



# Public Policy for a Social Economy

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Version 1.0 (June 30, 2014)

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## Executive Summary

Over the last 20 years, there has arisen a global interest in the role that the social economy<sup>1</sup> plays in the economic and social life of nations. This interest has spawned a growing literature on the nature and role of the social economy, its size and composition, its operating rules and organizing principles, its relevance for the economic and social well-being of societies, and its relation to the state on the one hand and the private sector on the other.

With the global economic crisis and the withdrawal of governments from the provision of public services, the social economy has emerged as the sector that has done most to absorb the market failures of the private sector and to redress the political failures of the public sector. And while the

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<sup>1</sup> The term “social economy” is here used synonymously with the terms “social/solidarity economy”, “third sector”, “civil economy”, and “popular economy”. There has been extensive debate about the proper meaning of these terms and how they are similar or different from each other. For purposes of this paper I avoid the debate and settle on the term “social economy” as the one most often referred to in the literature. In Ecuador the most common term is “social/solidarity economy” or “popular and solidarity economy”.





social economy has a rich history extending back to the dawn of industrial capitalism, it is during the 1980s that the social economy emerged as the space where new forms of production, distribution, and consumption were created – not only to respond to the crisis of services in the public sector, but more importantly, to transform the structure and logic of enterprise throughout the economy by embedding economic practice in social values and goals.

In this, the social economies of many countries today continue the long civic tradition of socializing and democratizing markets through the creation of enterprises such as co-operatives, non-profits, and other mutual aid organizations. All these enterprises utilize economics to realize the kinds of collective and social aims that are ignored by capitalism.

Increasingly, the social economy is being viewed as the repository of those social, cultural, and political values that are most relevant for protecting and advancing the collective good. These values include the idea of reciprocity as the driving force of social economy organizations, the pursuit of social aims through the practice of mutuality, and the promotion of social solidarity through the advancement of social and economic equity.

For these reasons, and as a result of the upheavals brought on by free market capitalism, the social economy is also emerging as a complement to the state for the social welfare of citizens – a role made increasingly necessary by the abrogation of this traditional duty on the part of governments. The economic crisis and the domination of neoliberal ideology have thus combined to thrust the social economy into a historic spotlight and to play a central role in the reconfiguration of the body politic of nations the world over.

To a great extent, how civil society and the social economies of nations are able to confront the shrinking role of governments and the power of capital may determine the survival of those civic values that were the social underpinnings of the welfare state as we have known it. In the context of Ecuador, they are also the social and political ideals that drove the Citizen Revolution and form the basis for the nation's vision of *Buen Vivir* as a progressive alternative to the free market path of the industrialized west.

The social economy is thus far more than the application of co-operative or self-help strategies operating at the margins of the economy to help the poor, as is sometimes believed. Nor is the social economy merely a collection of economic self-defense measures against the failures and depredations of the “free market” economy. Rather, the social economy represents a wholly different conception of economics in which market forces and economic practice serve social or collective interests, rather than just those of capital or the individual. The social economy is the testing ground for a kind of economics that can actually deliver on the promises of social justice, equity, and collective wellbeing that are manifestly beyond the capacity of the capitalist paradigm.

This paper examines how bold public policy can place the social economy in a central role for transforming the productive matrix of the country. Whether we are speaking of the provision of human and social services, or of the material production of goods and services in the commercial economy, the logic and organization of the social economy is fundamental to any meaningful transformation of the nation's economic structure.

In contrast to neoliberalism, in which capital (with the help of compliant governments) undermines and displaces the state through the colonization and privatization of the public domain, this paper also examines how government can strengthen the social economy through the creation of policies that reinforce the civic principles and purposes which are the basis of public goods and services.

In Ecuador, unlike many countries in the north, the State is playing a growing role in the provision of public services. The question of reframing and reforming social care in the 21<sup>st</sup> century is less one of



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saving public services from the effects of privatization as it is moving them beyond the weaknesses inherent in the statist forms of the past.

In Ecuador, as well as those countries that are privatizing their public services, this requires a wholly new relationship between the State and civil society. It is a relationship that embodies fundamental principles of shared power, of collaboration and co-construction of public policy, and the creation of new institutions capable of transitioning to a model of Partner State in which the State is the enabler and promoter of civic values and the common good as the primary aims of government.<sup>2</sup>

A central purpose of this strategy is to also address the dependence of civil society institutions on government. This is especially true with respect to the production of human and social services. In this arena, and, despite its formal distinctions from the state, the social economy remains a dependent sector – in many ways a client sector of the state. At a time when governments in many countries have all but erased the distinctions between the private and public sectors, this continuing dependence is a fatal weakness that allows capital interests to continue their domination of public policy and to perpetuate an economic system that is subservient to these interests. This is one reason why special attention is paid to the vital area of social goods and services.

This is not to say that social economy enterprises operating in the commercial economy are to be ignored. Social economy enterprises such as co-operatives are absolutely vital to the economic interests of small producers in the agricultural economy, to artisans and crafters, to community-based financial services such as credit unions and community banks, and increasingly to the emergence of immaterial goods and services provided by digital technology through the operation of peer-to-peer networks that are also based on co-operative and commons values and practices. These aspects of the social economy are further explored in the companion paper, Civil Society, Open Government, and ICT<sup>3</sup>, and they too require policies and institutions that reflect the unique character and aims of these enterprises.

One of the central arguments advanced in this paper is that if the social economy is to mature as an independent social and political force, then a true social market corresponding to the unique role of the social economy as a force for democratizing the economy is fundamental. Only in this way might the overwhelming power and influence of the capitalist market be brought into balance with civic values. A strong and autonomous social economy based on reciprocity, mutuality, and civic values makes possible also the political power necessary to negotiate a new social contract for a post neo-liberal age.

## 1. Introduction

Perhaps the most destructive consequence of the current economic crisis is the damage done by free market ideas on the role of government and the resulting corrosion of public faith in state institutions as instruments of public policy.

The mass protests against austerity economics that are shaking Europe are clear evidence of this fact and public anger has now reached levels that question the viability of the European Union. The shock doctrine that demands the sacrifice of public wealth to redeem the sins of private capital is fueling public rage the world over.

