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RETOOLING SOCIAL REPRODUCTION FOR NEOLIBERAL TIMES
The example of the social economy

Peter Graefe

Early analyses of neoliberalism, adopting an alarmist tone, emphasized the retrenchment of state social provision to make space for market regulation. With time, these added the nuance that programmes were not just retrenched, but also redeployed. It was not just a question of changing the balance of state and market, but of transforming the logics and re-orienting the goals of state provision, and of attempting to transform the subjectivities and identities of citizens (see Larner 2000; Peck 2010).

Analysis of the social economy and neoliberalism has followed a similar arc. At first, the question was one of the social economy as a site for privatization and state offloading. Then, as a site of institutional and policy experimentation, it has sustained the interest of those analysing neoliberalism more dynamically. For more Foucauldian analyses, there is interest in the technologies that align non-state service providers with governmental programmes, as well as the manner in which social economy organizations govern clients. For analysts more versed in the tradition of the regulation school, the interest has been tied more to how this innovation relates to the temporality of neoliberalism. Are we witnessing the roll-out of new institutions and governmentality so as to extend market metrics deeper into social provisions, and indeed into organizations previously marked by non-market cultures and rationalities, or is the attention to the social economy more akin to creating flanking mechanisms to compensate for problems in social reproduction that might hobble the neoliberal project?

Both the Foucauldian and the regulationist accounts provide useful critical entrées to understanding the development of the social economy, but they share similar structuralist shortcomings. In looking for how the social economy translates or relates to a broader neoliberal project or programme, there is a tendency to overstate processes that reproduce neoliberalism, and to ignore the potentials for the social economy to serve as an element of a settlement that might break with neoliberalism. The way forward would seem to demand an approach with a finer sense of agency. This is not so much a strategy of introducing agency so as to then adopt an excessive voluntarism, as one of keeping an analytical door open to possibilities of change.

What is the social economy?

The social economy, as used here, really entered the international policy discourse in the 1990s, the European Commission’s General Directorate Employment and Social Affairs having created
a special unit to consider social economy issues in 1989 (Westwood 2009). As a term, it attempted to seize the role of a set of organizations that operated outside of the formal state and for-profit private sectors, and which had some form of collective benefit orientation. There was also interest in capturing how these organizations married social and economic objectives: a community-based training and job placement service could serve traditional labour market objectives, but also with the social participation and inclusion of individuals and groups facing compounding discriminations and barriers. A community restaurant might train the unemployed in food services, while providing affordable meals and a place of sociality for people with limited financial resources. A women’s shelter might be considered mostly as a response to the social problem of endemic violence, but a holistic view would also see it as an economic resource both in terms of employing a number of people, but more broadly in allowing women to rebuild their lives and relationships with the labour market. The challenge for any definition is therefore at least two-fold. First, it needs to capture the non-state/non-market character of the organization, the collective benefit orientation, and the imbrication of social and economic contributions, all in one go. Second, it needs to relate that definition to nationally specific sets of organizations and institutions that overlap imperfectly.

A review 15 years ago unearthed at least five definitions (Lévesque and Mendell 1999), and these definitions continue to be presented in more contemporary publications attempting to pin-down the concept (e.g. Borzaga and Tortia 2007; Evers and Laville 2004). A common starting point is a definition by components (cooperatives + mutuals + associations + foundations). The European Council adopted this definition in 1997 (Westwood 2009). It has the benefit of providing a rapid way to tally the economic and employment weight of the sector, but ignores whether it captures the dimensions of social and economic imbrication or even the collective benefit orientation. Large cooperatives or credit unions have distinct property structures, but their actual operation may not look very different from their for-profit competitors. Other definitions focus on the rules used to link an association of individuals to a firm producing goods and services, on the mixing of economic logics (the hybridization of market, non-market and non-monetary logics), or on the diverse logics of action occurring within associations.

With time, definitions have come closer to a definition adopted in Wallonia and then Quebec, which sees social economy activities as those respecting the principles of: service to members or the collectivity as an end; autonomous management; democratic decision-making; the primacy of people and labour over capital in dividing surpluses; and participation, empowerment and individual and collective responsibility (Laville et al. 2007). This definition is ultimately one based strongly in values, and so faces the opposite problem of the definition by components, namely in empirically delimiting what organizations fit within its perimeter.

