

THE DEMOCRATIC ECONOMY

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REPORT 2021

THEME 01

TOWARDS A DEMOCRATIC ECONOMY

Solidarity Economy Enterprises

Content

Report

Theme One

I. Introduction	10
II. The Context	12
III. Tensions and Challenges	14
IV. Paradigm Shift from Passive to Active SEEs Mode	17
V. Conclusions and Reflections	22
VI. References	22

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About The Democratic Economy

Speakers

Page 06

Tension & Challenges

Page 14

Conclusions and Reflections

Page 22

The Democratic Economy Initiative is a year-long conversation that tackles different key components needed to pave the way for a democratic economy in Lebanon.

Under the umbrella of the initiative, four thematic conferences are taking place covering the different components including: Solidarity Economic Enterprises; Digital Currencies, Technology, and Innovation; Reimagining MSMEs; Alternative Syndicates and Social Solidarity Structures.

The aim of the initiative is to bring together an eclectic audience including academics, activists, NGOs, international donors, community members, technologists, practitioners and researchers, located both locally and globally, to engage in meaningful dialogue around the existing socio-economic realities in Lebanon, to collectively ideate and recommend contextual and practical solutions, pathways and options.

This report discusses the first thematic conference around Solidarity Economy Enterprises, which was held over three consecutive days: April 8, 9, and 10, 2021. It conveys the main findings of the conference and reflects on possible solutions and recommendations.

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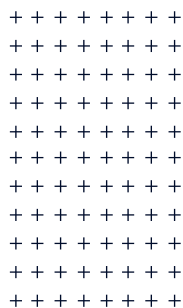
Summary:

The economy in Lebanon has for long neglected the productive sectors and relied on the service and touristic sector instead. Its dependency on the real estate market, banking sector, and expatriates' money and reliance on imports has fueled the financial crisis and have further worsened the socio-economic situation.

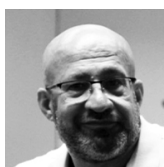
This report focuses on cooperatives as a type of solidarity economy enterprises as a way to build democratic and just economies and societies. Cooperatives in Lebanon operate in a very difficult political context and face many challenges such as logistical issues, unsustainable funding, and a hindering culture that praises individualistic efforts. They also face contextual difficulties like the absence of youth in the sector, lack of internal specialization, and shortages in equipment and resources. On another note, diaspora members and international organizations who have always been at the forefront of providing multifaceted support including financial aid to local communities and entities, face many obstacles that hinder their work. Despite the large number of registered cooperatives, their impact is still not as expected. This is mainly attributed to the fact that most of them are not active, and a considerable number is initiated as agricultural cooperatives limiting the variety in types of cooperatives.

The alternative would be a system built on modern decentralization that transfers administrative power and authority such as planning, decision-making and collecting public revenues from the central government to provincial institutions, professional organizations and voluntary organizations. Thus, preparing the foundation for a democratic and productive economy and opening the space for cooperatives to initiate, grow, and prosper. The report proposes several recommendations and presents different policies to build a robust model of solidarity economy enterprises.

The country is passing through hard times that can turn into an opportunity to rethink the economy and infuse it with new pillars and values revolving around democracy, solidarity, equity, sustainability, inclusivity, and participatory development.



List of speakers



Dr. Abdullah Mohieddin

is a university professor and lecturer at the Institute of Social Sciences at the Lebanese University, coordinator of the economics and development laboratory at the institute, a researcher in development problems, community issues and change, and he was the director of the North and Mount Lebanon regions in the United Nations Development Program for 17 years.



Ali Issa

has previously worked with War Resisters League, organizing against police militarization and helping build cross-community coalitions in cities around the country, in addition to building solidarity with movements in Iraq and across the Middle East. He has also worked with the Urban Justice Center's Street Vendor Project, organizing alongside vendors fighting for their rights in all five boroughs. Most recently, Ali worked with New Economy Project as a lead organizer with the Public Bank NYC coalition, pushing to make public money work for the public good.



