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**Social Economy as Social Science and Practice :**

**Historical Perspectives on France 1**

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**Social Economy as Social Science and Practice:  
Historical Perspectives on France<sup>1</sup>**

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## Introduction

Nowadays social, economic, political and cultural changes have exercised wide influence transforming the surrounding context, affecting organizations that recognize themselves in “social economy” due to their status (cooperative, mutualist and associative). They seem to live off the very contradictions that distance some among them from the solidarity built up, which leads others, in turn, to redefine their projects (Vienney 1994). On the other hand, they provoke the emergence of new organizations that identify themselves as belonging to the sphere of “civil and solidarity-based economy” [*économie solidaire*]. Thus the actors themselves, the authorities and public opinion on the whole, demand more legibility, in order to recognize the particularity of forms of economic production that assert themselves increasingly in a service economy (Gadrey 2000).

Like “*économie*”, which in French means both economics and economy, the term “social economy” [*économie sociale*] has multiple meanings (Vienney 1994: 72). In this article, it seems important to put into perspective the current debates taking place in France by returning to the history of the constitution of “social economy” as a *social science* and as a *field of analysis*, regrouping under this term certain *social practices*, the culmination of which is the 1981 entry into French law of a definition of a new type of company.

As we are setting out a history of ideas, put into relation with economic and social history, we may take as a general hypothesis *the ambivalent relations* between science and social practice (Chomel 1995), for the larger part of social reconfigurations are always accompanied, on the conceptual level in social sciences, by vast re-interpretative undertakings, of hybridization and conceptual innovation that set out to capture the ongoing processes (Rémond 1987). On the other hand, as André Gueslin (1998) shows, the organizations have always sought to appropriate myths and foundational theories, for itself, defining in this sense a particular *doctrine* of a period. This ambiguity can also be found in

the dual activity of *social economists* (like Buchez, Proudhon, Walras or Gide) who also were involved in *practical action*. Our reflection will thus play out in multiple steps:

- First of all, it is necessary to return to the debate about the constitution of social economy in its relation to classical political economy (as its potential continuation, critique or an alternative);
- With the constitution of economic science, we note that social economy as a concept and as a practice separates into Walrasian “social economics” on the one hand and “cooperative economy”, on the other hand, which should be understood as an analytic method specific to organizations;
- From the 1970s onwards, the return of the term “social economy” became the object of intense debates concerning its conceptualization, in relation with mainstream economics, institutionalist economics or economic sociology.

### **Social Economy And Classical Political Economy**

In the early 19<sup>th</sup> century, the term ‘social economy’ was used in extremely diverse ways, which Henri Desroche (1983) has analyzed around three ideological traditions - liberal, Christian and socialist - which nonetheless had common objectives: “social economy means, no more no less, another way to do political economy” (Gueslin 1998: 1).

### **Social Economy As An Enhancement Of Political Economy**

In the liberal tradition, in 1830, Charles Dunoyer publishes a *Treatise on Social Economy* in which he claims to complete the definition of productive means of wealth by “the funds of personal faculties”, refuting the restrictive analysis of the production of wealth of classical economists like Say or Smith (Dunoyer 1830: 551). This idea of the construction of social

economy as an extension of political economy by a broadening of its field of analysis to all that is useful, responding to needs and desires, taking away from it all naturalist determination and all moral content draws mainly on the utilitarian approach of John Stuart Mill. The latter had already put forth the importance of “productive consumption” (health, education) which, in satisfying the most important needs of men, contributes at the same time to collective enrichment (Mill 1848)<sup>2</sup>.