For the purposes of this chapter, it is, maybe, more helpful to use Amin et al’s (1999) definition of the social economy as ‘centred around the provision of social and welfare services by the not-for-profit sector’. While it loses the fine touch around the values at play, it does place the social economy in a space between the state and the market economy, while recognizing that it is, in particular, non-profit organizations providing welfare services that fall within the ambit of the sector. For Amin et al., the social economy breaks the binary of the market and the state as sources of welfare provision, and reflects the entrepreneurial and creative activities of relatively dominated actors, seeking to create welfare in a period of labour market and welfare state changes that have created misery for many (1999; see also Westwood 2009). Analytically, if our interest is in how the sector relates to a broader set of political and economic strategies, it has the additional benefit in implicitly visualizing the sector in relationship to the state and its social and welfare services. As such, the social economy exists less sui generis, but is in part a co-construction between the non-profit sector and state strategies around service delivery.
It is worth taking a moment to consider why the definition remains so messy. A decade ago, one might have presumed that this reflected the novelty of the field of enquiry (e.g. Graefe 2002: 248). The persistence would seem to suggest that the social economy is an essentially contested concept, and that the definitional morass may also be explained by certain theoretical positions taken below. Those who think of neoliberalism as a process of extending neoliberal rationalities into new domains would see the ‘social economy’ as necessarily messy, as the term itself denotes a space beyond the mainstream economy and the welfare state that presumably looks different in different countries. In this view, actors caught up in the process of neoliberalization package existing bits of alternative economies into an object susceptible to mobilization through policy strategies. Here they would likely agree with institutionalists that the forms taken in specific countries will be quite variable. For instance, where an encompassing welfare state is in place, as in the Nordic countries, one is likely to encounter voluntary organizations turned towards advocacy, compared to a greater service-delivery orientation in liberal welfare states (Boismenu 2001). For more post-structuralist renderings of the social economy, the issue may be more ontological. As Larner suggests (2014), the social economy is usually defined with respect to public and capitalist sector employment and organizational strategies. As these forms become ever less rigid and come to overlap and blend into each other, it becomes epistemologically problematic to render a social economy that stands in contradistinction to these categories.

Studying the social economy with neoliberalism

Given the topic of this volume, our interest is on relating the social economy with neoliberalism, but it is worth noting at the outset that the vast majority of the work on the subject does not do so. The dominant theoretical framework in the field might be called one of ‘governance’. In other words, it describes and traces changes in the institutionalization of state-society interactions, paying attention to the roles that social economy organizations are called on to play (e.g. Ascoli and Ranci 2002; Evers and Laville 2004). Most national literatures have their set of studies on the social economy, or on cognate constructions like the voluntary sector, the nonprofit sector or the not-for-profit sectors. The terminology nevertheless changes quickly. Whereas this governance at one time might be tied to considerations of social cohesion or social inclusion, more recently, it is about how non-profits and mutual associations might fit in an ecology of social innovation or social enterprise (Borzaga and Santuari 2003). These studies of governance point to the importance of legal traditions of recognizing/limiting voluntary action, the development of welfare states, and the push of new social movements for explaining the particular form that these relationships take in different places. The difficulty of removing the social economy from national contexts is evident in an international literature that privileges discrete national case studies over comparative analysis and theorization (Amin 2009).

This institutionalism is problematic for scholars working with the concept of neoliberalism because the latter’s temporality is rarely worked into analyses, at least not at much depth: it may mark a change in governance but there is not much interest in emphasizing how it specifically reworks rule, policy or governmentalities. It is also useful, however, because it protects against an overly reductive application of theorization about neoliberalism. Whatever the social economy’s relationship to neoliberalism in theory, in practice it needs to be thought out against a backdrop of distinct histories and institutions that shape how this relationship plays out. And, at its best, this mainstream work studies phenomena such as marketization or the privatization of social services (e.g. Ascoli and Ranci 2002), of direct interest to students of neoliberalism.