In the academy, in government, and in the public arena the search for alternatives that better serve the public interest has become critical and universal. Nowhere is this more obvious than in the role of

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<sup>2</sup> See J. Restakis, Public Policy for a Partner State, FLOK Society, IAEN, 2014

<sup>3</sup> See J. Restakis, Civil Society, Open Government, and ICT, FLOK Society, IAEN, 2014





governments with respect to public services and the provision of social care for their citizens. With the continuing flow of public wealth to private coffers there has arisen a social deficit in societies that threatens to become structural and permanent.

With governments incapable – or unwilling – to provide public services as they once did, attention is turning to the social economy as a source for these services. The other trend – one that is gathering much more momentum – is the privatization of public assets and the commodification of social care.

In Ecuador, the question concerning the traditional operations of the Welfare State is quite different from that of the industrialized north. For a very long period of time, Ecuador suffered from a weak state infrastructure that was unable to provide the kinds of social services that citizens had come to expect in the industrialized states. For Ecuador, the idea of the welfare state was still a work-in-progress – something to be aimed for in the future as opposed to being dismantled in the present.

Indeed, as a result of current government policies, Ecuador is experiencing rather the opposite dynamic... one of growing state intervention and involvement in the public economy. In education, in health services, in the provision of social security, the Ecuadorian government has developed universal public services that were never available before. In the case of Ecuador, the challenges lie rather with the statist forms of these services and the weaknesses inherent in a purely statist conception of social care.

What we are arguing in this paper is that the civic principles that underlie the idea of the Welfare State are central tenets of Buen Vivir and development, and that rather than repeating the mistakes of mass production state welfare of the mid-20<sup>th</sup> century, that a new form of social economy welfarism can be developed which takes further the social innovations developed by such welfare states as Italy and Quebec. Ecuador, like other Latin American countries, has the opportunity to create new models of social welfare that learn from, and move beyond, the weaknesses of the old statist structures. Health, education, and other forms of social welfare are all open to more responsive, more flexible, and ultimately more effective forms of care when coupled with the untapped power and potential of the social economy.

The application of social economy principles and practices such as reciprocity and co-operation, and the emergence of democratic, distributed, and user-controlled social care systems, allows Ecuador to move to a new configuration of social welfare – that of the Partner State – which reinforces the rise of civil networks, supports new forms of social innovation, and recognizes the central role of civil society in promoting the common good, especially in the area of social care.

## 2. Toward a New Paradigm

The colonization of public and social space by capital as outlined above, is one of the effects of shrinking opportunities for profit making in the private sector. At the very moment when weak economies and rising unemployment demand a strong social safety net, public services are being turned into sources of private profit. With governments as willing partners, the privatization of public goods and the monetization of social care now beckon as a new frontier from which profits might be wrung – from the provision of health care and clean water, to the running of education systems and prisons.

It is quite clear how the institutions of private capital might invest in – and profit from – what were once public services. What is far from clear is whether the institutions of the social economy are equipped to respond to this new reality. The market failures in human services in both the private and the public economies are now arguably the central public policy issue of modern societies. It is for this reason that we focus much of our discussion below on this question.



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How might governments respond to this dilemma? Can they foster civic solutions that provide an alternative to the privatization of social goods on the one hand, and the stifling effects of top-down statism on the other? How might these solutions be fashioned to reflect, and reinforce, those social-serving values, operations, and principles that are the greatest strength of the social economy itself?

Finally, how might the social economy enlarge its presence and influence in the broader commercial economy? How do social economy enterprises acquire the resources and skills they need to flourish within an overtly hostile environment dominated by private capital? How do they build on their successes and scale up? And finally, how do they capitalize on the new logic of networks, distributed production, and digital technology that are so consonant with their inherent social values and strengths?

The creation of what we may call a social market for these purposes, and the development of free and open knowledge systems that serve them, is essential to this task.

## 2.1. The Social Economy and the Social Market

There is a growing body of research that seeks to measure the size and economic value of the social economy. But much of this measuring is based on principles and concepts that are derived from the *capitalist* economy – i.e. the valuing of goods and services on the basis of the exchange values that characterize commercial transactions in the private sector.

Using conventional metrics with respect to employment for example, the size of the social economy in many jurisdictions is substantial. According to the Institute for Social Security, the social/solidarity economy in Ecuador comprises 25.7 % of the nation's GDP and 48.9 % of employment generated in enterprises of fewer than 11 employees. A study by the DGRV (Cruz, 2003) also shows that in 1999-2002, the current portfolio of credit unions experienced a growth of 384.73% compared to 49.94 % for the banks.<sup>4</sup> These figures are impressive and help to gauge key aspects of the social economy. But while appropriate for the measure of commercial exchange, the determination of value solely on the basis of commercial principles – of monetary value – is antithetical to the character and needs of the social economy.

The purpose of the social economy is not primarily about the production and exchange of goods and services in pursuit of *private* ends, or of monetary value – but rather the creation and use of social relations for the production of *social* value. This is true whether social economy organizations are producing social goods and human services or whether they are engaged in commercial production within the mainstream economy. It is the social aims and collective nature of these enterprises that distinguish them from capitalist firms. Social values are embedded in the structure of these organizations and a market for the creation of social value is not the same as a market for capitalist accumulation. What then *is* a market for social value?

The attempt to measure value and to develop social and economic policy for the social economy on the basis of commercial principles alone, only serves to marginalize and misrepresent what the social economy is. In most countries, the character of social economy organizations and their role in society is implicitly acknowledged as different from that of private businesses and requiring a different approach. For example, governments provide tax supports to social economy organizations such as co-operatives, non-profits and charities because they create social benefits that are worth supporting and are in the public interest.

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<sup>4</sup> The Role and Importance of Savings and Credit Cooperatives in Microfinancing and the Worldwide Activities of the German Cooperative and Raiffeisen Confederation, 2003



Around the world, the principle of tax exemption to non-profits is well established. Traditionally, the work of these societies was conceived as relieving a burden that would otherwise be borne by the state for such things as providing relief to the poor, running hospitals, caring for the vulnerable and indigent, etc. In return for these services, the state compensated societies through an exemption on tax. But it was also a condition of the exemption that no profits could be retained by the society nor distributed to its governors or members. This is the constraint on the distribution of profits that today defines non-profits under legislation that governs their operation, as is the case in Ecuador.

But in an age where the sophistication and complexity of social economy organizations extends far beyond simple charity models, and where hybrid models such as social enterprises and community benefit companies employ market mechanisms to pursue social goals, the old tax exemptions based on constraints to the distribution of profit are wholly inadequate. They fail to capture both the reality and the potential of the social economy as an economic sphere deserving equal treatment, on its own terms, to that granted the private and public sectors. They also perpetuate the false notion that the generation of profit is incompatible with the pursuit of social benefit.