For these liberals, the “immaterial functions” must reinforce liberty and morality. In fact, for Dunoyer they integrate the sources of health, well-being and the healthy life, stimulants for intelligence and training, as well as the learning of mores and “good civil habits”. On this level, these ideas come close to those of Malthus, since “the laboring classes must raise themselves up through work, foresight, and morality”. He is thus at one with the liberals who favor associations between workers and bosses, where “free and voluntary association” at that - according to Frédéric Bastiat (1864: 550) - join up with the tradition started by Mill on social value and the economy of association (Clark and Elliott 2002). The association is perceived as being “the closest imaginable combination to social justice and the most characteristic of the organization in the interest of all”. Its also plays a part in social progress through the moralization and control of the working classes: “The associate escapes the seduction of cafés and pubs. While living better, he makes savings and the attraction of savings, once begun, is well-known” (Casimir-Périer 1864: 28).

In relation to these liberal traditions, one of the ways initiated by social economy as social practice is thus constituted around *patronage* by the establishment of institutions of mutual benefit and forecasting (controlled by notable citizens) and the participation of workers in benefits, whose living conditions can be bettered by the creation of a social environment marked by paternalism (worker’s housing, collective gardens, childcare...). When it comes to the practices of “the laying out of traditional employer relations, praised by

F. Le Play (and the *Société d'économie sociale*), it is in the domain of credit cooperation that the liberals would bring a real contribution to the constitution of a sector of social economy” with the import of the Italian model of People’s Banks (*Banques Populaires*) (Gueslin 1998: 138).

### **Critique Of Political Economy And The Right To Work By Association**

A little later in the social-Christian tradition of the followers of Saint-Simon, a reformist current, the *associationnistes*, such as Philippe Buchez, the jurist Auguste Ott as well as the republican journalist Louis Blanc, will defend the idea of association as the guarantee of the right to work, in the struggle against pauperism, based on a denunciation of the harmful effects of competition and of its theoretical basis that lie in classical political economy (Demoustier and Rousselière 2003).

Setting itself against the “English principle” of the separation of sciences, which consists of “political economy as having to constitute itself as the science of wealth in order to place itself outside the entirety of human knowledge”, Auguste Ott (1851: 5) denounces the assimilation of physical laws to those of the “moral world”. Physical forces are predetermined, whereas man is free; their effects are independent of each other, whereas the actions of men living in communities are interdependent. The empirical observation of the harmful effects of competition, which is a factor of crises and disorder in production and consumption, leads the authors to refute the theory of Say (which is “nothing but pure chance”). It follows that the auto-regulation of the market must therefore be replaced by social prevision. Louis Blanc denounces equally the systematic search for the lowering of prices: “a good deal [a cheap price] profits those who consume only in throwing the seed of the most ruinous anarchy amongst those who produce” (1847: 77).

Social economy is a science, which like all science must not only differentiate between its *object* and its *goal*, but the latter must also be subordinate to a more general principle of justice: “to organize work towards the most perfect preservation of society and the individual and of the achievement of liberty, equality and fraternity” (Ott 1851: 20). Social economy thus conceived, following Buchez, leaves great room for association, seen as “the key word of the problem posed to modern civilization” (Ott 1851: 132). Buchez (1866) had in fact promised “the association of work and not that of capital” by “the constitution of a common social capital which would be inalienable and indivisible” (the origin of unshared reserves which remains one of the common criteria for the associative, mutualist or cooperative status), as “the means for improving the condition of city workers”. This association belongs to the larger general program of social reform through the constitution of *ad hoc* institutions. Thus Buchez, like Ott, expressed the need for a special bank destined to give credit to associations. Endowed by the state, it could call for public savings. Blanc widens this role of the state, seen as a “Bank for the poor” (1847: 14), which, qua financier, would have to intervene as a regulator, as well, in order to put technical progress at the service of society.

At the heart of the government of 1848, despite the presence of Louis Blanc at the presidency of the Luxembourg Commission (as a substitute for a Labor Minister called for by the workers), the model of national workshops for the unemployed took priority over social workshops for workers of strategic industries. After their closing in June 1848, the National Assembly proclaimed the right to association and supported the workers associations by authorizing them a credit of three million francs. This credit would back the opening of 300 production associations, a certain number of which gathered bosses and workers from the workshops. But at the same time the state restricted them from federating, before entirely abrogating the right of association in 1851. Thus so many projects carried out by the Seine

workers were destined to fail successively; these projects (i.e. a union chamber of workers associations, a common credit fund...) sought not only to reduce competition between associations but also to support new creations, and, beyond that, to escape the constraints of competition between producers. Their activity would last a short while; suspicion and police repression would put an end to the objectives of overcoming competition amongst associations, of reconciling independence and fraternity in inter-associative relations, and that of harmonizing equality and authority within the association itself (Desroche 1981).