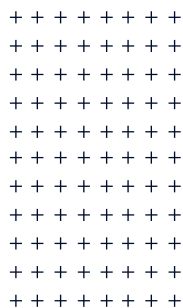
Afif Tabsh

is an Advisor at RPS MENA, a professional services boutique firm with a special focus on development and research services to NGOs. Previously, he served as the Business Development & Projects Manager at AUB's Regional External Program (AUB-REP), the consulting arm of the university. He previously worked in a managerial position at PwC's Consulting unit in Saudi and as the Operations Manager at CMCS, a regional project management consultancy and training firm. He was also a Project Management and Business Analysis instructor at AUB's Continuing Education Center. Moreover, for the past 10 years, he has been a Consultant and Trainer on Project Management, HR, Soft Skills, Leadership Skills, Strategic Planning, Civic Engagement, Volunteering, and NGO Management.



Dr. Ana Margarida Esteves

is a Research Fellow at the Center for International Studies of the University Institute of Lisbon, ISCTE-IUL, and a Guest Assistant Professor of the Department of Political Economy of the same institution. Her research and teaching encompass the relations between the social and solidarity economy, the commons and the sustainability transition movements; synergies between nature, culture, and technology; and the application of critical pedagogies, as well as strategies of non-formal education, to social mobilization and the promotion of participatory democracy.



List of speakers



Bachir Ayoub

is the Deputy Country Director – Programmes at Oxfam in Lebanon and has over ten years' experience in the aid sector. He is responsible for the development, design and management/monitoring of the country programs. He had previously held the post of Policy Lead at Oxfam in Lebanon for three and half years and lead on influencing activities on both humanitarian and development projects. Bachir has co-authored "The IMF & Lebanon: the Long Road Ahead", "Making Aid Work in Lebanon" and "Without a Net- Social Assistance in Lebanon".



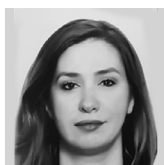
Daniel Bonilla

is the CEO of Bozanova, a consulting firm in economic development, organizational design, and effectiveness. He previously worked for the City of Minneapolis where he created their Business Technical Assistance Program, impacting over 1000 businesses annually. He created entrepreneurship programs for new and existing cooperatives. He also worked for General Mills in organizational effectiveness and at the Latino Economic Development Center, where he created the Latino Academy. Daniel received the Gold Award by the International Economic Development Council in 2018 for equitable economic development, Bronze in 2016 for entrepreneurial program development, and the City of Minneapolis 2013 Innovator of the Year.



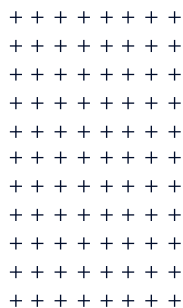
Elie Keldany

works in local economic development, strategic planning, and business development. He is an expert in Cooperatives and a Co-founder and member of "Le Bon Lait cooperative".



Evelynne Younes

is the founder of LEAN-Lebanese Expats Action Network, a group of social activists from UAE, US, and Lebanon. LEAN supports local semi-private schools, organizations and validated cases with in-kind donations: Food, Medicines, clothes. Founder of Lay-Mouneh, launched in Feb 2021, a marketplace for Lebanese Food, Arts and Crafts supporting small businesses and advocating going back to roots and creating a self-sufficient sustainable economy.



List of speakers



Gloria Abou Zeid

was appointed in 1998 as Advisor to the Minister of Agriculture, and then as President of The Green Plan (Ministry of Agriculture) in 2000, which aims at establishing agricultural infrastructure, namely hill lakes, agricultural roads, and land reclamation for farmers. She represented Lebanon in different international forums (FAO-Rome, IFAD, etc.) and was appointed Governor of Lebanon to the International Fund for Agricultural Development (IFAD), from 2005 to 2017. She managed several agricultural development programs funded by the World Bank, IFAD, and many other international organizations. In 2014, she was appointed as Director-General of Cooperatives at the Ministry of Agriculture, and still holds this position to date.



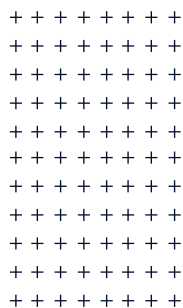
Dr. Nasser Yassin

is an Associate Professor of Policy and Planning at the Health Management & Policy Department at the American University of Beirut (AUB). He was the Director of Research of the Issam Fares Institute for Public Policy and International Affairs between 2014-2020 & served as the Institute's Interim Director in 2019-2020. He founded in 2020 the Lebanon Crisis Observatory to track the repercussions of the crises & to provide evidence and systematic analysis of various facets of the crises hitting the country. He co-chairs the AUB4Refugees Initiative that brings together faculty in AUB responding to refugee crises. He researches and works on policy and social innovation especially in areas of refugee, youth & health policies, and programs. He is the author of more than 50 internationally published peer-reviewed articles and books. His work on the Syrian refugee crisis has been featured in many media channels including Al-Jazeera, BBC, The Economist, New York Times, and Deutsche Welle – among others.



