

*“Building Stones for constructing Another Economy in Rome, Italy.
Concept, Practice and Development.”*

Els Reynaert
elsreynaert@yahoo.it

1. Introduction

In this paper I will give an overview of how the movement for Another Economy grew in Rome. After a brief introduction on the different terminologies and concepts that have been used in Europe, I describe in a nutshell the principles that have been developed in Rome to define “Another Economy” and the role played by the local government, university and intermediary organisations. In a last paragraph I make a synthesis of the building stones that according to me are essential for the construction of Another Economy.

2. Social Economy, Third Sector, Solidarity Economy: the Terminology Confusion

During the 80's and 90's, Italy and Europe in general, witnessed the development of a whole new spectrum of civil society initiatives, ranging from fair trade organisations to informal networks for critical consumption, employment initiatives for disadvantaged people, environmental protection groups, cooperative enterprises, community development organisations, ethical financing initiatives, organic agriculture etc. These initiatives grew as a fundamental protest against the mainstream economy and as a reaction to the well-known problems caused by the neo-liberal development model: social exclusion, unemployment, deterioration of working conditions, increasing poverty gap within countries and between North and South, environmental problems, isolation, crisis of the social security system.... Over the last few decades these initiatives have multiplied developing innovative alternative models of economic development. Different terminology has been used to describe this new “sector” or “movement”.

A very frequent term being used is “**Social Economy**”. This term was already introduced in the 19th century referring to the **cooperatives, mutual societies and associations** that emerged in that period as a reaction against the negative consequences of the Industrial Revolution. The new dynamic movement of the 80's and 90's described above, shared with the Social Economy of the 19th century the objective to develop new forms of cooperation and solidarity as an answer to the problems created by the mainstream economic system. But over the course of the 20th century the first wave of Social Economy became an integral part of the mainstream economy and the traditional welfare system, losing its multidimensionality, its innovative character and its political impact. That's why many wanted to make a clear distinction between the “Traditional Social Economy” and the “**New Social Economy**”.

Another term that was very popular (especially in the academic world) during the 80's and 90's is “**Third Sector**”. This term refers to the fact that there is a third important area between the public sector and the private (for profit) sector: the not for profit or civil sector. It includes a wide range of initiatives such as voluntary and community organisations, charities, social enterprises, cooperatives and mutuals. But here the focus isn't necessarily on economic activities, nor on the development of an alternative economic development model.

A third term has been introduced in the 90's in different countries in Europe (and also elsewhere in the world), to capture more clearly the identify of the “new social economy movement” mentioned above: **économie solidaire, economia solidale, solidarity-based economy, solidarity economy**. The

solidarity economy approach is supported by research showing that the economy cannot be reduced to the market, but that it includes the principles of redistribution and reciprocity. Instead of considering the economy from a formal neo-classical perspective, the solidarity economy approach is inspired by Karl Polanyi (1944), and defines the economy from a substantive perspective, that includes the three economic principles of a) the market, b) redistribution effected primarily by the State and c) reciprocity (and the gift) in which civil society engages voluntarily. Jean-Louis Laville, one of its most important theorists, synthesises that researchers in this school define the solidarity economy as 1) a plural economy because of the plurality of principles and resources mobilised; 2) a component of a mixed economy of social welfare, meaning that it occupies an intermediate space between private enterprise, the State and the domestic sphere, thus highlighting both its socio-economic and its socio-political dimensions; 3); a third sector which, while distinct from the State, private enterprise and the informal domestic economy, nonetheless overlaps with each of them because the boundaries between them are blurred.

3. Development of the Concept of Another Economy in Rome.

In **Rome** yet another term was born around 2000 to indicate the colourful new spectrum of organisations: “*l’Altra Economia*”. This term was chosen to express clearly the most important principle that connects the different initiatives: the fact that they want to challenge the dominant economic system and develop concrete solutions and alternative ways of “doing business”. They want to rethink the economy and create a new development model centred on human beings, social justice and sustainability and rooted in a shared ethical code. This “Other Economy” in Rome includes sectors like fair trade, free and open software, organic agriculture, sustainable tourism, critical consumption networks, ethical financing, renewable energy, reuse and recycling.

In 2001–2002, stimulated by the City of Rome (see further), the sector of the other economy of Rome organised itself into an Open Forum called “*Tavolo dell’Altra Economia*”. This Forum elaborated a **Charter of Principles** (“*Carta dei Principi per un’Altra Economia*”) that includes a definition of what is understood by “Another Economy”. The Charter is conceived as a dynamic instrument and can thus evolve over time.