### **Social Economy And Scientific Socialism**

In the continuation of this critique of political economy, the movement of “scientific” socialism will examine the concrete structures of cooperation, coming from the English *co-operation* used in France from 1860 onwards to differentiate the *associative enterprise* from *political associations*.

A debate opposes Marx and Proudhon on the power of emancipation of the labor association. For Marx, only political association (like *The International Workingmen's Association*) feeding the political struggle can come to this end. It is necessary to pay attention to Marx’s ambiguous references to “the political economy of labor”. Marx (1864) salutes the cooperative movement as a “great victory over the political economy of property”, but puts forth two principal series of criticisms which limit the extent of this victory. On the one hand cooperation lacks an intrinsic dynamic likely to energize its own expansion. Limited to sporadic and occasional tries, the cooperative movement is “powerless to transform capitalist society on its own” or to “arrest the growth in geometrical progression of monopoly” (Marx 1864). Moreover, cooperative action does not constitute an efficient means for “freeing the masses, nor even for perceptibly lightening the burden of their misery”. On



the other hand, the cooperatives that are formed in capitalist society cannot attain or even claim to be the most definitive form of associated work: “they naturally reproduce, and must reproduce, everywhere in their actual organization all the shortcomings of the prevailing system” (Marx 1894). They “should be considered as transitional forms from the capitalist mode of production to the associated one”. Nonetheless, these two critical reservations do not strip cooperation of its importance: “the idea of cooperation is intimately linked, in Marx’s point of view, with the end of such action: the establishment of ‘a republican system of association of free and equal producers’” (Lowitt 1962: 84).

Proudhon (1846: 54) goes against this analysis in taking as his basis the constitution of a social economy as “the accord of reason and social practice”, the end of which is the safeguard of the human personality (Neurisse 1983). Coming up in a perspective of social justice through the progressive building up of compromise realized between different “economic contradictions” (Proudhon 1846), this social science is based on a deeply original conception of “justice,” which is a concrete process of balancing social and physical forces, as well as an “ideal” process. The instigator behind Marx’s theory of exploitation, Proudhon denounces “the right of escheat” [*droit d’aubaine*] allowed by capitalist property, which allows the owner the capacity to extricate the value that collective labor will create. By eliminating useless intermediaries, the “mutual society” is alone in representing both the interests of consumers and producers. A common federation would permit the arbitration of any divergence of interests, as would be the case with the constitution of an industrial-agricultural federation and the unions of consumers that together form “a production-consumption union”. It is the latter that will survey the cooperative organization of services (commerce, housing, insurance, credit like a “people’s bank”) and the non-state management of economic society.

These oppositions cross the French worker's movement, which in its meetings from 1876 to 1879, distanced itself progressively from Proudhon's theses, in favor of Marxist theories spread by Jules Guesde, challenging labor cooperation, while cautiously promoting consumer cooperation. In 1879, critiques were even more virulent, like those of Isidore Finance (1879: 329) who denounced cooperation in general ("nothing but a name: the largest divisor of the working class"). At the end of the century, Jean Jaurès (1903: 37) tried to reconcile political, union and cooperative action, for "the democratic state is the supreme cooperation towards which the other cooperatives stretch as if as towards their limit". But, despite the experiments of the stock-exchange of socialist cooperatives and The Albi Workers' Glassworks in close relation with the *Confédération Générale du Travail*, the main French trade union, the rupture with the union movement is already complete since 1879.

### **Social Economy And The Constitution Of Economics**

The turn of the century is an important moment according to Claude Vienney (2000). It is from this point onwards that the definition of "academic social economy" will be established, especially following the Walras/Gide debate as well as the specific contribution proposed by Georges Fauquet.