Raina Kennedy

is a board member and peer educator with the Cooperative Economics Alliance of New York City (CEANYC). She is also an organizer for the Central Brooklyn Food Co-op, a worker-owner at Brooklyn Packers, and a member of the New York City Network of Worker Cooperatives' Advocacy Council. As a CEANYC Peer Educator, she has co-facilitated a workshop on anti-racism and anti-oppression with several New York City food co-ops.



List of speakers



Dr. Salam Said

was the academic coordinator for the regional Friedrich-Ebert-Stiftung Project for socially Just Development in MENA Region between 2016-2019. She has lectured on Arab Economies, Economic neoliberal reforms, and social injustice at different German universities. Her research focuses on Arab economics, socioeconomic developments in the MENA Region, and the political economy of Syria. Most of her research has been published as policy papers or book contributions. Since January 2021, she works as a policy adviser at the Middle East and North Africa Department of Friedrich-Ebert-Stiftung in Berlin.



Sebastian Prost

is a final year PhD student in Digital Civics at Open Lab at Newcastle University, UK. His research focuses on sustainable and inclusive food systems in the context of socio-economic deprivation. He is particularly interested in the role of digital technologies in enabling responsible research and innovation. In his PhD, Sebastian followed a participatory design and living lab approach to configure socio-digital tools to co-create and sustain food innovations. The living lab builds on a close partnership between the university and civil society organizations to create an open-ended and long-term environment for innovation.



Yara Nassar

worked with the Lebanese Association for Democratic Elections (LADE) on different projects from 2005 and served as LADE's Executive Director from January 2009 until June 2017. During her work at LADE, Yara worked across the region, training on a range of gender and governance issues. Between July 2017 and October 2020, Yara worked with the Friedrich-Ebert-Stiftung (FES) Lebanon as a Senior Program Manager overseeing projects on gender equality, national socio-economic growth, and governance in Lebanon. Yara is currently serving since November 2020 as the Program Manager of the Women Economic Empowerment program with the UN women – Lebanon office.

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Introduction

A democratic economy is a socioeconomic philosophy that recommends shifting decision-making power from corporate managers and shareholders to a larger group of public stakeholders including: workers, suppliers, clients, and the wider public such as local governmental entities and non-profit organizations [5,6,7].

It is embedded in a system of checks and balances based on economic power and support for the rights of people to actively participate in the economy regardless of their social status, race, gender, etc. [4]

In contrast to political and extractive economies and their attempts to attain power control in the country; a democratic economy is a gateway for progression. It galvanizes advocates, activists, and grassroots leaders [1,5] and involves partners such as foundation leaders and innovators who hold themselves accountable to create distributed wealth within their communities [5].

The democratic aspect means that decisions around investment and production are made collectively as such that everyone affected by a decision has the right participate in decision-making processes [2]. In such an economy, a substantial population is required to commit and participate in public affairs [7].

A core pathway for a democratic, fair, and sustainable economy is by providing moral, political, and practical support to social enterprises or solidarity economy enterprises (SEEs) [2].

In a democratic economy, enterprises are understood to be community-based ecosystems in which a sense of ownership is cultivated among different stakeholders such as workers, community members, and local authorities (i.e. Municipalities and local councils[4]. Examples of social enterprises are housing cooperatives, community based agricultural collectives, organic farming, buying groups, fair-trade organizations that treat their members with equity and equality, communal public transport schemes, and joint-owned children's nurseries, etc.

Additionally, social enterprises can be a model within the banking sector such as credit cooperatives; including ethical banks with charitable status or banks owned by local municipalities and foundations.



Photo by [Austrian National Library](#) - Unsplash

These enterprises must be non-interest banks and must not hinder growth by charging interests for the sake of gaining private profit [2,5, 8].

The inclusive approach within such a model supports the creation of opportunities for those long-excluded and for individuals and emphasizes treating people in a dignified manner.