The reason for this is that profit is still conceived strictly in capitalist terms, which is to say as a private good. But what of profit that is a social good, a collective asset, as in the case of co-operatives, where it is designated as a “surplus”? The real question is not the issue of profit but rather the purposes for which this profit is created and utilized. Recognition of profit as a social asset has paradigm changing implications – not only for the social economy but also for how the public interest is defined, developed and defended.

One of the key tasks before us in this age of unfettered privatization is how to reverse the colonization of the public domain by capital and instead, to foster and expand the social control of capital for the common good. This is the essential attribute of the social economy – its *social* character and the embeddedness of market exchanges within a network of social relations that are driven not by the private interests of the capitalist market, but by the collective and mutualist aims of friends, neighbors, communities and society as a whole.

## 2.2. A New Approach

What are needed are social and economic policies that recognize the social and mutual foundations of the social economy as a distinct paradigm that relates social principles to the economy, to resource allocation, and to a new understanding of wealth creation. The social economy contributes to the socialization and democratization of markets and the economy and is a key force for transforming the productive matrix along the lines outlined in the National Plan. In short, the social economy is a unique space with its own requirements and in need of institutions that reflect the logic and aims of its operations. This entails a holistic and integrated approach to social economy development and the creation of what might be called an “ecosystem” of institutional supports analogous to the existing ecosystem of capitalist institutions that service the capitalist economy.

With respect to the production of *social* or *relational* goods and services, there is also an urgent need to understand and to construct a type of *social market* that supports and values the production and exchange of social relations without turning them into commodities as is the case in capitalist markets.

On what basis could such a policy, and such a market, operate? The answer lies in the socio/economic principles that lie at the heart of social economy organizations and of the social economy as a whole – *reciprocity, mutuality* and *social benefit*.

Unlike the drive for private profit that animates the behavior of firms in the private sector, *social economy organizations are animated by the principles of reciprocity and mutuality for the pursuit of collective economic and social aims, largely through the social control of capital.*



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Reciprocity is normally associated with the exchange of goods or services by two individuals, wherein one will offer a service to the other in the expectation that in time, this favour will be reciprocated. This is classic bi-lateral reciprocity. But reciprocity can also be indirect, multi-lateral and diffused. This is the case when an individual will offer a service to another person or an organization (such as a co-operative or non-profit) in the expectation that the service will be conveyed to others, not only to oneself. In this case, reciprocity is not confined to the exchange of favours between two individuals but also to others. Other examples include pay-it-forward systems in which an initial gift or benefit to a person is given by them to a third party, not the original giver. In this way the gift is multiplied as is the benefit.<sup>5</sup>

Finally, diffused forms of reciprocity are used for the wider institutionalization of trust (Keohane, 1986). This is the case for example in international relations and treaties, in which the principle of reciprocity states that favours, benefits, or penalties that are granted by one state to the citizens or legal entities of another, should be returned in kind. This principle of diffused reciprocity has been used in the reduction of tariffs, the granting of copyrights to foreign authors, the mutual recognition and enforcement of judgments, the relaxation of travel restrictions and visa requirements, and in agreements on extradition.<sup>6</sup> The notion of diffused reciprocity is of key importance in the operations of the social economy, as we shall outline below.

In the context of civil society, reciprocity animates a vast range of economic activities that rest on the sharing and reinforcement of attitudes and values that are interpersonal and constitute essential bonds between the individual and the human community. At an individual level, what is exchanged in reciprocal transactions are not merely particular goods, services and favours, but more fundamentally the expression of good will and the assurance that one is prepared to help others. It is the foundation of trust. It is also the means by which a society's stock of social capital is built up. Consequently, the practice of reciprocity has profound social ramifications and entails a clear moral element.

Reciprocity is a key for understanding how the institutions of society work. But it is also an economic principle with wholly distinct characteristics that embody social as opposed to merely commercial attributes. And while social economy organizations also engage in market exchanges these exchanges are conditioned, and set within, a set of social relations whose purpose is *social value* not private accumulation. This is true, for example, in the case of co-operatives – many of which are engaged in activities such as manufacturing and retailing that are outwardly same as those of their capitalist competitors. What distinguish them is their shared collective and mutualist character and aims.

Reciprocity and mutuality in pursuit of social aims define both the activities and the aims of these organizations - whether they are co-operatives, volunteer organizations, or social enterprises. Their primary purpose is the promotion of collective benefit. Their product is not just the particular goods or services that they produce, but human solidarity and social capital. And, as opposed to the capitalist principle of capital control over labour, reciprocity and mutuality are the means by which a social interest - whether it takes the form of labour, or citizen groups, or consumers – can exercise control over capital.

With respect to public services and social goods the key question therefore, is this:

*How can reciprocity and mutuality be actualized as institutional forces to provide for the human services that are not being met by government or the private sector?*

<sup>5</sup> See for example, R.W. Emerson, “Compensation”, Essays, 1841  
<sup>6</sup> [https://en.wikipedia.org/wiki/Reciprocity\\_\(international\\_relations\)](https://en.wikipedia.org/wiki/Reciprocity_(international_relations))



### 2.3. Taxation, Capital Formation, and Social Benefit

One of the key ideas proposed in this paper is the central role that social markets play in preserving and expanding the social economy's role with respect to social goods.

The creation of social markets entails two things: allowing social economy organizations to raise capital directly through the issuance of social capital shares or through the use of social currencies, and the development of a social market exchange that functions as a parallel institution to the stock market for capital, except for use by the social economy. Both these concepts are explored more fully below.

But the first point to be made is that of all the challenges that impede the growth and potential of the social economy, the difficulty in accessing and controlling capital is surely the most crippling. Solving this problem is therefore essential for all types of social economy organizations, whether they operate in the field of human and social services or in the commercial economy.

There are many ways that public policy can expand the capacity of social economy organizations. Rethinking and reforming tax policy is among the most important and the most potent.

### 2.4. Social Goods

One line of approach is to provide tax benefits and exemptions to investments in social economy organizations. In Ecuador, these tax benefits are already provided to groups that are non-profit or have acquired charitable status. But there is a strong case for extending these benefits to contributions made by supporters – whether association members or other community members – to *any* organization whose primary purpose is the provision of a social good.