### **Social Economy Between Morality And Science: The Walras/Gide Debate**

In 1896, Léon Walras defined *l'économie sociale*, in his "Studies in Social Economics", as the voluntary distribution of wealth, based on the criteria of the "just," thus differentiating itself from the natural production through "Pure Economics", which like all science seeks to discover the "true". The "popular cooperative associations" participating in the production of wealth figure in "Applied Economics" (Demoustier 1988).

The association movement does not at all respond to the problem of social justice, but it must be considered according to the “principles of political economy” as a form of free and voluntary association from individual initiatives. In encouraging the entry of workers to the “owners’ class”, working class associations combine economic progress with social and moral progress, since they “fulfill their great economic role which is not to get rid of capital, but to make everyone a capitalist, as well as their no less important moral role which is to introduce democracy to the mechanism of production and to clear its way to access business, the veritable school of active politics” (Walras 1898: 261). One must thus see “in cooperative association the last word, the supreme effort and the definitive success of individual initiative” (Walras 1896: 21).

Charles Gide differentiates himself from Léon Walras, an author with whom he lies in close correspondence, for he distinguishes “Pure economics” (“only to explain *what is*”), and “Social Economics” (“to study rather voluntary relationships that men form with each other so as to improve their living conditions” (Gide 1926: 3)). Within Social Economics as *Normative Economics*, he develops a definition of the cooperative as the framework for the reconciliation of divergent interests in the name of a superior principle of justice (the *just price theory*), in proximity with the theory of justice developed by Gabriel Tarde. The cooperative thus allows the transformation of *conflicts between men* into *conflicts within each man*, thus laying the basis of a peaceful resolution of conflicts and a solidarity that Gide does not *observe* but *desires*. “It is the best form of character building education to have to argue the pros and cons in one’s conscience” (Gide 1924: 36).

The report of the sixth division on “social economy” of the 1900's World fair was written by Gide (1905). After having suggested, in the first edition, that three rankings of institutions of social economy were possible: according to their *characteristics*, their *origins* and their *goals*, he keeps only the last two. Thus the institutions of social economy are

divided between “all the forms of free association (...) of state intervention (...) of proprietary institutions that participate in four major objectives: raising salaries, the rise in comfort and well-being, security for tomorrow and independence”. Gide, in the different editions of his report, progressively abandons the term of social economy, giving up on an expression “the indeterminacy of which could well lead to misunderstanding”. It has been republished many times under the title “Institutions of Social Progress”.

### **From Social Economy To Cooperative Economy: On Georges Fauquet’s Contribution**

The crisis of the 1930s rehabilitated the cooperation which benefited, from this point on, from access to public markets and took hold strongly in the domain of consumption and agriculture; but at the same time the cooperation is shot full of conflicts notably concerning the evaluation of cooperation developed by Gide, as well its role in economic and political transformations.

Holding the chair in cooperation at the International Labor Organization, Georges Fauquet develops the same process as Gide’s approach in so far as he wants to integrate “man as a whole,” into his system: “the capitalist and market-based economy (...) has gradually detached the economic from the social and thus, given birth to hard realities that served as a model for the abstractions of economists. Conversely, the cooperative institutions, by restituting to the associates the function that the salesman had taken away, reintegrate the *economic* into the *social*” (Fauquet 1935: 44).

Despite the divisions that oppose the different forms of cooperatives according to their sectors of activity and above all the nature of their membership (workers cooperatives and consumers cooperatives for the emancipation of the working class and, on the other hand, farmers cooperatives), Fauquet advocates the unity of the cooperation in showing, from notions of service and of “double quality”, that on the one hand the cooperative is a business

at the service of its members and not a firm out to profit its shareholders, and that on the other hand, a member of the association is both a member of the cooperative association and a user of the cooperative enterprise. Herein lies the source of the rules of indivisible resources, of equality between the members (the basis of democratic functioning) and of the proportionality in the individual redistribution of surplus (a prorata discount on activity).