The first contributions to cross the study of neoliberalism with the concept of the social economy came early, and generally took the form of ideological critique. In essence, they took
some of the purportedly positive outcomes that social economy organizations were felt to produce, and positioned them as handmaidens to a neoliberal project understood as the wrecking of social protections that had shielded citizens from the market. Thus, if champions of the social economy pointed to innovations in labour market insertion, or to the creation of socially useful jobs, critics would ask if this was just an extension of neoliberal labour market policy. Did these insertion measures simply leave community organizations as participants in workfare? Were they simply feeding more people into the low-end of the service sector labour market? Were the socially useful jobs secure or well-paid jobs? (Boivin and Fortier 1998; Browne 2000)

Similarly, if champions of the social economy emphasized the creativity and innovation of communities in meeting pressing social needs in hard times, and in ensuring people were looked after despite state retrenchment, the critics were unimpressed. They instead saw an instrumentalization of the community sector as a means of cutting the welfare state while maintaining some semblance of a safety net. The social economy thus allowed neoliberals to square a policy of state retrenchment while ensuring some basic social reproduction occurred. In the process, it created a neoliberalized citizenship. Instead of social rights as citizenship rights, the use of the social economy led to a narrower conception of access to services based on needs. Presumably the middle-class could purchase higher-quality services, leaving the social economy as a threadbare welfare state for the poor, delivered by the poor, and even there delivered unevenly based on the capacity of communities to organize. In the process, the social economy organizations themselves would lose their capacity to represent and advocate for at least two reasons. First, service delivery imposed state definitions of clienteles and their needs, thereby choking off the ability to identify new needs and solutions to them. Second, service delivery changed organizations by making them more reliant on the state (and thus less likely to criticize it), and by requiring professionalization (grant writing, contract management, accounting) that reduced democratic management practices (these arguments are described by Eisenschitz and Gough 2011; Shragge et al. 2001).

It should be noted that this critical literature, which came in national variants, has largely died out. The questions it asks about job quality in the sector or the impact of state contracting on the capacity of organizations to advocate for their members continue to be difficult ones for promoters of the social economy. Studies continue to show, for instance, that the sector has difficulty creating good work (although some contest that the definition does not capture some goods that individuals draw from this kind of work, see Larner 2014), and in achieving sufficient scale and mass to have large employment effects (see Amin et al. 2003; Buckingham and Teasdale 2013). Nevertheless, few specifically relate it to neoliberalism per se.

There is a large missed opportunity here as a result. Certainly, the early critiques were almost mechanical in the linkages they drew between observed practices and presumed neoliberal intent, and they clearly used neoliberalism as much as a foe to denounce than as a meaningful analytical category. But if one adopted a more sophisticated stance, the analysis of linkages could be quite rich. For instance, take Peck and Tickell’s (2002) attempt to distinguish a roll-back neoliberalism, focused on removing the market-limiting institutions of the Fordist era, from a roll-out neoliberalism, where new institutions and governmentality are rolled out to stabilize the neoliberal project and extend market and market-like processes into new areas. One obvious entrée into the social economy would be to understand it as a project of roll-out neoliberalism. It would be one way of making sense of the governance research referenced above, and, indeed, the set of reflections coming from the OECD (e.g. Noya 2009) and government ministries on the institutions needed to finance the sector, best practices for partnering and contracting with voluntary organizations and the like.

The application of this sort of analysis nevertheless would need to confront two shortcomings. First, there is the question of agency: the roll-back/roll-out theorization imports some of régulation...
theory’s problems of structure and agency. One starts from a neoliberal accumulation regime, and then looks for institutions and governmentalities (read modes of regulation) that reproduce it, leaving a functionalist aftertaste. While careful empirical analysis can open spaces to appreciate agency, and therefore variation across space and time, the analytical proclivity is still focused on forms of agency that reproduce neoliberalism.

The second problem is that the concept of roll-out neoliberalism may be too broad. On the one hand, it points to institutions that stabilize an otherwise chaotic and destructive neoliberalism, while, on the other, it points to the extension of markets and market-like mechanisms ever deeper into the lifeworld. These may be quite different processes. The first points to the issue of possible crises of social reproduction under neoliberalism. Whether we speak in terms of capitalism requiring degrees of socialization in order to sustain accumulation (e.g. Eisenschitz and Gough 2011), or in terms of neoliberalism wearing down extra-economic inputs for competitiveness (such as trust, social cohesion) faster than they are reproduced (Jessop 2000), we might see innovations like the social economy as a response. Indeed, it is the capacity of the social economy to perform this socialization function with limited politicization that Eisenschitz and Gough (2011) see as one of the reasons for its popularity with policy-makers in the current context.