It is essential that non-profits and a wide range of social enterprises be able to generate capital for their services through tax-exempt contributions sourced from within civil society itself. Not only would the dependence of social economy organizations on the state be mitigated, but the perpetual rationing of capital due to the social economy's dependence on state funding could also be lessened. But for this to happen, the idea of non-profits as organizations whose goals are incompatible with the generation and utilization of capital (profit) has to be left behind. It is a relic of a false understanding of profit as a private good, and associated with an equally outmoded understanding of markets as exclusively capitalist.

All enterprises, whether commercial or social, must generate a profit (or surplus in the case of co-operatives) if they are to survive. The question is: to what purpose is this profit or surplus put? Is it private or is it social? The case of co-operatives clearly shows how profit can be a social good as well as a private one.

Co-operatives are a form of social economy organization whose surplus is collectively owned and utilized by its members for their mutual benefit. When non-profits generate a surplus that is then reinvested in services to community this too, is profit transmuted into a common good. And just as private capital is bent on privatizing social wealth, so should the social economy be focusing on ways to *socialize* capital.

A social economy understanding of the market, and of profit, makes it possible to rethink society legislation so as to allow non-profits to issue shares to raise capital, to accumulate capital in the form of undistributed reserves for the pursuit of social ends, and to invest in other social economy organizations and institutions that have the same purpose. The development of the kinds of social purpose capital that are now possible in the case of co-operatives should be extended to the whole of the social economy, with the proviso that their use be transparent and democratically accountable to contributors and service users.





This is essential. Without such accountability, there is the risk that capital accumulated by an organization for social purposes may ultimately be used to pursue private interests – as is sometimes the case with non-profits that have no structure for accountability to stakeholders. *What is central in protecting the pursuit of social ends is not the conventional prohibition on the accumulation and distribution of profit, but rather the social constraint imposed by democratic accountability for the use of that profit.* It is exactly the same principle that serves to protect the public interest when applied to the taxing and spending practices of the state.

Let us now examine two case studies from Italy and Japan that illustrate well the main points we are making with respect to how such a system might work with respect to social goods.

### 3. Case studies

#### 3.1. Case Study 1 - Fondazione del Monte di Bologna e Ravenna

The following experiment in Bologna helps to illustrate how a social market might be established without compromising the obligations and prerogatives of government while at the same time mobilizing the social economics of reciprocity and mutuality. Even more, it points to ways in which principles of democratic control and personal empowerment are fundamental to real reform in social care systems.

In 2002, a foundation called the Fondazione del Monte di Bologna e Ravenna started to experiment with new ways of funding social care to seniors. Previously, like most foundations, the foundation had provided grants to a variety of social service groups that then delivered care to seniors and their families across the city. The service organizations retained full control of the funds while the users of these services had little or no role in influencing the content or quality of the care they received.

Nor was it easy for consumers to seek more appropriate care elsewhere if they were unhappy. The funded groups were established organizations, secure in their funding, and had little incentive to change so long as power remained exclusively in their hands. Accountability flowed to their funders, not to the people they were meant to serve. Moreover, the model incorporated one of the worst attributes of privatized services in the public sector – the isolation of third party contractors from the funder on the one hand and service users on the other.

Under third-party contracts, the buyer (in this case a private foundation) does not consume the services acquired, the consumer does not pay for the services received, and the contractor stands in the highly advantageous position of dealing with a buyer who rarely sees what is purchased and a consumer who never bears the expense. This is a recipe for low accountability, which affects service quality, and for the absence of consumer influence on prices, which provides no controls over cost.

This is the classic charity model of care that has now become universal among non-profits. The problem was that in many cases, seniors and their families were unhappy with the care they received. But, having neither control rights in the organizations nor any say over the funds that paid for the services, they were powerless to do anything without jeopardizing the care they depended on. As with government delivery models these non-profits, despite their best intentions, shared the common faults of paternalism, inflexibility and lack of transparency that flowed from the absence of accountability to users.

All this changed when the foundation decided to bypass the organizations and provide funding directly to seniors in the form of social vouchers. Instead of funding the supply side of social care, they would



fund the demand side. Three hundred and seventy six seniors and their families were involved in the program.

Each voucher covered the costs for a specified package of services. There were different packages depending on the type of services that individuals needed and also on their respective ability to pay for a portion of the costs. Those that were less able to cover the full costs were subsidized by the foundation and from contributions of those that could pay more. Finally, the social vouchers could be redeemed at any of a group of pre authorized service organizations, whether co-op, or state-operated, or privately run.

Overnight, the balance of power between service provider and service user was reversed. Now, seniors or their families were able to select those service organizations that were best able to provide for their needs. The social vouchers looked identical, were the universal currency for services, and because the portion of private contribution to social subsidy was known only to the foundation there was no stigma or discrimination attached to their use. Nor was it possible to compete on the basis of cost since the vouchers covered all costs equally. Competition arose solely on the basis of quality.

In the course of three years, the quality of senior care improved, costs dropped and the organizations that flourished were those that focused on service quality, innovation, and flexibility. Multi-stakeholder social co-ops that included seniors and their families in their membership did best.

### 3.2. Case Study 2 – Fureai Kippu, Japan

A second example of the use of a social currency to support the provision of social care is to be found in Japan, which currently has the most numerous and diverse forms of social, or complementary currencies in use in the world.<sup>7</sup> There were approximately 258 complementary currencies in use across Japan in 2008.

Fureai Kippu is a reciprocity-based time banking system that was developed over 40 years ago to provide care for the elderly. Fureai Kippu literally means “Ticket for a Caring Relationship” and refers to the ticket or credit that is earned when one volunteers their time helping seniors. According to the first published research in Japanese in 1992, Fureai Kippu is:

A generic term for various time-based systems, such as Time Deposit, Point Deposit, Labour Bank, etc. ... where members can earn time credits or points for the hours they volunteer, providing physical care, home help and emotional assistance to the care-dependent members. These credits can then be registered by the host organization and saved in their personal accounts. Time credit holders can withdraw and use their credits to buy care for themselves or relatives as required (Sawayaka Welfare Foundation (SWF), 1993).