Setting himself apart from the *coopératisme* of the Rochdale pioneers, from the Gide of the cooperative period (the “Three-stage Programme” towards the integral cooperativisation of the economy defended until around 1960 by Bernard Lavergne or Georges Lasserre), Fauquet proposes an argument in terms of sectors. The cooperative sector shares economic activity with the private sector (small, agricultural or artisanal businesses), the capitalist sector and the public sector. Though it is coextensive to the private sector, the “cooperative sector” maintains with these two sectors relations of a different kind: “with the capitalist sector, there are relations of *competition* and *struggle* which does not however exclude commercial relations at the heart of national economies or on the international market; with the public sector: *complex* and *variable* relations following the degree of development of cooperative institutions and the political and economic orientation of the state” (Fauquet 1935: 36).

Fauquet became a figure considered to be one of the founders of the cooperative movement by the International Cooperative Alliance itself (Watkins 1986). His theses were largely confirmed in the post-war period: the law of 1947 marked the unity of the cooperative enterprise, beyond specific statuses, but it took until 1968 for different cooperative movements to unite and form the French National Association of Cooperative Federations, while consumer’s cooperatives, farmers’ cooperatives and new credit cooperatives developed both in the defense of small groups of farmers, consumers and savings (household) productions.

Thus we can see that parallel to the integration of cooperatives, mutual societies and associations, in economic, industrial and social policies. The term social economy will progressively designate a field of activity and categories of actors, the study of which necessitates an interdisciplinary combination of law, economics and sociology, “due to their institutional particularities, references to social justice or to the irrelevance of explanations based solely on the market” (Vienney 2000: 38). Thus it includes the labor economy, health, education etc. This meaning imposed itself in the academic world, through associations of scholars like the *Association d'Economie Sociale*, at the same time as the constitution of a specific analysis of the cooperative sector, in both in continuation of (Gide) and in rupture (Fauquet) with the dominant economic analysis for a longtime to come. As Claude Vienney notes (1980), during this period, cooperatives are nonetheless the object of some explanatory attempts in a neo-classic approach (Emelianoff), in the framework of Marxism on the socialist-market model (Lange) or in a marginal approach by some heterodox traditions around developmental issues (François Perroux).

### **Transformations Of Social Economy: The Relations With Mainstream Economics**

From the 1970s on, after a phase of criticism of the bureaucracy and the hierarchy by the ideas of self-managed economy (Rosanvallon 1976), the critics of state sponsored economic intervention became increasingly virulent, clearing the path for the liberalization of prices, of the job market, and of capital. These changes, the rising constraints pressing down on the organizations of highly competitive fields (hobbies, consumption, banking, agriculture, and also personal services, culture...), as well as the emergence of new organizations and activities notably in the accompaniment of rising numbers of people faced with the processes

of social exclusion... are inscribed into a general context that lead to the diversification of approaches trying to understand the nature of these organizations.

### **The Nonprofit Sector: A Mainstream Economics Vision of Social Economy**

In 1970, national representatives of cooperation having a sense of the imminent changes, rejoined the directors of mutual societies and the associations in social work and education for the creation of a common union<sup>3</sup>. During a conference in 1977, they called on the sociologist Henri Desroche to discuss the denomination of their organizations that they then regrouped under the term “nonprofit organizations”. In his report, he insists on the problems posed by a *negative* definition and proposed to take up the term of “enterprises of Social Economy” to designate “an associative, participative and united economy” (Desroche 1983). The definition can incorporate “institutional” social economy (in the cooperative, mutualist and associative statuses) but also “emerging” social economy, towards union components (parity economy) and communal (local development). Desroche thus redefines the cooperative practice as a “voluntary practice of self managed socializations” (1981: 3) close to *self-help*, *mutual aid* and *self-reliance*<sup>4</sup>.