Supporting such enterprises manifests itself through local investments that leverage community resources. Consequently, money recirculates in the community, creating a multiplier effect, generating greater community stability, and nourishing well-being.



The “Community Wealth Building” is a highly recommended local development strategy as it focuses on building collaborative, inclusive, sustainable, and democratically controlled local economies [5,9].

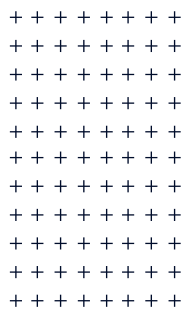
It entails having a plethora of institutions working closely together to create a wealth-building initiative that includes worker cooperatives, community land trust, localized recruitment procurement, local public enterprises, and public banking.

In this report, we focus on cooperatives as a type of solidarity economy enterprises, and explore prospects to initiate other forms of solidarity economy enterprises in Lebanon.

Throughout the conference, speakers explored the different facets and realities of the cooperative movement in Lebanon. Several best practices from different contexts around the world were showcased while highlighting different models that can possibly be applied.

Additionally, the roles of the Lebanese diaspora and perspectives of international donors were also discussed.

All of the sessions culminated into recommendations for building a solid ecosystem for a cooperative movement anchored within a democratic economy.



The Context

A SNAPSHOT OF THE CONTEXT OF LEBANON

The current socio-economic situation within the MENA region is strongly influenced by the existing political and economic structures which are founded on a siloed alliance between governmental entities and economic and financial entities such as central banks and commercial banks. Lebanon portrays an economic system which is driven by neoliberal and capitalist policies.

Post-war, multiple neoliberal regulations were implemented to the extent that it substantially minimized productive sectors which were active even during the war. Without these sectors, the economy cannot achieve long-term growth and development.

Moreover, the national currency reflects the strength of the economy, yet, the current currency collapse led to the witnessed economic breakdown. One of the suggested solutions revolves around activating productive sectors and working on the trade (import-export) balance.

For instance, Lebanon imports everything, including products that are available locally and are sidelined by imported goods.

Several gaps are inherent within the current economic structure of the country, playing a major role in its breakdown.

The structure of the Lebanese economy is based on four major pillars which are:

01

The private sector that is nominal and malformed because it is based on a free economy phenomenon where anyone can start their own work or business, but mainly depending on public funding as the main source for designing and implementing its projects and activities.

02

The culture of consumption that created an unsustainable lifestyle for the Lebanese community where there is a high level of consumption and very low level of production.

03

The dependency on the real estate market that was built only to attract excess liquidity from abroad whether from diaspora or the international businessmen. It is not structured to fit as per the Lebanese community conditions and benefit the largest number of the citizens to invest and develop.

04

The organic weakness of the government by having discrepancies between governmental spending and the needs that need to be covered. For example, the budget presented by the current minister of finance reached approximately 1.4 billion dollars with a planned strategy relying on the 1,500 LBP rate which is very low in comparison to the black-market rate of the USD. This leads to a financial imbalance and state budget deficit.

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The ongoing crisis is heavily affecting peoples’ lives in Lebanon with a steady increase in the unemployment rate leading to an economic recession and social despair. The crisis is complex and cannot be solved through conventional methods.

The whole economy needs to be reinitiated on a new basis. Hence, the importance of endorsing the process of building a democratic productive economy which brings people together and reduces dependency on a clientelist socio-economic and socio-political model of service delivery.

This economic approach requires that community members create, support, and sustain local agriculture and local industry.

GOVERNANCE OF COOPERATIVES IN LEBANON

In Lebanon, the General Directorate of Cooperatives was founded to support those who work at an hourly or daily rate and earn a considerably low income than other social groups within the same community.

As per the directorate, there are seven core principles to be achieved in order to form a proper cooperative.

These principles are known as the Rochdale [11] principles include: voluntary and open membership; democratic monitoring of members; members’ participation in capital; independence; proper training and education; cooperation between cooperatives; and authentic concern for the society.

Since 2005 the directorate started to function under the direct supervision of the office of the ministry of agriculture. The directorate’s mandate covers several governance

Based on the current Lebanese context, there is a collective vision among experts and practitioners to support a cooperative movement in Lebanon through research and practice.

The reason behind this vision is their strong belief in the importance of contributing to changing the economic and social structures, not only as a response to the protracted crises, but also as a need to contribute to the growth of the community itself.