According to 2012 unpublished estimates, there are 391 operating branches of Fureai Kippu across Japan.<sup>8</sup> Of these, 148 are run by small grass roots groups which are relatively independent. An additional 84 are run by local government or quasi-government bodies that are larger and date back to the 1980s and 1990s. The remaining 159 branches are run by two non-profit organizations with wider networks, including international branches, and which allow transfer of credits within their own

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<sup>7</sup> Kennedy and Lietaer, 2004  
<sup>8</sup> SWF, 20.1.2012



branches.<sup>9</sup> The largest Fureai Kippu organization is the non-profit Nippon Active Life Club (NALC) established in 1994 and with over 30,000 members in 133 branches nationwide and two international partners.<sup>10</sup>

Unlike the social voucher system of Bologna described above, Fureai Kippu adheres to a strict time banking model which tracks and then reimburses volunteer time on the basis of earned credits. However there are variations in how banked time is reimbursed. The traditional model is one that is strictly reciprocal and where earned credits are redeemed in received services, either for oneself or for one's relatives. A second model also includes the redemption of volunteer time through a combination of earned time credits and cash. In both models, dependent users of services may pay a small user fee if they are unable to earn time credits because of ill health or incapacity. These user fees are paid to the host organization, which in turn can offer a cash payment in combination with time credits to volunteers.

Like time banking studies elsewhere, (Seyfang, 2004; Collom, 2007; Ozanne, 2010), Fureai Kippu generates a number of positive impacts, in addition to the obvious social benefit of offering an effective means of providing care to the elderly. These include building personal relationships and expanding social connections, improving the mental and physical health of participants, promoting mutuality and responsibility with respect to the care of vulnerable people; and helping to create a more equal relationship between caregivers and recipients.<sup>11</sup> Moreover, the system offers a civil model of care that is more cost-effective, flexible, and humane than expensive "top-down" models typically associated with state care provision.

The Fureai Kippu model is not without its problems, however. One of these has to do with designing reciprocal exchange systems that effectively match earned credits to services received. In the case of NALC, during 2010 a total of 12,367 volunteer members assisted 3,126 dependent members, earning 198,091 credits in total while only redeeming 10,548 (5%). The balance was redeemed by user fees or by the organization (these were paid in return for non-person based activities or work for the organization such as office work or training). Over time, a total of nearly 1.7 million credits have been accumulated in individual members' accounts. User fees are thus a key means of guaranteeing a means for volunteer members to earn their time credits while allowing dependent members to purchase services they cannot otherwise earn.

Meanwhile, the system has adapted to the challenge of matching time credits to services by expanding the ways in which reciprocal exchanges can be made. Unlike the traditional model where credits are exchanged for elder services within the host system, either later in life for oneself or currently for one's relatives, a new "horizontal" system of exchange has been developed in which time credits may be redeemed in a short time frame in exchange for such services as child care and a range of other local services (museums, recreational facilities, cash vouchers with local businesses, etc.). This allows local municipalities and local businesses to support the system while promoting both community building and the local economy. Time credits may also be used to pay for the monthly insurance premiums of the state elder care system. Finally, unredeemed credits may be donated to a shared pool for use by those who haven't the means to access services otherwise.

While the Fureai Kippu system is not a panacea, the model is a successful complement to formal state care systems. It is a key reason why governments at both local and federal levels have supported the system, including state efforts to recruit volunteers for the programs. Starting in 2009, Yokohama City

<sup>9</sup> Mayumi Hayashi, Japan's Fureai Kippu Time Banking in Elderly Care: Origins, Development, Challenges and Impact, *International Journal of Community Currency Research*, V. 16, 2012

<sup>10</sup> *ibid*

<sup>11</sup> *ibid*



near Tokyo attracted over 4,000 volunteers in a single year, largely due to the scheme that allows members to exchange time credits for services other than elder care.

Moreover, with the proven value of Fureai Kippu to the communities it serves and to state efforts to provide care to its ageing population, the model has been receiving serious attention for application in countries like the UK where civil alternatives to state systems have become a priority for government.

### 3.3. Lessons

What are the lessons we might draw from these experiences? First, as in the case of Italy, we can see that supply side funding for social care can have a profound effect on the quality of care received. This should come as no surprise. Competition will inevitably arise. But not in the familiar manner of government contracts where low cost (or cronyism) is often the deciding factor, but rather in a manner favourable to service users. Nor should it be surprising if the organizations that received charitable and government funding should resist such a change (as they did in this case). Ultimately however, social care isn't primarily about the providers – it's about those who depend on their services.

The second lesson is that the social market that was created for senior care in this example is replicable on a much larger scale. A social market for a wide range of social goods and services can be created that involves a different set of relationships and incentives among service users, service providers, and funders – whether public, or private. The use of vouchers or time credits are just two mechanisms for empowering citizens. The deeper issue concerns the distribution of economic and political leverage to those who depend on these services.

The third lesson provided by Fureai Kippu in Japan, is that reciprocity and mutualism can be valued in strictly social as opposed to monetary terms. Time banking is one approach that continues to offer non-commercial solutions to the provision of social services, especially if these are complemented by the role of the state.

Finally, Fureai Kippu shows how a reciprocity-based system rooted in local communities can work with state systems to form the basis of public-civil partnerships that offer an alternative to the privatization and commodification of what should remain *social* relationships of caring.

There is no reason why vouchers or other mechanisms for placing market power in the hands of citizens should be associated exclusively with the political Right – as they are. The use of market power for social care is just as amenable for socially progressive purposes *if the market in question is structured around civic principles*. Markets are *not* necessarily commercial, or capitalist, and the sooner this is understood the sooner society can address the contradiction between social goods on the one hand and chronically underfunded and antisocial delivery systems on the other.

Governments and civil society must both grapple with how economics can be made to work for civic purposes, and the creation of social markets is essential to this. Innovative tax policy is also central to this aim.

What we are talking about is the creation of an institutional social market through the formal valuation of social goods and the capitalization of these goods directly by citizens and the promotion of informal social markets through communitarian mechanisms like social currencies that both value and expand reciprocity and social capital in the provision of social goods. *The state retains a central role however, as co-funder and facilitator of these systems.*

To be clear: this is not to advocate for the commodification of social relations, nor is it the promotion of atomized and utilitarian relations in place of social ones as is now the case with privatization.



Rather, we are proposing forms of social currency that act as mediums of circulation for the expansion of a new kind of *social* relationship between producer and user based on the reciprocal and mutual character of social relations that are characteristic of the social economy itself.