However a current, which is strong on the European level, is trying to valorize and adopt the mainstream economics approach to social economy as *a nonprofit sector* (Archambault 1997), following the abolishment of the Social Economy unit by the European commission. This approach considers that all associations have an economic activity, and assimilates all the *nonprofit making* associations to *non-commercial* associations. Inspiring projects of the constitution of “a satellite account” of social economy in national accounting, it leads to exclude (or artificially adjoin) the larger part of French cooperatives and mutual

societies, but includes the foundations whose paradoxical particularity is to pursue social goals with entirely financial means (revenues on invested capital) (Archambault 2003).

Many theorists thus rely on neo-classical analysis - or its offshoots in “extended standard theory” - the dominant economic theory in terms of Favereau (2002) or “mainstream economics” for Hodgson (2002) - to explain the growing role of these organizations in a mixed-market economy. For instance, the nonprofit sector is seen as a group of organizations taking in charge the “public goods” with a limited audience. The constraint of non-distribution of profit reduces the incentive of an organization to profit from the asymmetry of information in favor of its managers and at the loss of consumers. Nonprofit organizations inspire consumer confidence, even when quality is not observable (Archambault 1997, Enjolras 2000). In both a continuation of and in breaking from these notions, the trust-based theory (Richez-Battesti 2000) along with Albert Hirschman’s theory (1970) offers an explanation of the services offered by coops and nonprofit organizations: for certain types of services for which all product characteristics likely to satisfy the “consumers” are not known until after the consumption of the “product.” The “voice” given by the status of being an enterprise of social economy, in guaranteeing the exchange of information between the producer and the consumer, contributes to the obtaining of a more satisfying service than assured by “defection”.

### **Social Economy And Alternative Economy**

At the heart of the socialist party, from the 1977 congress onwards, it seems that it was more the ideas of Michel Rocard, rather than those of Jacques Delors that prevailed at the beginning of the 1980s<sup>5</sup>. Social economy enters into a mixed-economy, the objective of which is industrial modernization (Jeantet and Verdier 1982). Also, the creation of the DIES



(*Délégation interministérielle à l'innovation sociale et à l'économie sociale*) in 1981 constitutes a consecration of “institutionalized” social economy, defined as rejoining “the cooperatives, mutual societies, and (...) the associations whose activities of production assimilate them to these bodies” (December 15, 1981).

On the theoretical level, the juridical-economic formalization was carried out by Claude Vienney for the cooperatives (1980) at first and then extended to all of social economy (1994, 1995). For this author, the unity of the field comes from “a correspondence between the rules of certain institutions, the place of their activities in the economy, and the identity of actors that are their participating members” (Vienney 1994: 71). Taking an institutionalist approach, following George Fauquet, but also close to the *Regulation School* (André and Delorme 1983), Vienney points out how social economy is a particular type of organization for “all economy as an ensemble of activities of production of goods and services functions according to social rules. The term “social economy” would be nothing but a pleonasm if all activities actually functioned according to the same rules” (Vienney 1994: 72).

The difficulties of the definition of “social economy” result from the fact that one is faced with a set of institutions in *renewal*: some organizations are losing their initial characteristics whereas others are acquiring them: “their vocation remains to take in charge essential yet neglected activities, but in new forms, in relation to the former institutions (...) giving priority to the usefulness of activities over the profitability of capital invested” (Vienney 1994: 117). By analyzing the relation between their own rules and those of the socio-economic system—of which they are a part—we can understand the formation and the transformation of these organizations (Vienney 1980). Thus following this analysis, the organizations of social economy play a role in crisis regulation as the “post-Keynesian

solution” (Vienney 1995), in sliding double quality (targeting the interest of solitary members) towards social utility (targeting collective interest).