The focus would be to reach those marginalized as these groups are particularly exposed to exploitation in light of the existing practices and modalities of the Lebanese economic system.

processes targeting cooperatives such as registration, permission, supervision, and the provision of financial support.

The directorate suffers from several hindrances such as interference of political parties, old laws, neoliberal policies and lack of proper governmental support, preventing prevent it from doing its natural obligations to organize and empower a cooperative movement in Lebanon.

For example, since many years, the directorate needs more employees to support its work but till date it hasn’t received any response from the government because it is not considered a priority by decision-makers.

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Tensions & Challenges

GENERAL CHALLENGES FACED BY SOLIDARITY ECONOMY ENTERPRISES

Core challenges pertaining to communities worldwide are related to livelihoods, long standing issues of the housing crisis, climate change, racial and gender inequities, food insecurity and increasing joblessness and unemployment.

Other common challenges are related to the practicality and feasibility of initiating a solidarity economy enterprise. While certain international enterprises are effective, successful, and active does not mean that they do not have their own challenges which often hinder their progress. Some of these general challenges include:

Logistical issues such as finding a suitable place to rent for a cooperative as most of the rental fees are expensive which adds financial burdens. For example, this is the case of cooperatives in New York City.

Unsustainable funding especially if cooperatives depend on donations and these donations or funds may not be consistent. Therefore, when facing budget cuts in funding, activities are stopped reducing as such production.



In the UK, “the Box Scheme prioritizes the environmental standard as an organic farm, but was clearly not too appealing to a customer with a low income as its food is not very affordable. Whereas on the other hand, My Pantry for example, even though they are better than most food banks, still a lot of food that they have is canned and dry goods and is generally of lower quality” [Sebastian Prost](#)



The lengthy duration for initiation of some types of cooperatives such as the initiation of food cooperatives in certain countries which could extend over the course of several years.

Maintaining a quality balance such as maintaining social justice goals in terms of affordability of food, fair payment, food security on one hand and satisfying environmental goals in terms of production on the other hand. Moreover, maintaining quality balance entails not relying on funding that is very volatile and does not guarantee sustainability and rather relying on internal resources present in the cooperative to improve the level of work.

A corrupted political system where politicians use their names, authority and power for the upcoming political races in which the cause and values of such enterprises are threatened.

A hindering culture which is adopted by communities that praise individualistic efforts and underestimate collective efforts. This type of culture leads to hindering the formation of a proper bond among community members to support each other and participate in initiating solidarity economy enterprises. The direct reason for such a culture is the negative perceptions people possess about such enterprises in terms of its effectiveness and impact on both the society and the economy.



Photo by [Jonathan Harrison](#) on Unsplash



CONTEXTUAL CHALLENGES FACED BY THE COOPERATIVE MOVEMENT IN LEBANON

Despite the large number of registered cooperatives in Lebanon, their impact isn't as expected. The reason is that most of these cooperatives are not active to the extent that makes them have an impact on the local economy notwithstanding the fact that they used to receive many donations and grants.

Based on the discussion, this is attributed to multiple reasons such as: the presence of fake cooperatives, lack of cooperatives' variety, lack of internal specialty, the absence of youth in cooperatives, and lack of equipment and resources.

Fake cooperatives are those that are legally registered but do not base their work on the seven core values mentioned earlier. One reason for their initiation is that, by law, any group of 11 persons can create an administrative body with a committee and form a legal cooperative regardless of their objectives and agenda.

This is an opportunity for politicians and capital holders especially in rural villages to initiate as many as they want of such cooperatives which in such a case, act as a pillar of social discipline. There is no doubt that these plans provide financial opportunities to the members but it also gives the wealthy people the right to possess the "cooperative" considering it a company that aims to accumulate earnings and evade tax. Such incidents reoccurred along the years and this is the main reason behind people's negative perceptions of cooperatives. The reason of considering such enterprises 'fake cooperatives' is illustrated in prioritizing the benefit of its 'owner/s' and securing a little for its members.

As a result, the community members rarely support such initiatives if they are not part of it especially those who have the market's monopolistic capital private relations that control products. Besides the latter, the other community members working in the same sector would also obstruct the cooperative activity.