### 3.4. The Social Market Exchange

What would such a social market exchange look like? There are currently a number of social stock exchanges and they all share a common feature: the ability to invest in a social enterprise through the purchase of shares that yield a limited return to investors. This is one approach, and so long as returns are not speculative and contained by clear social priorities they can be a key source of needed capital. Otherwise, returns to investors for support of social enterprise moves away from reciprocity and toward a capitalist conception of social investment.<sup>12</sup> By contrast, what we are proposing is something that values both contribution and return in terms of reciprocity. This is the reason we use the term *contributor* as opposed to *investor*.

What does this entail? First, it would mean the extension of tax exemptions and benefits to contributions that support the creation and distribution of social goods. In this way, the provision of a tax benefit to social contributors acknowledges the key notion of a public benefit compensated by the tax system on the reciprocity principle. It also embodies the fundamental principle of public responsibility for social care as a civic right. This is what taxes should do. But in addition, there needs to be a re-alignment of powers with respect to control over the design and delivery of social care itself. A number of factors seem essential.

The first requires shifting the production of some social care services from government to democratically structured civil institutions. Government would retain its role as a prime funder for these services and for the regulation and oversight that is necessary to protect the social character and public interest entailed in these services. The first part of this equation is already well underway. Governments have been unloading social services to private and non-profit providers for over two decades. It is the second aspect, the need for user control and service accountability that is lacking (as too, is the funding). Social services that receive public funding and are not under the direct control of the state should be conveyed only to those organizations that provide control rights over the design and delivery of those services to users.

This applies equally to non-profit and for-profit services. Examples include organizations that provide elder care, family services, services to people with disabilities, or childcare. Moreover, those services that remain under state control (social security, public pensions, public auto insurance, public schools, health care services, etc.) should be democratized. Everyone with a health card, with a social security number, with a driver's license, should be entitled to membership rights in the institutions that control these services and to representation on the boards that direct these organizations.

Second, government funding should, at least in part, flow directly to social care recipients who would then select the services they need from accredited organizations of their choice. To qualify for receipt of public funds, these organizations must have provisions for user control in their operations. In addition, funds must be made available for the organization of independent consumer-run organizations to assist users and their families in the identification, evaluation, and contracting of services to their members. This is crucial, especially in the case of users that haven't the means, or the capacity, to adequately select and contract services on their own.

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<sup>12</sup> In the case of schemes such as social impact bonds, which are now all the rage, there is now a distressing body of evidence to show how easily private capital can exploit social investment models to generate profits at the expense of the services they are meant to support (see Margie Mendell, 2012).



Third, social care organizations must have the legal ability to raise capital from among users and from civil society in general, on the basis of social investing. Both users and community members would be able to purchase capital shares for the purpose of capitalizing the association. As a social *investment*, these shares would yield a prescribed value in services to investors but unlike conventional social investment models, investor control within the association would be limited to ensure democratic control by members. As social investments these capital assets would not be taxed.

Fourth, surpluses generated by these organizations should be considered, at least in part, as social assets. All social care organizations receiving public funds – whether in the form of vouchers or direct payments from government – would establish an indivisible reserve for the expansion and development of that organization and its services.<sup>13</sup> A portion of operational surplus would also have to be used for the partial capitalization of a social market exchange through the purchase of shares in the exchange.

Social capitalization requires the creation of a social market based on reciprocity and mutuality. For example, individual contributors could purchase shares yielding a monetary value that is redeemed through the use of a social good or service provided by any one of the accredited organizations in the system, as in the example of the social vouchers used in Bologna.

A mechanism for mediating the issuance of social vouchers on the one hand and their redemption on the other needs to be established to balance what some organizations receive in contributions and others redeem in services. The creation of a collective capital pool to help organizations pay for redeemed shares might be one way of managing this. The collective pool would be capitalized by the contributions of participating organizations, and may include contributions of supporting individuals. A social capital exchange of this type generates an independent source of credit and investment capital to social economy organizations, in addition to what they would receive from the state. Shares would be eligible for tax credits on the basis that such contributions have a clear and direct social benefit, as would a capital pool.

In these models, the primary role of government would be to continue to provide public funds for social care services and to establish the rules of the system. In partnership with service deliverers, caregivers, and users, the state would regulate and monitor service delivery, establish service standards, license service providers, and enforce legal and regulatory provisions.

Finally, the locus of service design and the designation of service needs would take place, as much as possible, at the community and regional level of delivery. This requires the creation of civil and municipal associations of public and community stakeholders to ensure the accountability of services and the flow of information necessary for effective budgeting, service design and delivery.

The development of open knowledge systems whereby data and information is transparent, open, and freely accessible by citizens and social economy organizations is a concrete way in which a social knowledge economy can be linked to the operations and social aims of social economy organizations.

Most importantly, this decentralization of service delivery must include the democratization of decision-making through the sharing of control rights with service users and caregivers. This is precisely the system that is in place in cities like Bologna where social co-ops and their federations deal directly with municipalities to determine the service needs of communities and to manage their delivery.

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<sup>13</sup> Indivisible reserves have a long history in co-operatives and remain a key means by which co-ops capitalize their operations. The reserve is accumulated over time from the co-op's surpluses and may not be distributed to members – it is a collective asset for use as a social benefit and is therefore not taxed.



Moreover, the decentralization and democratization of social services to regional and municipal jurisdictions is consistent with the provisions of the National Plan for Good Living, which emphasize the localization of planning and decision-making as much as possible to local regions and communities.

A word of caution however, must be noted. Such policies have proven highly effective in the cases of places like Quebec, Italy, and Japan because there existed fairly high levels of social capital that were in turn reinforced by a culture that valued reciprocity. This is especially true of Japan, and hence the Fureai Kippu system both reflected and reinforced this culture even though there did not exist a large number of non-profits as was the case for example, in Quebec.<sup>14</sup> In Italy, a long tradition of co-operative organizations helped form the institutional foundation for the evolution and spread of social co-ops.

What this means in practical terms is that democratizing and de-centralizing policies from government are not enough. What must also be considered is the educational and community development work that is needed to provide for the ongoing evolution of the civil institutions and cultural attitudes that form the basis for this kind of civil and cultural transformation.

Crucial to this is the development of multi-stakeholder intermediaries that can act as interlocutors with government on behalf of the broader social economy. At a service level, multi-stakeholder organizations representing different stakeholders and interests can negotiate contracts and services, coordinate organization and production, and support the social economy providers with cross sectorial training, logistics support, collective purchasing, financing, etc.