Besides this formalized social economy, there is the tentative establishment (with lesser success in France than in Germany) a movement bearing social change, of an “alternative” economy. These currents are successively fed by the journals *Autogestions* and then *Autrement*. Coming from a critique of institutions - referring mainly to the work of Illich (1973) - , of the hierarchy in and outside work, the goal of the alternative is diverse: reflection on product utility, from automobiles to weapons; on technologies-soft versus hard-, on the organization of work, partly taking up the reflection of Jacques Delors: small sized units, warmth of human relations... and worker-management; alternative treatment (alternative medicine); educate differently (parallel school, homeschooling...). Aline Archimbaud (1995) characterizes this alternative economy as “a radical form of social economy (...) for the period of concomitant crises of productivism and salaried society”, due to the unacceptable effects of the mode of accumulation on the environment and society. But this alternative economy is stuck between survival strategies (by necessity) and the refusal of dominant norms (by choice). While the social priority goes from social change (with the slogan “Stop growth!”) to the quest for productive growth of jobs, the movement does not find durable modes for structuring itself, except in alternative finance, now “*solidarity-based*” finance (savings clubs, capital risk societies as well as mutual funds, now regrouped under *Finansol*).

The debate on worker-management, innovating forms, and economic democracy meets a greater reflection lying at the heart of economic thought, in a confrontation between standard and heterodox economics (Tinel 2002) around the respective advantages of the profit-making enterprise (Williamson 1985) and the self-managed firm (Marglin 1974).

### **The Solidarity-Based Economy: From Social Economics To Economic Sociology**

From the beginning of the 1990s, voluntarist actions and policies tried to struggle against unemployment, by supporting the development of new services likely to respond both to the demand for job and to the demand for services (Demoustier 2001). Some practices must be pointed out, marking the expansion of the domain of the relevant activities like the promotion of *community-based services* - called *services solidaires* - to create both jobs and necessary services, in the framework of European studies promoting certain areas of activity: youth centers, economic insertion, domestic help, environment, neighborhood restaurants, musical cafés... (Laville 1992). This promotion was supported by the creation of specialized agencies such as the *Agence de Développement des Services de Proximité* close to the CRIDA (*Centre de recherche et d'information sur la démocratie et l'autonomie*). This collective, enriched at the end of the 90s, by the inclusion of fair trade practices (to rebuild reciprocal links between consumers in industrialized countries and producers in developing countries) tried to structure itself nationally in a national committee. Thus the sociologist Jean-François Draperi underscored a new model for a social economy, charitable rather than egalitarian, less alternative than integrated into civil society, as a reaction to the power of a “predominant” economy productive of exclusion and inequality. Their model of reference is less the cooperative and more a working project, the *social enterprise*, “the actual meeting of two practical traditions: social action and social economy” (Draperi 2003: 49). The study of these enterprises is the object of a European program, at the heart of the network of EMES researchers (*Emergency of Social Enterprises in Europe*), theorized in (Borzaga, Defourny and Adam 2001).

The theory to differentiate these processes comes from the work of the CRIDA (Laville, Eme). Laville refers to Polanyi's approach (1944) which identifies four economic

patterns (free market, redistribution, reciprocity and domestic administration), to demand the reinsertion of the economic into the social, to struggle against problems brought about by the current crisis. New forms of companies should thus be promoted, characterized by “reciprocal tendencies, economic hybridization and democratization brought on by users and the institutional change” (Laville 1994: 168). Supporting community-based services, thus allows new forms of regulation to be put into place on the local level and permits the establishment of “community groups, intermediaries between the anonymous collectivity and the family, (...) places likely to foster real and free solidarity, to which many people aspire” (Laville 1992: 208). Faced with the crisis of abstract solidarity, the emergence of new concrete solidarity thus prevents the return to “inherited” solidarity (in reference to the socialist theorist Pierre Leroux).

In the debates on the relation between social economy and solidarity-based economy, the idea of the “redundancy” of social economy and the reprise of its 19<sup>th</sup> century political project by the solidarity-based economy is heavily discussed (Bidet 2000). The main French journal on Social Economy, the *Revue des études coopératives* founded by Gide in 1921 became the *Revue internationale de l'économie sociale* in 1986, has staged these discussions, as the articles of Maurice Parodi show. For this author, “the model of social economy necessarily meets the model of solidarity-based economy through its common values of solidarity, cooperation, democratic or participative management, through its rules of “a-capitalism” ” (Collombo, Parodi 1997: 60). The journal established some points of convergence between the different dynamics around the recognition of “*économie sociale et solidaire*” (*social and solidarity-based economy*) although the theoretical construction of this alliance remains largely to be done (Espagne 2002).

