

Solidarity Economy

A proposal for sustainable endogenous development

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Photo: Celine Geffroy

Last year we carried out a study on community, poverty and coping strategies in Huancarani, a rural community some 27 kilometres away from the city of Cochabamba, Bolivia. The study allowed us to understand how the community created a new 'solidarity economy' based on the traditional Andean concept of reciprocity. This community has developed its own solutions in the face of the economic crisis. These initiatives offer elements for an alternative economic model to the neo-liberal market economy, which has shown its limitations over the last decades, particularly in the rural communities.

Woman from the pirwa of Huancarani sharing a sip of local maize beer with Mother Earth before starting an activity, a common ritual called 'challa'.

The population of Huancarani is of mixed origin. The inhabitants include three main groups: original inhabitants, migrants from the mining areas who settled after the massive lay-offs in 1985, and migrants from other parts of the country. Currently, most inhabitants are women, as their husbands and sons have migrated to other parts of the country in search of jobs. Some of these women are widows, or single. The fertile valley land of the community is suitable for growing maize, vegetables and fruits, especially cactus figs, apples and peaches. Farming is small scale and rainfed, and mostly carried out by women.

A study on community

It was our intention to study how a 'community' is the end-result of the way it is organised, its economic system, and its religious and spiritual dimensions. The key question of our study, directed by Agruco, was: how do people create their community in our modern society?

In our perception, community can be defined as a place, in the sense of both territorial- and social space, in which social interactions take place and a feeling of community is being created. Community also has a symbolic and a divine dimension, and implies livelihood strategies and initiatives based on these elements. The strengths of the local initiatives may provide alternatives to the conventional forms of poverty alleviation.

The study was carried out in two

phases. The first one consisted of identifying the socio-economic practices of the population of Huancarani, and gathering data from those who participate in the communal activities. During the second phase we followed up on key informants of this group, to gain in-depth understanding of their daily practices.

History of Huancarani

Before the Agrarian Reform of 1953, a large number of farmers of Huancarani had bought land from the former landowners. This feature distinguishes this community from the surrounding communities, which during this period were *haciendas* (ranches) or *ayllus* (autochthonous clan territories). After participating in the *sindicato* (the community organisation structure initiated in 1953) of Sorata, Huancarani broke away from this neighbouring community organisation at the end of the 1970s. They did not develop their own community organisation until new settlers arrived from the mines and other parts of the country in the 1990s.

Since 1985 the Bolivian state has implemented an economic policy based on the self organising capacity of the market. However, this has achieved little to overcome poverty, cultural exclusion of the indigenous population or social inequality. Faced with the absence of effective state policies and the private sector, the rural communities have created their own strategies in an effort to improve their living conditions.

The creation of pirwa

In 1997 a group of community members in Huancarani dreamed of creating a 'pirwa', a common space to generate community feeling. The name of this initiative was derived from the experience of the ex-miners with the communal shop that used to be part of the mining enterprise. This group started to work together on a weekly basis on a communal piece of land, clearing away the bushes and constructing a wall. Over time, they were able to start building a communal house, with some financial support from a group in Europe.

Today the pirwa of Huancarani is the meeting place of the almost 20 people that, according to the local criteria, are poor and excluded from the market. They are mainly women (80%), and many of them are elderly. There are also people with physical handicaps, and 65% of the group are originally migrants from elsewhere. Almost 50% of the pirwa members do not own land or are single women. The pirwa represents a common vision that has been implemented: the desire for collective action has materialised into a specific place and building.

The solidarity economy

The word pirwa is now used in Huancarani as a synonym for community action, and provides a response to the social injustice experienced by the inhabitants. Pirwa is in fact a practical expression of a common phenomenon in the Andes: the 'solidarity economy'.

The philosophy of the solidarity economy implies the participation of individuals to 'democratise' the economy. The solidarity economy is a hybrid economy which combines three types of economic action: the market, redistribution and reciprocity.

One of the main aspects of the concept solidarity economy is the social relations that form the basis of the economic activities. The key mechanism is the transformation of money into symbolic and social capital, in the form of prestige and social networks. Moreover, the *pirwa* is a means by which the participating women, men, elderly and handicapped receive food in equal shares for their labour.

The practice of the solidarity economy is present in diverse spheres of the community's daily life. It is based on a collective identity, which is frequently revitalised by means of religious festivities and Andean rituals. There can be no communal work without *chicha* (maize beer) or the chewing of coca leaves, elements which express the communion between the inhabitants and *Pachamama* (Mother Earth), as well as amongst themselves. In this way the communal work not only fills a void in terms of economic resources, but also provides friends, compensates for the absence of a partner or family, and allows for clearing social tensions.

The roots of the solidarity economy are the ties of reciprocity, and these social mechanisms provide viable ways of facing scarcity. Four different forms of reciprocity can be identified in this community: *ayni* ('today you work for

me, tomorrow I work for you'), *mink'a* (payment of work in the form of food or produce), *yanpacuy* (a form of social support), and barter (exchange of products). These reciprocal exchanges are particularly important for the 'lonely' people, those who are living in the community without immediate family. Other ties, such as *parentesco* (kinship) are also very important and a common social mechanism within the solidarity economy.

Local concept of poverty

According to the local criteria, poverty is not only perceived as a 'shortage of material means', but also as a 'shortage of social and spiritual means'. The 'lonely' person is 'poor' in symbolic terms: he or she has lost social prestige and is not considered a whole entity. The social, spiritual and productive capacity of this person is weakened, which, in turn, translates into a loss of economic capital.

We have constructed three analytical categories of 'poor' people in Huancarani: (1) the *wajcha*, or orphan, a poor person deprived of kin; (2) the migrant *wajcha*, who has no kinship relations in his or her new place of residence; (3) the *ch'ulla*, which refers to people without a partner - widowers, abandoned or single people. It is interesting to note that a *ch'ulla* may possess considerable amounts of land and animals. In this sense, the materially wealthy can be symbolically 'poor'.

A more humane economy

Based on the concept of a solidarity economy, we can perceive an economy in more humane terms. In this economy the people from the community are the actors who start the initiatives towards their own development. The *pirwa* in Huancarani is a space in which this concept of solidarity economy is revealed *par excellence*. Within the *pirwa* one can witness the conversion of money into non-monetary means and vice-versa, by means of transformations of economic, symbolic and social capital.

The solidarity economy facilitates the participation of those normally excluded from the neo-liberal market system, due to age, gender or physical handicaps. It offers them the advan-



Photo: Celine Geffroy

Women preparing the communal field to sow maize. The solidarity economy facilitates the participation of those normally excluded from the formal market system, due to age, gender or physical handicaps.

tages of social networks and paid work, which help them to sustain their family. Furthermore, the solidarity economy facilitates the return of the benefits of work to the community as a whole.

Beyond conventional concepts

Though we cannot conclude that this example of solidarity economy provides an infallible remedy in the fight against poverty, we do think that it provides important insights. It provides ideas for the construction of paradigms that integrate non-material and non-quantifiable aspects within economic action.

There can be no effective state action without participation of the people involved. Similarly, development will always remain an abstract concept if it does not take into account, and build on the practices and values of the population. We therefore call upon politicians, intellectuals and development workers to look beyond the conventional development concepts, and seriously consider the practical means to face the economic crisis developed by the local people themselves.

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Photo: Celine Geffroy

Rural women dancing in traditional dress in front of the Catholic church during carnival.

