

Developments in Solidarity Economy in Asia: Trends, Potential & Challenges

By

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Introduction

- ▶ Thank-you for this invitation
- ▶ This presentation will explore:-
 - 1) Understanding the Asian Context
 - 2) Recognizing the variety of innovations
 - 3) Reviewing the Trends
 - 4) Identifying the Potential
 - 5) Discerning the challenges
 - 6) Future Developments

Introduction

Two key sources from recent Asian publications

- ▶ Sowing the Seeds of Solidarity Economy: Asian Experiences (2012) by Benjamin R Quinones
- ▶ Developments in Solidarity Economy in Asia (2013) edited by Denison Jayasooria

Asian Context

- ▶ Asia is the most populated area of the world
- ▶ Asian geographical area is very vast: South Asia, Asean (South East Asia) & East Asia
- ▶ Asia – fastest growing economies of the world especially with

Advanced economies such as Japan, South Korea & Singapore.

Fastest Growing Economies of China & Indian.

Other fast growing areas like Malaysia, Indonesia, Thailand & Philippines

Asian Context

- ▶ Asia – largest number of poor people in the world
- ▶ Asia with massive rural-urban migration. Largest cities of the world located in Asia. Impact on urban infrastructure and communities with break up of families and communities
- ▶ Asia rising wealth & inequalities. Rising digital divide & knowledge gaps
- ▶ Asia faced with mass movements of people within the region both skilled workers – brain drain & low skilled to other Asian countries
- ▶ Major issues of human trafficking & break up traditional families

Asian Context

- ▶ Asian countries have adopted neo liberal policies and is dominated by free market approach along with a some shift towards democracy
- ▶ Asian approach to development- Asian Values with a strong emphasis towards economic and social development and minimal focus on civil and political rights

Asian Innovations

Asian thinkers & new policy innovations

- ▶ **PROF MOHD YUNOS** work on alternative banking for micro credit. He is known as banker for the poor
- ▶ Innovation here is that non collateral leading is possible
- ▶ He is now pioneering a new approach of **Social Business** – using business solutions to solving social, economic & environmental problems
- ▶ His book on *Building Social Business (New kind of Capitalism)* 2010. This is based on the critic of capitalism which is seen as maximizing profit.
- ▶ Yunos approach does not take a strong structural critic of the system of injustice and inequality

Asian Innovations

Asian thinkers & new policy innovations

- ▶ **PROF C.K PRAHALAD** (2005) in his work on *Fortune at the bottom of the Pyramid*
- ▶ He called for a shift in thinking of poor – no longer as a victim & burden but as ones with immense entrepreneurial capability and purchasing/ buying power of the poor
- ▶ He recognised the markets and economic potential at the grassroots. This is a significant new way of seeing the poor and the tapping the potential especially of the informal sector which forms a major section of Asian economy not seriously accounted for in Asian governments

Asian Innovations

Asian thinkers & new policy innovations

- ▶ At a more academic level, the work of **PROF AMARTYA SEN** (1999) entitled *Development as Freedom* is most crucial.
- ▶ This a critic of development & measurement of poverty.
- ▶ His is a call to shift away from the narrow view of development (growth with GNP or rise in personal incomes) towards a more inclusive and integrated development (economic, social & political).
- ▶ A shift away from income poverty to capability deprivation.
- ▶ His work has ushered in a stronger human rights approach to poverty reduction (social justice, equality, non discrimination, participation & accountability).

Asian innovations

Asian thinkers & new policy innovations

- ▶ From an Asian Solidarity Economy Council (ASEC) point of view :-
 - DR **BENJAMIN QUINONES** is developing a common framework for measuring & evaluating solidarity economy performance
 - ▶ His critic is - while there are available literature which is descriptive there is no performance standard
 - ▶ He sought to conceptualise, measure & evaluate solidarity economy

Asian Innovations

Asian thinkers & new policy innovations

5 major attributes of SSE

- ▶ **SOCIALLY RESPONSIBLE GOVERNANCE** – socially inclusive, participatory/democratic, just & equitable. It is self-management & collective ownership
- ▶ **EDIFYING VALUES** – ethnical & values based approach to economic development (as opposed to growth). In addition orientation is towards justice, equality & empowerment

In addition the **TRIPPLE BOTTOM LINE** :-

- ▶ Social Development services (People)
- ▶ Ecological conservation measures (Planate)
- ▶ Economic Sustainability (Profits)

Asian innovations

Asian thinkers & new policy innovations

- ▶ Ben' s focus is not just on an individual enterprise but on the whole supply chain which will include many different social business (inter-connected nature – ***supply chain analysis***).
- ▶ According to Ben:-
"In contrast to the market-oriented neoliberal economy which devotes to the expansion of private profit regardless to ecological and human cost, solidarity economy is committed to achievement of social, ecological and economic justice"

Asian Trends & Potential

- ▶ Growing number of alternative models of economic activities.
- ▶ Asians are also part of the global movement of people at the grassroots - innovating new approaches to wealth creation & distribution
- ▶ Important to note that little revolutions for socio-economic transformation have overtime resulted in a movement of people creating an alternative.
- ▶ Development of alternative models and initiatives in Asia are widespread but not adequately recognised.

Asian Trends & Potential

Alternative models of economic activities.