Lack of variety in cooperatives as there are more than 1,240 cooperatives in Lebanon where most of them are initiated as agricultural cooperatives. However, they can be more diverse and have a wider range such as olive processing, honey, dairy and cheese products, cooperatives for fertilizers, marketing cooperatives, workers cooperatives, etc.

Lack of internal specialization is another factor hindering cooperatives effectiveness in Lebanon. Most of the cooperatives in the country do not consider the importance of members' specialization, leading to a lack of common interest among the members and consequently leading to the absence of united production operators.

Absence of youth in cooperatives is a major problem which is diminishing the role and activity of cooperatives in the society. Over the past years, Lebanese cooperatives have not been motivating and compelling for youth to engage in that sector. Youth are a key factor for the sustainability of the cooperative movement because of their creativity and the innovative and digital approaches that they may bring to it.

Lack of equipment and resources as many cooperatives especially the ones in small and rural villages, cannot test the quality of their products because they either lack the appropriate equipment or do not have the needed resources available such as human resources, and logistics to get some of the tests done in other regions.

Random funding opportunities for cooperatives as there are different channels of funding for cooperatives: some are given loans and some receive donations. Even if these cooperatives need such support to expand and to be sustainable; cooperatives must not depend on external funding. Unfortunately, in Lebanon, there is a strong dependency on donations and international aid and as a result anyone who wants to have more earnings would think of forming a cooperative.

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CHALLENGES ENCOUNTERED BY DIASPORA MEMBERS AND INTERNATIONAL ORGANIZATIONS AND/OR DONORS

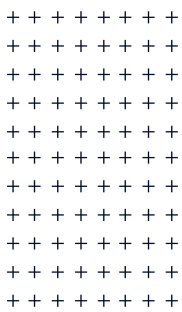
Diaspora members and international organizations and/or donors have always been at the forefront in providing multifaceted support including financial aid to local communities and entities and even more so during the salient ongoing crisis. Nonetheless, these entities report on key challenges that always hinder their work especially when it comes to the cooperative and local production sectors. These challenges include:

Lack of local market management including lack of resource mapping and proper quality observation. International actors have to navigate a messy ecosystem and address many individuals who have their own small business which is time consuming and could potentially lead to missing certain individuals in the absence of clear databases.

The local currency depreciation and resulting inflation as farmers have lost their ability to buy their seeds, irrigation systems, and pesticides. Hence, initiatives such as “Lay-mouneh” that is created by diaspora members which was looking to sell local honey, realized that many farms have stopped the extraction of honey because of the high cost of raw materials. There is a significant risk in opening the Lebanese market to the international market due to a shortage in stock and mismatch of quality standards.

Strained employment ecosystem for example, UN Women as an international organization reported on the severe effects of the crises on women and on marginalized groups of women, such as the elderly and disabled. It is becoming increasingly difficult to find and create employment opportunities for women due to the current market situation and the accentuated crisis which has led to many people becoming unemployed.





Paradigm Shift from Passive to Active SEEs Mode

RE-IMAGINING THE EXISTING SYSTEM

The alternative is a system built on modern decentralization that means transferring the administrative power and authority such as planning, decision making and the collection of public revenues from the central government to provincial institutions, professional organizations and voluntary organizations. Modern decentralization prepares the foundation for a democratic economy and opens the space for cooperatives to initiate, grow, and prosper.

This system contributes to engaging people in decision making and caters for the benefit of the local economic, human and environmental geography and conditions. The foundation of this system needs:



There was a group of small businesses who only had a thousand dollars, and by themselves they couldn't buy a building, but 40 of them got together, and with those \$40,000, they made a down payment, bought a building, and now it's a public market, which is a coop.

[Daniel Bonilla](#)

Reconfiguring the regulatory SEEs framework in municipalities to support solidarity economy enterprises especially that, by law, cooperatives are exempt from certain taxation such as profit, municipal rent, municipal construction taxes, etc. In that sense, the municipalities can regulate internal policies to support the cooperative movement within the regions through providing several services such as a place for activities, advertising products, supporting through events, providing the needed equipment, etc.

Changing the community's perceptions towards Cooperatives. This could be achieved through spreading awareness on the proper meaning and practicality of solidarity economy enterprises and the nature of its activities. Moreover, another strategy is to demonstrate a successful, productive, and competitive cooperative model that could present an effective practical example to the public to follow as a reference.