The key concepts treated by the Charter are:

- the objective of the economic activity is not profit maximisation at all costs, but the satisfaction of fundamental needs and the creation of well-being for all people involved;
- eco-compatibility is an essential condition;
- between and within organisations an approach of cooperation and solidarity is favoured;
- they aim at creating qualifying jobs, decent working conditions and fair remuneration, validating the capacities of every person;
- profits are reinvested in the activities of Another Economy;
- responsible consumption plays an important role;
- the relationships between people and between economic initiatives are characterised by the principles of reciprocity, inclusion, transparency, cooperation, solidarity and participation;
- the alternative economy wants to promote local products and economies that are well embedded in their environment;
- a particular attention is given to the activities in the South;
- networking is very important for the other economy, in order to make sure that all information is accessible to everybody, to learn from each other and to stimulate cultural, economic and social exchange between different realities.

This conceptualisation was an important step as it helped to identify, develop and communicate the principles, values and approach that the participating realities shared, connecting very different experiences and initiatives and creating a “group” consciousness permitting them to go beyond the individual and organisational limits and sharing the objective of building Another Economy. The interaction between practice and conceptualisation (theory), both feeding into each other, is thus an important factor for the development of another economy.

4. The Role of Local Government

If there was a strong dynamic from Roman civil society, there was an equally strong response by the local government, stimulating the development towards Another Economy.

In 2001–2002 the **City of Rome, Assessorato alle Politiche per le Periferie, lo Sviluppo Locale, il Lavoro – V U.O. Autopromozione Sociale** (further called “Autopromozione Sociale”, www.autopromozionesociale.it), invited organisations, networks and individuals who were developing economic activities in an “alternative” way, to participate in an Open Forum called “*Tavolo dell’Altra Economia*” to start up a permanent dialogue on the policies and activities that could be developed to stimulate Another Economy in Rome. The following activities were developed thanks to the cooperation between the Forum and the City of Rome:

- The creation of a **website** www.altraeconomiaroma.org gave the Forum an identity and an internal and external communication instrument.
- As already mentioned above, one of the first activities of the Forum was to clarify what was meant by Another Economy, exchanging views, analysing theory and practice and translating it in a **Charter of Principles**.
- A big need was felt to make the initiatives of the Other Economy, their message, their way of working and their products, more known to a wider public. For that purpose a “Fair of the Other Economy” – “*la Festa dell’Altra Economia*”, is being organised once and since 2004 twice a year.
- The success of the *Festa dell’Altra Economia* made the idea grow of creating a permanent space for the sector of the other Economy in Rome, a space that could make the other economy more accessible and better known to a bigger public and that at the same time could become a motor for social, cultural, economical and political innovation, networking and exchange for Another Economy. The Tavolo dell’Altra Economia together with “Autopromozione Sociale” developed the idea into a concrete project called “the City of the Other Economy” – “*la Città dell’Altra Economia*” (www.cittadellaltraeconomia.org).

On the 5th of August 2004 the City Council of Rome decided to invest 5,000,000 euro in the renovation of an ex-Slaughterhouse in the Centre of Rome for the creation of the Città dell’Altra Economia, a space of 3,500 m² that would host the different sectors of the Alternative Economy (information desks, exposition and selling area), a biological and fair trade market, a bio-restaurant and bio-bar, conference room, laboratories, meeting places. The Città dell’Altra Economia has been inaugurated on the end of September 2007. It's an ambitious and innovative experiment, that will be able to make the concept of Another Economy more visible and concrete, increasing its impact and contributing to the intangible assets of social capital, networking, participation, empowerment and innovation.

Another initiative launched by Autopromozione Sociale is **InVerso** (www.inversoroma.org), **the incubator for social/solidarity enterprises**. The objective of the incubator is to stimulate the start-up of social or solidarity-based enterprises and to increase their chances of survival. The incubator is active since the beginning of 2006, occupies a physical space of 1000m² and is able to host about 16 starting enterprises (28 working posts). Besides offering physical logistics like offices, meeting rooms, a seminar space, computers (running on an open source system) etc, the incubator offers also services of coaching, management advice, training and networking for the enterprises incubated and for enterprises that have become an associated member of the incubator (maximum 16).

