example among many.

The following section is a summary of several excellent articles and monographs that have recently been published in Québec for a variety of different audiences, from the OECD to the Institut de formation en développement économique communautaire (IFDEC) to scholarly journals. The IFDEC document was intended for practitioners as part of a widespread public education program for those engaged in the social economy; D'Amours, L'Économie sociale au Québec; Benoît Levesque and Marie-Claire Malo, "L'Économie sociale au Québec: une notion méconnue, une réalité économique importante," in Jacques Defourny and Jose L. Monzon Campos (eds), The Third Sector. Cooperatives, Mutual and Nonprofit Organisations, Brussels: De Boeck-Wesmael, 1994; Benoît Levesque and Louis Favreau, Développement économique communautaire. Économie sociale et intervention, Québec: Presses de l'université du Québec, 1996; Levesque and Ninacs, "The Social Economy and Local Strategies for Employment"; and Benoît Levesque and Éric Forgues, "L'Économie sociale en question," Interview (Association d'économie politique, 1996) among others. Until this recent avalanche of literature (I cite only a select few), the reference for the social economy in Québec was Levesque and Malo. Fortunately, this was translated into English as well, as, to date, there is little else.


Eric Bidet, L'Économie sociale, Le Monde-Éditions, 1997. The École de Nîmes, which emerged in France at the end of the nineteenth century and established consumer co-operatives, was inspired by the Rochdale Pioneers. Charles Gide theorized these experiences and formed a school of social economy in opposition to neoclassical economics. For Gide, the cooperative movement was transformative. The term "social economy" had, in fact, first appeared in 1830 in France in the Nouveau traité d'économie sociale (Charles Dunoyer). However, it was the work of Charles Gide and the universal fair, organized in 1900 in France, that introduced a new theoretical framework to contest the principal assumptions underlying economics by demonstrating that economies can be otherwise organized. Leon Walras, considered the founder of neoclassical theory, is rarely associated with his important work, Études d'économie sociale, in which he recognizes the role of associations and the need for


22 D’Amours, L’Économie sociale au Québec, 37.

23 The two important influences in the credit-union movement are both German. Raiffeisen established a rural mutual credit movement (credit unions); de Delitzsch (1868-83) established people’s banks in urban areas. The first theoretician on the subject of mutual credit was Proudhon (Vienney, L’Économie sociale, 57-60; Bidet, L’Économie sociale, 23-5).

24 The influence of Le Play on the co-operative movement in Québec has caused some debate and concern over the legacy of the new social economy. Alphonse Desjardins was a member of the Société canadienne d’économie sociale de Montréal, established in 1888 to promote the social corporatist views of Le Play, which included collaboration between employers and workers and adherence to the social doctrine of the Church. Detractors of today’s social economy in Québec point to this heritage to challenge the progressive politics claimed by its supporters. These attacks have been dismissed, but they do point to the interesting legacy of the social economy, which has both socialist and social-Catholic roots. While the role of the Church in Québec is not denied, this is a misreading since it ignores the active and militant Catholic left, which continues to play a vital role.

25 D’Amours, L’Économie sociale au Québec.


The Social Economy in Québec

Économique communautaire) organized a large conference on community economic development in Montreal; in September, there were at least three conferences, a forum on the social economy in Québec City, an Estates General on local economic development, and a forum on social solidarity organized by Solidarité populaire Québec, among others. This does not include the many small meetings organized by popular education groups in Québec, such as the Centre St-Pierre and the Centre de Formation Populaire (Jacques Boucher and Yvan Comeau, "L’Économie sociale est-elle un projet de développement crédible?" Économie et solidarités, vol. 28, no. 2, 1996: 1–11). In 1997, these included study sessions and a two-day-long meeting organized by the Fédération des femmes du Québec to assess the events since their march in 1995. Numerous articles appeared during this time. Today, this effervescence of dialogue and debate has resulted in the publication of an appeal signed by a variety of social actors to consolidate their work and promote further development of the social economy by recognizing its potential and addressing emergent conflicts creatively, so as not to lose the important gains being made.

28 It is suggested that the growth of the social economy (most generally associated with the co-operative movement) is counter-cyclical. For example, in the period 1974–84, as overall employment creation fell in most industrialized countries, it grew in the co-operative sector. In contrast to this period, however, something else is occurring today: we are no longer speaking about the co-operative sector alone but rather about the emergence of new forms of economic organization, developed with the collaboration of the co-operative movement among a variety of associative movements and organizations (Tamas Carpi, "The Prospects for the Social Economy in a Changing World").


30 Favreau and Sauzier, "Économie sociale et développement économique communautaire."


Dignity and Daily Bread: New Forms of Economic Organizing among Poor Women in the Third World and the First, Sheila Rowbotham and Swasti Mitter (eds), London: Routledge, 1994


Marie-Andrée Coutu, “L’État des besoins actuels de recherche et de formation des organismes populaires et communautaires,” Paper presented to “Colloque université et monde communautaire. Le partenariat de recherche et de formation entre les organismes communautaires et l’université est-il possible?” December 1997. In an article written in 1932 for the Österreichische Volkswirt (Vienna), Karl Polanyi writes: “But new knowledge does not ensure a knowledgable and educated public! It can contribute to the cultural development of the masses only to the degree that it lends meaning to work, life and the everyday existence of the masses.” (translation by Kari Polanyi-Levitt) Polanyi wrote a great deal on the necessity to ground education in daily life. The important role being played by popular education groups in Québec, as well as by the unions and community organizations, now needs the increased participation of the research community to provide more tools as these groups now face increasing responsibilities and opportunities. On Polanyi and education, see Marguerite Mendell, “Karl Polanyi and Socialist Education,” in Kenneth McRobbie (ed.), Humanity, Society and Commitment. On Karl Polanyi, Montreal: Black Rose Books, 1994.


In a recent study, over 250 new investment funds that may be referred to as risk capital were identified. Of these, over two thirds are invested in the social economy. Benoit Levesque, Marguerite Mendell, and Solange van Kemenade, “Les Fonds de développement: un instrument indispensable pour le développement régional local et communautaire,” in Serge
Core, Marc Urbain Proulx, and Juan-Luis Klein (eds), *Et les régions qui perdent?*, Rimouski: GRIDEQ, 1995; Levesque, Mendell, and Van Kemenade, “Profil socio-économique des fonds de développement local et régional au Québec.”