- ▶ Some innovative example:-
- ▶ The Association of the Asian Confederation – in 2009 reported total membership of 40,592,341 of assets worth US\$114,270 with members deposit amounting to 69% comprising US\$78,853
- ▶ Another example is the number of credit unions in India – 2009 figures 2,866 with 20,000,000 members. In addition about 3.2 million self help, saving & credit organisations with a membership of 43 million
- ▶ Development of regional and national organisations like World Trade Organisation –Asia is also significant in terms of the promotion of fair trade and community empowerment

Asian Trends & Potential

Alternative models of economic activities

- ▶ The **Asian Solidarity Economy Council (ASEC)** has hosted 3 regional solidarity economy forums - Manila (2007), Tokyo (2009) and Kuala Lumpur (2011)
- ▶ Findings of an action research by ASEC of 9 networks with 13 million people with 394 independent organisations in 21 Asian countries (pg23,DJ)
- ▶ 3 key features – social motivation, people participation & governance

Asian Trends & Potential

Alternative models of economic activities

Among ASEC examples:-

- ▶ Experience of APPEND (Philippines) & Bina Swadaya of Indonesia
- ▶ APPEND with 11 partner organisations-saw growth from 35,000 clients in 1998 to 2 million clients in 2011. From simple micro credit to community based enterprise development.

Asian Trends & Potential

Alternative models of economic activities

- ▶ Common feature in Asia– voluntarily organised by citizens, not by the governments or by private corporations
- ▶ State creating an enabling environment and not obstructing community innovation
- ▶ There is a need to ensure that the hegemonic sphere of development dominance of political- bureaucrats – business world is broken through greater peoples participation for the common good.

Asian Trends & Potential

Development of legislative framework in Asia

▶ THE JAPANESE EXPERIENCE :-

- Two new laws introduced in the 1990s namely the Non-Profit law (1998) & the Decentralisation Laws. (1999)
- Rise of associations & collectives including advocacy for greater corporate social responsibility.

Prof Dr Jun Nishikawa (Waseda University) recognises that the March 11, 2011 earthquake tragedy has now created a more democratic public space & rise in people' s participation for alternative development.

Asian Trends & Potential

Development of legislative framework in Asia

▶ **SOUTH KOREAN EXPERIENCE:-**

-Social Enterprise Promotion Act (2006)

-Korea Social Enterprise Promotion Agency

Prof lee Kwang Taek (Work Together Foundation, Korea) notes the danger of the state withdrawal from its obligation of providing services to the emerging social enterprises.

Asian Challenges

- ▶ Effective documentation of case studies and innovative approaches so as to make solidarity economy as part of the main stream development
- ▶ Issues pertaining to defining solidarity economy and measuring it
- ▶ Complexity of the terms and usage in Asia. Some context is unable to articulate the term solidarity due to past history and ideology attached. Example in Cambodia, Malaysia & Singapore term seemed to indicated pro Marxist implications.
- ▶ Public policy considerations still dominated towards big business and multinational

Asian Challenges

- ▶ Development policies in Asian countries continue to marginalise the poor and disadvantaged
- ▶ How can the Rio +20 Document (The Future we want) and follow up process enhance balanced-sustainable development policies
- ▶ The UN outcome document has a number of core values which is also shared by social solidarity economy. Central to this dimension is the theme of inclusive and equitable economic growth and distribution
- ▶ In paragraph 9 there is a commitment to human rights, in paragraph 10, it is towards democracy, good governance and rule of law and in paragraph 13 is an emphasis on participation, decision making and voicing concern
- ▶ In addition the key features of sustainable development are highlighted namely economic, social and environmental dimensions as indicated in paragraph 1. These are similar to the tiple bottom approach.

Asian Challenges

- ▶ There are three specific references on themes related to alternative economies and arrangements:
 - The first is reference to corporate social responsibility in paragraph 46 (page 8) which focused on public and private sector cooperation for sustainability development.
 - The second reference is on the valuable contributions of the non-governmental organizations as noted in paragraph 53 (pg 9) especially in promoting sustainable development.
 - The third reference of relevance is paragraph 70 (page 12) where there is an acknowledgment of the role of cooperatives and microenterprise in addressing poverty and enabling social inclusion

Asian Challenge

- ▶ The UN Rio +20 outcome document has a number of specific strategies over the next few years towards 2015 especially so in the context of the Millennium Development Goals (MDG).
- ▶ The United Nations has established an intergovernmental committee comprising 30 experts with the mandate of developing sustainable development goals (SDG) which will replace the MDG in 2015.
- ▶ SSE partners in Asean through Asian Solidarity Economy Coalition (ASEC) could play a key role in networking with the Asean Connectivity section to ensure that Asean member countries adopt the social business and solidarity economy as a key policy
- ▶ At the Global level ASEC must work with other continental partners though RIPESS to influence both the national and regional bodies of both public sector and NGO sector
- ▶ One process that ASEC has initiated is documenting grassroots examples through case studies using a five-fold framework developed by Dr Ben Quinones.

Future Developments

- ▶ RIPESS International Meetings (once in 4 years)
 - 1997 at Lima, Peru; 2002 at Quebec, Canada; 2005 at Dakar, Senegal; 2009 at Luxemburg & in 2013 at Manila, Philippines
- ▶ 5TH Ripess International Meeting of Social Solidarity Economy (SSE) at the University of Philippines, Manila from Oct 15 to 18, 2013
- ▶ The theme is "***Building SSE as an alternative model of development***"

CALL FOR PAPERS

RIPeSS International Meeting – Manila Oct 2013

- ▶ Submit abstract & CV
- ▶ Limited funds available for paper writers & case study writers from Asia.
- ▶ For details:
Please contact me or email me at:
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Resource website

- ▶ Resource website of social and solidarity economy:-
socioeco.org

- ▶ Soft copy of Developments in Solidarity Economy in Asia:-

http://socioeco.org/bdf/en/corpus_document/fiche-document-1873.html