Popular education programs to raise awareness and understanding of this new approach among communities are also key. And, as outlined in “Public Policy and the Partner State”<sup>15</sup>, there is an urgent need for higher-level academic research, education, and professional training for both civil servants and social economy actors. To this end, we propose the establishment of a Co-operative University that can develop the skills, attitudes, and solidary culture that can sustain the transition process outlined above.

#### 4. A Policy Ecosystem

A review of public policy trends and instruments for supporting the social economy reveals a highly developed array of strategies developed by many countries.

The following outlines a number of strategic areas where adaptation of these strategies can make a key difference for the further advancement of the social economy in Ecuador and for its capacity to maximize the benefits of an open knowledge policy pertaining to social economy organizations in the country. Most importantly, it is crucial that the government’s social, educational, developmental, and financial policies combine to create an integrated, yet diversified, ecosystem of institutional supports that together create an environment within which the social economy might flourish *throughout* Ecuador’s economy. These integrated programs may be broadly organized along four mutually supportive axes:

- a) Tax Policy and Public Subsidy
- b) Financial Supports and Social Investment

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<sup>14</sup> Mayumi Hayashi, Japan’s Fureai Kippu Time Banking in Elderly Care: Origins, Development, Challenges and Impact, *International Journal of Community Currency Research*, V. 16, 2012

<sup>15</sup> J. Restakis, *Public Policy for a Partner State*, FLOK Society, IAEN, 2014



- c) Community Education, Mobilization, and Development
- d) Research, Higher Education and Professional Training

In general, the role of government in administering these initiatives may be summarized as follows:

1. Facilitating the co-construction and co-implementation of national Social Economy policy through direct collaboration with social economy and other primary stakeholders (e.g. municipalities, territorial governments);
2. Direct financial injection (seed money which is also a credit enhancement)
3. Investment (interest free loans for a certain period and possibly renewed)
4. Fiscal policy – tax measures/incentives
5. Financial guarantees
6. Legislation/regulation, including the reform of the Organic Code for Popular and Solidarity Economy (LOEPS) as outlined in the companion paper, Social Knowledge and the Social Economy (J. Restakis, 2014)

#### a) Tax Policy and Public Subsidy

Recommendations:

- a) That social economy organizations be exempted from the payment of income tax on the condition that
  - a. Profits (or surpluses in the case of co-operatives) are reinvested in the production of goods or services whose primary aim is the provision of social goods;
  - b. Fifteen per cent of retained earnings are placed in an indivisible reserve;
  - c. The organization is structured as a democratic association providing control rights to a membership composed of primary stakeholders;
  - d. That community service or social co-ops be exempted from the payment of employer payroll taxes if 25% of employees are drawn from designated vulnerable populations; (see J. Restakis, Social Knowledge and the Social Economy, 2014)
  - e. That the state be responsible for the payment of these payroll taxes;
  - f. That a Social Income available to all citizens be explored for the long-term support of the Social Economy and the development a Social Market (see J. Restakis, Public Policy for a Partner State, 2014).
  - g.

#### b) Financial Supports and Social Investment

Recommendations:

- a) That a **Co-operative Investment Plan** be created to promote the purchase of investment shares by the members or employees of a co-operative, that investments be for a minimum of five years, and that shares be eligible for a non-refundable tax credit of 30%;
- b) That a variety of **Community Investment** instruments be established to promote civil investments in social economy organizations and that these instruments include Community Shares, Community Bonds, and Community Investment Notes;<sup>16</sup>

<sup>16</sup> There are numerous examples in Canada and the U.S. of community bonds. For example, one can purchase Calvert Investment Notes (Calvert Foundation) for as little as \$20 per note (2% rate of interest). These notes are invested in community initiatives in the U.S. and abroad including housing, social services, small enterprises, etc. Community bonds can now be issued by non-profit organizations in Ontario and Quebec in Canada without approval of securities commissions. In the U.S., the government has passed an impressive Community Development Financial Institution (CDFI) Bond Guarantee Program enabling CDFIs to issue 30-





- c) That **Patient Capital** programs be developed to provide social economy organizations with short to medium term loans to support early stage enterprise launch and growth. Initial seed capital for this funding could be seeded by government through interest free financing and distributed via local financial co-operatives. This type of financing is designed to respond to the life-cycle of social economy enterprises and their desire for growth and allows government to facilitate this both through capitalization (direct injection of funds) and as an investor.<sup>17</sup>
- d) That three per cent of the retained earnings of social economy organizations be placed in a designated social economy fund for the promotion of, and investment in, social enterprises;
- e) That designated social economy funds be exempted from the payment of income tax;
- f) That social economy funds be mandated to provide low cost loans and equity investments in social economy organizations and to offer financial advice and technical support;
- g) That financial co-operatives (credit unions) be encouraged, and be provided with professional training and incentives, to provide loans to co-operatives and other social economy organizations and that these loans be supported by government loan guarantees;
- h) That social investments in the operations of a co-operative or social economy organization be eligible for a non-refundable tax credit of 30% for civil investors;
- i)
- j) That registered charities be entitled to invest in social economy organizations out of both their endowment funds and their grant making activities and to earn income without affecting their charitable status;
- k) That existing financial incentives and supports available to small businesses be made available also to social economy organizations;
- l) That special incentives be established for investment in strategic sectors and targeted to the support and development of priority social and human services (health, home care, housing, education/literacy, environmental protection, green energy, refugee services, indigenous communities, etc.);
- m) That government procurement policies for the support of the social economy be reviewed to identify implementation problems, and to engage social economy stakeholders to propose needed reforms;
- n) That municipalities and territorial governments collaborate with social economy actors to identify key anchor institutions (e.g. hospitals, schools, universities, government departments, etc.), that can support the social economy through social procurement policies;
- o) That a fully integrated social finance “ecosystem” be developed for the provision of a diversity of loans and equity or patient capital for social economy enterprises.