Nevertheless, the institutions that would perform this function well may not be the same institutions that roll out market mechanisms. Among the ‘dilemmas of the welfare mix’ for Ascoli and Ranci (2002) are trade-offs between mechanisms that maximize competition and those that ensure service quality, or between mechanisms that limit competition to develop high-performing organizations and those that encourage new entrants of unknown quality. As such, there might be value in distinguishing between the use of the social economy as a ‘flanking mechanism’, to adopt Jessop’s terminology, and the active roll-out of market-like mechanisms, such as competitive contracting regimes or social impact bonds.

**Engaging neoliberalism in order to place the social economy outside of it**

If work directly on neoliberalism and the social economy has been limited and has largely dried up, neoliberalism did provide a foil early on for the alternative view that not everything was neoliberal. This view came originally out of certain strands of *régulation* theory, which argued that the emergent state form could not be reduced to neoliberalism, and, indeed, that neoliberalism was but one post-Fordist possibility among others. Thus, Bob Jessop (2002) wrote of a Post-national Schumpeterian Workfare Regime, with a variety of non-neoliberal possibilities including neo-statist and neo-corporatist trajectories for most European welfare states. Jessop did include a ‘neo-communitarian’ variant that focused on community mobilization and the social economy, particularly in marginalized areas. Here an emphasis on social use values would act as a spur to development, while extensive local networking and partnerships would ensure the benefits of economic development would be re-embedded locally through skilling, labour market insertion and investment in social infrastructure.

This led others, also with regulationist histories, to place the social economy as part of an alternative, non-neoliberal model of development. For instance, state investment in social economy enterprises was seen as a refusal of an ‘everything to the market’ logic. Along with initiatives like community economic development, workplace partnerships, peak-level social partnerships, and the co-construction of social services between the state and community organizations, the social economy is a piece of an alternative model that pursues economic democratization (Amin 2009; Laville 1994; Lévesque and Mendell 1999).

This position about the diversity of forms of economic organization in the current moment, not all of which are neoliberal, was restated in a stronger form by the post-structuralist reading
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provided by Gibson-Graham (2008). Here any talk of the social economy as neoliberal was viewed as defeatist. In importing a top-down and status quo vision of economic relations, it foreclosed the possibility of deconstructing dominant views on economic development, and of resignifying these terms drawing on the broad range of possibilities that exist in the diverse economies that we live in (Graham and Cornwell 2009).

This view has also been developed by Wendy Larner (2014; Larner and Butler 2005). Unlike Gibson-Graham, Larner's critique is less a whole-cloth rejection of structural political economy critique, and more of an engagement with critical political economy accounts of neoliberalism. The critical stance is nevertheless much the same: mainstream theorizations of neoliberalism make it into an invincible foe, and empty any analytical space for thinking about resistance, contradictions, or, indeed, relationships with other projects, as these are seen as too small to make any difference. Like Gibson-Graham, she finds this theorization to be disempowering, pessimistic, and, ultimately, a disincentive to imagining and experimenting with alternatives.

As such, Larner (2000) is more ensconced in the language of neoliberalism, but invested in the understanding of its governmentalities: through what technologies and assemblages do elites try to enact neoliberal programmes of government? If neoliberalism is tied up in projects of partnership, how does this create demand for new types of leaders, with different sets of skills required to do partnerships and relationship building? How are actors in the social sector pushed through ‘best practice guides’ to adopt specific approaches to funding, contracting and partnership (Larner and Butler 2005)? In doing so, she also tries to capture the ways in which the project of neoliberalism runs up against the projects of other actors, such that recognizing the voices of stakeholder communities or delivering services in culturally sensitive ways get worked into state-community sector relationships. This stance has been picked up by others working on the relationship of neoliberalism with actors working in community-based organizations. For instance, in challenging claims that feminism has been a handmaiden to neoliberalism, Newman (2013) looks at how community-based organizations emerging from feminist organizing and the women's movement in their own way changed neoliberalism, by pushing it to integrate a number of new concerns and perspectives such as reflecting on job quality or the quality of services when engaged in contracting with local authorities.