5. The Role of University

The academic world, especially when in close contact with organisations of the sector, also plays an important role in the development of Another Economy, creating theoretical frameworks and methodological instruments to analyse, measure and assess the specificities of “Another Economy”. Besides the role as Research Institute, the University obviously also has a great role to play in education.

Since 2002 the University of Urbino “Carlo Bo” organises the **Master “Working in the Non-Profit, Third Sector and Fair Trade”** (www.uniurb.it/masternonprofit). The objective of the Master is to provide the students with a theoretical background and the competences to operate at responsibility levels in organisations of the Third Sector and the Solidarity Economy. The Master has a multidisciplinary approach combining economic, sociological, management, juridical, organisational and communicational understandings. Apart from fundamental and applied theory, case-studies, group work and the preparation of a thesis, the Master also foresees a practical work experience of 4 months in a non-profit or solidarity-based economy organisation.

The Master has also developed a permanent learning cycle offering update seminars for people operating or wanting to operate in the Fair Trade Sector, as this sector has known a very strong development in Italy in the last few years.

In 2006 and 2007 the University La Sapienza of Rome, in collaboration with “Autopromozione Sociale”, has organised a Master called **“Master in Sviluppo Locale ed Economia Solidale”**, using more or less the methodological framework used in Urbino. The Master is based on the principles of a multidisciplinary approach and combines theory and practical experience.

6. The Role of Intermediary Organisations

Intermediary Organisations play an important role for the Other Economy, because they support the professionalisation and development of the sector offering training, coaching and financing services. They are also often a motor for innovation and research. They play an important role in awareness-raising and networking, bringing people and organisations together around common projects and themes. Finally they can have an important political impact, setting up campaigns, criticizing policies and proposing alternative ways.

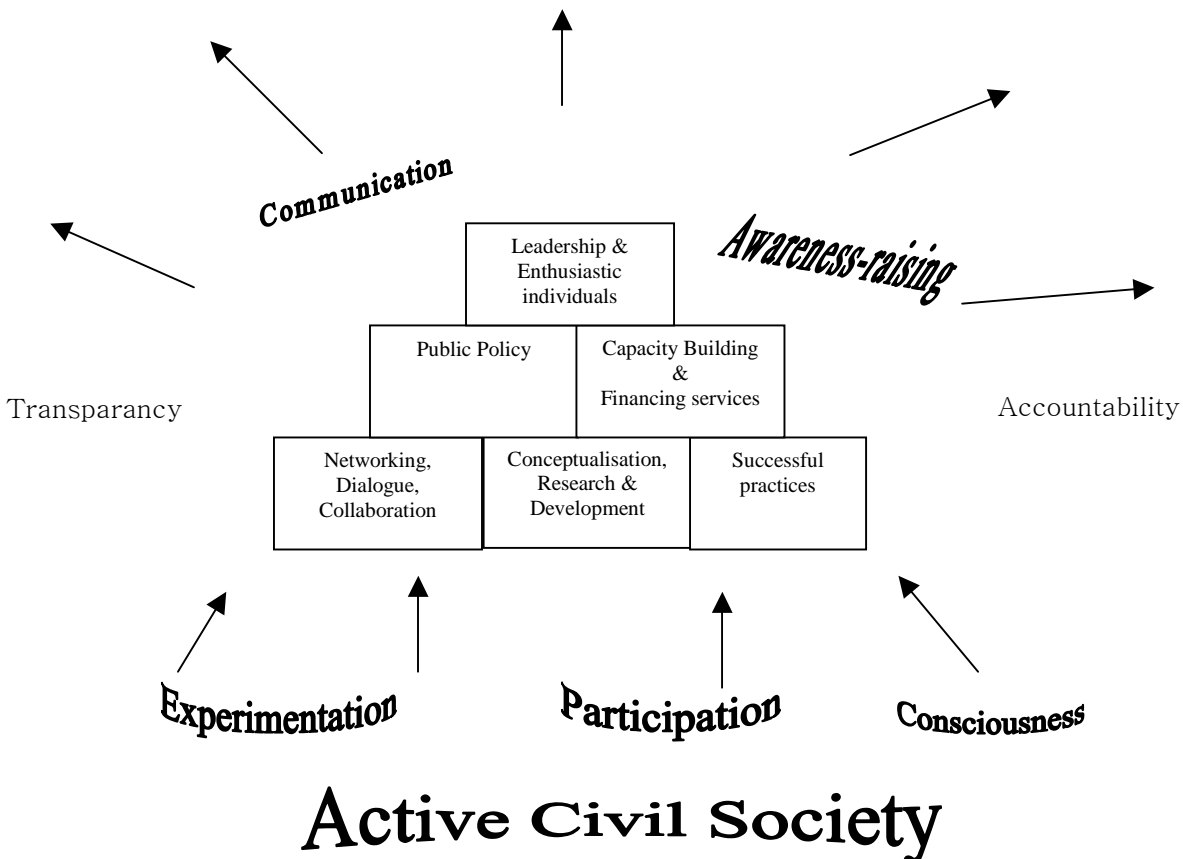
Lunaria (www.lunaria.org) is such an organisation in Rome, created in 1992 as a non-profit organisation. Lunaria develops training, research, advice, awareness raising and communication activities on the themes of Third Sector, Solidarity Economy, Migration and Globalisation and promotes international voluntary work.