To be sure, these theories in economic sociology can partially explain both the rise of such organizations and their political meanings but they do not account for the collective

operation approached by the *economics of convention*, nor their modes of transformation explained on a macroeconomic level by the *Regulation School*, for example concerning community-based services or agricultural cooperatives. The collective agreement theory across the approach to “the Economics of Worth” (Boltanski and Thévenot 1991, Gadrey 2000) was often used to analyze the operation of organizations of social economy, that are the kinds of enterprises characterized by a wider potential logic for action (other than industrial and market conventions, there also exist domestic and civic conventions etc.), a peculiarity brought to the fore in the case of cooperative bankers, thus setting them apart from commercial banks (Boltanski and Pailler 2000), or more generally, for different associations (Enjolras 1993). It is also cited explicitly as a source of inspiration for the constitution of a “*bilan sociétal*”, a tool provided by the *Centre des jeunes dirigeants de l'économie sociale* destined to evaluate the “impact” and the contribution of these organizations to their environment (Capron and Leseul 1997). In France, this instrument is currently being promoted in the larger general context of the social responsibility of firms.

### **Conclusion**

The historical approach teaches us that theoretical arguments tend to be recurrent. It is the complex relation of social economy to the “standard theory” (Favereau 2002) of economics, which is put into question each time. Certain approaches tend to share, while others oppose the main elements of the dominant paradigm of the “normal science” (Kuhn 1970) of the period : a (neo)classical approach (immaterial production in the 19<sup>th</sup> century; charity and non-market production in the 20<sup>th</sup> century); a reformist or normative approach (Christian and/or economic democracy); a transformative or socialist approach (alternative or “radical”)...

According to the period, social economy as practice is mainly recognized either by *its objectives* (health and education, the right to work, social progress in the 19<sup>th</sup> century, innovation and modernization, local development in the 1970s and the 1980s, social relations, the creation of jobs and activities in the 1990s...); or by its *institutional frameworks* (*patronage*, association, social rights) followed by *statutory frameworks* (cooperatives, mutual societies and associations... although the statutes are bound to evolve, as a function of the insertion of social economy into its environment); or else by their *modus operandi*, that is to say their *internal characteristics*.

The ambivalent and diverse character of social economy - questioning elsewhere the ambiguous position of the researcher (Demoustier 2000) - examines research in social science on a more general level, for it points out that the comprehension of economic, political and social phenomena calls for a dialogue between theory and practice, between science and “morality”. We are in a transitional phase, a “crisis” according to the *Regulation School* (Boyer and Saillard 2002): new actors are appearing; new activities are structuring themselves according to the rules of social economy; older forms are being examined in their transformational logic; they are questioned by the tensions with the public and capitalist logics (Vienney 1995: 292). Social economy is undergoing a renaissance and a transformation, but it is also consolidating itself, contrary to mainstream economics theses that confine it to a strictly palliative or transitory role. Adopting an *institutionalist* approach (Hodgson 1999, Petit 1999), it thus seems appropriate to (re)examine the very objects, peculiarities, the place and the role of social economy in the socio-economic relations that structure our society.

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### Notes

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<sup>2</sup> It is striking to note that, since the 19<sup>th</sup> century, the English title “Principles of Political Economy, with some of their Applications to Social Philosophy” has systematically been translated into French by “*Principes d'économie politique avec quelques-unes de leurs applications à l'économie sociale*”. This underlines the intellectual filiation.

<sup>3</sup> It became the *Conseil des entreprises et des groupements de l'économie sociale* (Council for Enterprises and Groupings of Social Economy) in 2001.

<sup>4</sup> In English in Desroche's text.

<sup>5</sup> An outlook of this contradictory debate can be found in a special issue of the journal *Autrement* September 1979.