The neo-Foucauldian literature on neoliberalism and the social economy has nevertheless been two-headed. On the one hand, there has been what we might call a ‘global governmentality’ literature. In some ways, this takes us back to the early work on neoliberalism and the social economy. In enquiring into the processes whereby state policies create effects, it comes to emphasize the manner in which the social economy serves to ensure the reproduction of a larger neoliberal governmental project. For instance, some researchers have considered how voluntary organizations take on governmental functions as they are contracted to deliver state services. Particular attention is paid to the manner in which they attempt to police and shape the subjectivities of the individuals receiving services. For instance, Cope (2001) emphasized how nonprofits delivering employability services worked to depress the short-term expectations and aspirations of clients, while Murray et al. (2006) looked at how state policies created a ‘community’ field, populated with community professionals, to deal with ‘problematic people’ who are never likely to benefit from inclusion in the economic mainstream. Working at the level of state policy, McDonald and Marston (2002) considered how neoliberal governance in Australia has involved a repositioning of community services in a manner that remakes understandings of social citizenship, and citizens' subjectivities related to welfare and work more generally. Along similar lines, Ilcan and Basok (2004; Ilcan 2009) underline how community organizations come to play governmental roles in responsibilizing their clients to mould them into ‘responsible citizens’ (Ilcan and Basok 2004: 135). While developed in opposition to the more critical realist work on
neoliberalism, such as Peck and Tickell’s (2002), in the end these critiques share the weakness of emphasizing the reproduction of neoliberal governance. For all the language of the fragility and imperfection of these assemblages, the emphasis remains on how they create effects, and not on how they fail or leave room for alternatives (Leitner et al. 2007; Newman 2013).

The Foucauldian and post-structuralist literature associated with Gibson-Graham and Larner manages to avoid this trap of falling back into a fairly deterministic reading of the social economy serving to reproduce neoliberalism. It might nevertheless swing too much towards indeterminacy, however. Eisenschitz and Gough (2011) characterize Gibson-Graham (2006) as providing an institutionalist political economy dressed up in post-structuralist language. In treating the different spheres of the economy as distinct in their logics, they underplay the manner of their interaction, including possible relationships of hierarchy arising from differential access to capital and the differential ability to accumulate and control capital.

There is a long-standing literature on the pressures of institutional isomorphism for not-for-profit organizations, pushing them to mimic either state organizations or for-profit firms. There is also a large literature on the specific ways that funding regimes and legal frameworks in specific contexts affect how groups organize and function or the overall institutional ecology. Do regimes of competitive contracting or competition for grants create more hierarchical or professionalized organizations, reliant on grant-writers, service managers and accountants? Do they privilege large charitable organizations over smaller grassroots initiatives?

This literature does tend to share the pessimism of the larger neoliberal literature, in emphasizing how state policies limit the space for organizations to represent and advocate for the people that they serve, let alone maintain spaces of democratic dialogue and reflection. But even treatments that are sensitive to this bias, and seek to understand how organizations occupy interstitial spaces and might negotiate how state agendas interact with the goals and priorities of clients (e.g. Trudeau 2008), only seem able to bend the stick back so far. They leave us in a place close to the one sketched out by Newman (2013), where other logics manage to transform neoliberalism as they interact with it, yet where, for the time being, it is neoliberalism that sets the organizing logic of the system.

Moving forward on neoliberalism and the social economy

It would seem that the literature on neoliberalism and the social economy is struggling with questions of structure and agency, on the one hand, and of imagining possibilities beyond neoliberalism, on the other. Both the Peck and Tickell tradition and the neoliberal governmentality work seem to err on the side of emphasizing the reproduction of neoliberalism. Without a lot of space to devote to political agency, and thus to the potential to develop alternative projects, the literature does run the risk of being politically defeatist (Leitner et al. 2007). While the post-structural work has a point on this, its emphasis on the agency of social economy groups creates a naive voluntarism. There is a lack of structure to its analysis, and therefore an impoverished understanding of political strategy. Promising practices are celebrated, but in the process they are disembedded from their particular contexts that both sustain them and limit their spread.