An important campaign started up by Lunaria in 2000 in collaboration with 30 other Civil Society organisations is **Sbilanciamoci!** This campaign analyses the choices of the Italian government on themes like peace, international politics, third sector, welfare, environmental policies and work, and proposes alternatives for the Public Finance and government expenditures. Sbilanciamoci! also developed new indicators and an alternative development index: **QUARS – Qualità Regionale dello Sviluppo**. On the basis of this new index, every year a thorough analysis is being done of all Italian regions to evaluate and compare the quality of their social and ecological development. The use and construction of this index can help public authorities to assess regional development in a more substantial way than using only economic indicators like the GDP, thus helping them to reorient policies.

7. Building Stones for constructing Another Economy

Observing the dynamics in Rome and elsewhere in Europe, I have distilled the following elements as essential building stones for a successful development of Another Economy:

- Obviously an **active civil society** that is conscious of the problems created by the mainstream economy and actively looking for solutions experimenting with alternative models is essential. This is the humus for building Another Economy.
- **Networking, dialogue and collaboration** between the different realities and individuals is an important asset to create synergies and grow beyond the individual limits. Exchanging ideas, experiences and know-how and developing joint actions can reinforce the identity and enable further dissemination creating thus a critical mass for influencing policy and society and reshaping markets. Strategic and economic collaboration (“alternative economy districts”, sector wide or supply chain initiatives) can enhance competitiveness by reducing costs, improving market penetration and disseminating the promoted values in the market.
- There is a need for **conceptualisation, research and methodology development**, to better understand the global framework, the shared values and objectives and to develop new operational models and instruments.
- If there is a vibrant dynamic from the bottom, **public policy** can play an important role in recognising, stimulating and supporting this reality.
- **Successful practices** are needed as example to demonstrate that the ideas and concepts are realistic and worthwhile.
- **Capacity building** (through education, training and advice) **and financing services** play an important role, because they increase awareness, competencies and know-how and offer the financial leverages to allow the further development.
- **Leadership and enthusiastic individuals** are essential in the process of building Another Economy, because this is a process of fundamental changes in society, and this can only be stimulated if talented people put their heart into it, making a difference in taking concrete action from whatever position, organisation, institute or structure they are working from, and thus stimulating others to follow.
- **Communication and awareness-raising** is a key element to involve new people in the process and to reach a critical mass for changing the mainstream economic model.



Bibliography

LAVILLE, J.L., LÉVESQUES, B., MENDELL, M. *The social economy. Diverse approaches and practises in Europe and Canada*. Cahier No C-11-2006 de l'ARUC-ÉS, 2006

LAVILLE, J., CATTANI, A. *Dizionario dell'altra economia*. Sapere 200, Roma, 2006

LOMBARDI, E. *La partecipazione locale e le pratiche di sviluppo del territorio*, in AA.VV., Sviluppo locale partecipato. Diritti e ambiente al centro di un'altra economia, Atti del convegno internazionale del 7 settembre 2004, Comune di Roma.

MESSINA, A. *Politiche di sostegno alle imprese e sviluppo locale. Il caso Roma.*, in AA.VV., Sviluppo locale partecipato. Diritti e ambiente al centro di un'altra economia, Atti del convegno internazionale del 7 settembre 2004, Comune di Roma.

MESSINA, A. *La responsabilità sociale delle imprese per un'altra economia*, in Cobelli Virginia e Naletto Grazia, (a cura di), Atlante di un'altra economia. Politiche e pratiche del cambiamento, Manifestolibri, 2005.

POLANY, K. *The great transformation*", Rinehart & Company, New York, 1944