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year bonds 100% guaranteed by government. In 2012 in France, the region of l’Ile de France issued **green bonds** to finance the construction of energy efficient schools (lycées), social housing, greater biodiversity and the social and solidarity economy. **Municipal bonds** have a long history in the U.K. and in the U.S. In Canada, the Social Innovation Center launched a community bond that is also RRSP (registered retirement savings plan) eligible, adding an important and attractive tax incentive to purchase an open space and open knowledge commons. SolarShare, an energy co-operative in Toronto issues community bonds at 5% rate of interest for a 5 year term (maximun \$1000) that is a debt obligation of the co-operative. These types of community financing instruments are replicable and enable citizens to participate directly in capitalizing social economy initiatives. (Private interview with M. Mendell, June 20, 2014)

<sup>17</sup> One example is the *Fiducie du Chantier de l’économie sociale* (2007) in Quebec. It was created to meet the need for ‘long-term’ capital without ownership. Capital is repaid after 15 years and interest is paid annually. This has allowed social economy enterprises to access long-term capital, to consolidate their activities and to grow. The *Fiducie* has also enabled the purchase of real-estate, for example. Most interesting is the role of government in the *Fiducie*. The federal government provided initial seed capital (\$28.5 million) and the government of Quebec is also an investor. It initially invested \$10 million and has recently renewed this interest free loan for 5 years. (Private communication by M. Mendell, June 19, 2014)





### c) Community Education, Mobilization, and Development

#### Recommendations

- a) That a series of pilot projects be established to introduce and test these policies in a variety of settings and services, for purposes of research, learning, and public education.
- b) That pilots be accompanied by an education and training program for participants on the principles, practices, and organizational models to be applied.
- c) That social enterprise incubators be established to promote social enterprises in strategic sectors;
- d) That key social economy organizations be recruited to participate in the application of these policies and pilots;
- e) That local municipalities be recruited to participate in the design and implementation of these pilots;
- f) That a senior delegation of key government and social economy representatives be convened to participate in a series of study tours to witness first-hand the operation of these models in Quebec, Italy and Japan;

### e) Research, Higher Education and Professional Training

#### Recommendations:

- a) That a comprehensive educational plan be developed to promote public and professional understanding of the principles and roles played by the social economy as a whole and of the varieties of organizational forms that compose it (co-operatives, non-profits, social enterprises, etc.)
- b) That this plan be adapted for use in popular education campaigns at the local community level and introduced in school curricula;
- c) That the theory, principles, and practices of commons, co-operatives, and the social economy be introduced in the curricula of legal studies, public administration, economics, political science, sociology, and other related fields of study;
- d) That public schools be supported in the adoption of multi-stakeholder co-operative structures that provide control rights to students, teachers, families, and community stakeholders (see for example the Co-operative Schools of the UK);
- e) That a Co-operative University be established to undertake the research and to develop the attitudes, skills, and professional competencies necessary for the cultivation and construction of a robust social economy in Ecuador.

These proposals for an integrated “ecosystem” of institutional supports for the social economy outline a framework for the development of a market structure that reflects and reinforces the social and economic underpinnings of the social economy as a force for the progressive democratization of the economy. They may appear ambitious, and a number of them are already in place, but together they represent the kind of comprehensive approach that is necessary if the dominant paradigm of neo-liberal market economics is to be effectively challenged and channeled toward the civic aims of Buen Vivir.

## 5. Concluding Remarks

Should the Ecuadorian state embark on the creation of a social economy market with a fully integrated social economy “ecosystem” as envisaged here, with enabling legislation, finance, tax policy, labour





market development, social enterprise development, and with links to researchers and universities, it would be the first country to do so. For while policies for the support of social economies are gaining favour in many jurisdictions – primarily in Europe, North America, and Latin America – most of them are extrapolations for capital formation derived from the capitalist economy or adaptations of grants and subsidy programs deriving from government funding.

Many of these initiatives have proven successful in strengthening the capacity of social economy organizations to contribute to social wellbeing through the production of much-needed social services and the increase in training and employment that these services provide. In particular, the use of co-operative models for the provision of social care has yielded not only an increase in the range and quality of services available to the public, but in jurisdictions like Italy and Quebec where public policy has supported their development, social co-ops have generated a high proportion of the new employment generated by the social economy.

In Quebec, the government funds 85% of the costs of daycare programs delivered by solidarity co-ops and other social economy organizations, making the sector the 4<sup>th</sup> largest employer in the province.<sup>18</sup> Solidarity co-ops in Quebec account for fully 40% of the home care services in that province. In Italy, although social co-ops compose only 2% of non-profits, they are responsible for 23% of jobs in that sector.<sup>19</sup> In Bologna, 87% of the social services in that city are provided by social co-ops under contract to the municipality.

Within the broader commercial economy, social economy organizations like co-operatives have prospered when access to basic capital resources – owned and controlled by the social economy itself – has been bolstered by progressive tax policy, by enabling legislation, by education and professional development, and most of all, by the support of representative civil associations that can identify and address the collective needs of the sector. Multi-stakeholder structures representing a broad range of social economy actors have been key in this regard.

With respect to the co-operative movement, which plays such a central role in Ecuador's social economy, the creation of a national co-operative association is indispensable if the movement is to meet its potential. Wherever the co-operative movement has played a significant role in the economic and social life of a society it has been led by a federated national association that both unites and mobilizes the co-operatives of the country. This remains a key task for the co-operative movement in Ecuador.

In summary, there is no question that a concerted use of public policies by the Ecuador government can have a decisive effect on the capacity of the social economy to play a much enhanced role in the provision of new goods and services, in generating new opportunities for training and employment, and in strengthening the productive capacities of key sectors through the use of co-operative and other collective systems. But more than this, the growth of Ecuador's social economy also lends to the diffusion of progressive ideas and practices that in turn reinforce a progressive political economy both in the state and in the broader society. This is essential for the pursuit and institutionalization of those values that will, in the long term, be the foundation for a more socially just and equitable social order.

From expanding the quality and range of socially beneficent goods and services, to the amelioration of poverty through increased employment and the generation of new social enterprises, these policies are all within the capacity of the Ecuadorian state and serve as a practical transition toward the kind of social market economy envisaged above. Some of the policies are already in place, and others will require adaptation to the unique social and economic conditions of Ecuador.

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<sup>18</sup> Margie Mendell, private communication to J. Restakis, June 19, 2014

<sup>19</sup> V. Zamagni, 2010



What they all aim toward is a fundamental transformation of the productive matrix based<sup>1</sup> not on technology, nor on the dispensation of favours on the part of the State. Much less do they depend on the expansion of existing models of capitalist production, distribution, and consumption. What they aim for is the transformation of *economic practice and economic purpose*, through the democratization and socialization of Ecuador's economic institutions toward the social aims embodied in the ideals of Buen Vivir. These ideals, abstract as they may sometime appear, are in fact living principles in the motives, organizational structures, and day-to-day practices of the people and organizations that together comprise the social economy of the country.