What this seems to call for is an analytical stance that can, in Peck’s (2004: 396) words, ‘make meaningful part–whole connections between localized and institutionally specific instances of reform and the wider discourses and ideologies of neoliberalism’, but that at the same time avoids the reduction of reform to the reproduction of neoliberalism and which recognizes the possibility of agency that might transform neoliberalism or develop projects outside of it. One way to do so would be to follow Leitner et al.’s (2007) prescriptions to decentre neoliberalism and watch for alternative social imaginaries.
In the case of the social economy, this would involve starting from the projects of actors themselves. Some of these actors would be community organizations seeking to build alternative economic models (e.g. Graham and Cornwell 2009), while others might be social reformers looking to limit the ravages of economic and state restructuring, while yet others might be neoliberals looking for new investment outlets in social finance and social enterprise. Following our discussion of Peck and Tickell (2002) above, we might try to sort these projects into three different ideal-typical boxes in order to relate them to neoliberalism.

On the one hand, there might be projects seeking to roll-out neoliberalism in the sense of creating institutions and governmentalities to deepen market relations and to extend market metrics to new realms of social life. Examples in the social economy might include creating quasi-markets through state contracting practices, or the more recent turn to social impact bonds. Alternatively, we might see projects of creating flanking mechanisms to shore up neoliberalism by dealing with its contradictory relationship with socialization or social reproduction. The social economy presents an interesting solution in this context by offering non-market policy solutions that might be cheaper and more innovative than the welfare state. However, in this context, the issue is less one of creating competition, than in providing reliable services of at least acceptable quality (e.g. see Ascoli and Ranci 2002). Finally, keeping an eye open for alternative social imaginaries, we might find actors bearing countervailing strategies that attempt to undo or move beyond the neoliberalization process. While this could take the form of specific kinds of prefigurative practice embraced by Graham and Cornwell (2009) or Larner (2014), it could also take more politically programmatic forms. For instance, it could involve attempts to democratize local economic and social development policy-making through new channels of popular participation, or attempts to transform the value assigned to different forms of paid and unpaid work and care (e.g. Amin et al. 2003).

While this strategy suggests decentring neoliberalism, it also suggests emphasizing political conflict, and particularly the state. The bias towards studying the reproduction of neoliberalism is not unrelated to an analysis that assumes neoliberal policy logics, and then locates politics and resistance at the interface of the state and social economy organizations. However, if we instead depart from actors and their projects for the social economy, we can give more space to assessing concretely how these projects get taken up by actors within the state, and how social mobilization and class pressures make the state more or less receptive of particular projects in given times and places. It also provides a useful terrain for analysing how discourses and projects in global circulation, be they neoliberal or alternative, are appropriated and translated into concrete policy debates (e.g. Graefe 2006).

The other benefit of this stance is to reject a pessimistic and defeatist reading of neoliberalism, on the one hand, without falling into a pure voluntarism, on the other. In recognizing how these diverse projects are embedded in the state, one can begin to map out the institutional footholds that might be available to launch and sustain alternatives to neoliberalism, either within narrow policy areas, or as new projects that stretch across the state.

To conclude

The social economy provides a useful vantage point for assessing neoliberalism, since the changes to state social provision and to labour markets that we associate with neoliberalism are ones that opened space for thinking about the contributions of an oft-neglected third sector to social well-being and economic development. Moreover, neoliberal statecraft itself, whether assessed in regulationist terms or Foucauldian ones, seems to include attempts to either activate the social economy or to govern through it in order to achieve varied ends.
Despite this vantage point, critical work on the social economy that draws on thinking about neoliberalism is sparse, certainly compared with the mainstream, problem-solving literature. One step in moving this work forward would be a less mechanistic theorization that would decentre neoliberalism and leave space for alternative imaginaries. What is proposed here is to not presume the neoliberalism of the state and governmental authorities, but to instead look at how the projects of political actors relate to neoliberalism, and how these projects are embedded in the state and its institutions. We could then assess how projects of further rolling out neoliberalism relate to those of creating flanking mechanisms to shore up the existing order and to those that propose countervailing strategies.

References

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