Integrating technology and innovation as a key in supporting the SEEs in their community outreach and quality production.

Initiating and sustaining an alternative value chain and complete economic cycle which would help preserve value and wealth within the solidarity economy sector and lay the groundwork towards a shift to an alternative economic model. This model can eventually lead towards a democratic productive economy which creates abundance, reinvestment of resources, and jobs that are rooted within the society. Since solidarity economy enterprises are initiated to answer the needs of the society and not to stack profit and wealth.

Municipalities can be an entry point for establishing a community driven economy through making lands available for communal ownership of agricultural projects, In addition, residents will be actively participate in building solidarity economy projects and cooperatives that respond to local needs. Municipalities can also support in engaging the local community through the introduction of participatory measures on the local level such as direct democracy, participatory budgeting, etc.



POLICY RECOMMENDATIONS

As a result, there is an urgency to support the process of building a democratic economy on a solid foundation of solidarity economy enterprises, preserved and promoted by several policies and practices that:

POLICY 01

Strive to have cooperatives with high standards of collaboration, democracy and ethical consideration to be able to sustain at a national level and later spread its work internationally.

POLICY 02

Ensure building democratic structures that are not based on a conventional representative democracy but based on a genuine participatory and direct democracy.

POLICY 03

Emphasize the importance of a bottom-up approach in initiating SEEs.

POLICY 04

Review existing laws concerned with solidarity economy and draft new ones to account for the requirements of active and effective solidarity economy enterprises and a cooperative economic movement in Lebanon.

POLICY 05

Introduce regulations which restrict the random initiation of solidarity economy enterprises such as cooperatives and introduce policies to check the eligibility of the personnel/ group: their expertise, genuine interest, and objectives to avoid any external/ political interventions, before providing them with an approval to initiate a cooperative. Such regulations remain futile within the current political system which is based on clientelism and traditional sectarian hegemonic politics.

There are drastic and substantial changes in the political system in Lebanon which can make such regulations and policies work, there is a need to resort to corporate sector forms of companies and structure them in a democratic bottom-up organizational structure.

POLICY 06

Include the involvement and recruitment of youth and women as an important criterion to legalize the organizational structure of the enterprise.

POLICY 07

Ensure the initiation and promotion of specialized solidarity economy enterprises rather than having several generic enterprises that are not specialized in a specific product.

POLICY 08

Empower the existing active cooperatives and devise an actionable plan to support the cooperatives which are less productive.

POLICY 09

Advocate for integrating solidarity economy enterprises concept into the educational curriculum to integrate proper concepts of cooperatives in the Lebanese community as early as possible.

POLICY 10

Expand the work of cooperatives and do not restrict it in narrow regions to avoid the socio-political clientelism.

POLICY 11

Build the skills and practical capacities of members of cooperatives so in its turn cooperatives become a political force for change.

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POLICY 12

Advocate to change the mindset of the public on economic viability of the enterprise on the long term while preventing any detrimental consequences on the society and the environment.

POLICY 13

Advocate to clarify the difference between efficiency and effectiveness in terms of the use of public resources. In other words, showing that efficiency is about the best use of resources to achieve maximum output, while effectiveness is mostly about achieving the intended end result irrespective of the resources used.

POLICY 14

Provide systematic funding to support existing projects that constitute solidarity economy enterprises to eliminate its random spending. This entails having a credit bank that actively helps these cooperatives in developing their business and improving their work with equity.



POLICY 15

Support the shift from isolation to cooperation at three core levels: Government- Cooperative level, local authorities- Cooperative level, and Cooperative- Cooperative level. The same concept of collaboration applies to the different mentioned levels but adjusted to the different resources and services available in each of these entities. For instance, a suggested practice could be the implementation of a full capacity building program through which individuals create a cooperative profile which can reflect their commitment. After that, the government/local authorities/ more productive and larger cooperatives give the “novice” cooperative the technical assistance to actually launch the enterprise. Later, these initiatives grow and develop along with a consistent and ongoing technical assistance from experts to guarantee their success and sustainability. Another approach is applying the value chain model that includes all types of cooperatives in various economic and social sectors as a way to avoid the dependency on loans and donations.

POLICY 16

Introduce platforms in which cooperatives share their experiences and challenges and work together to counteract these challenges. This exchange of knowledge is very important and it is one of the tools that international case studies apply to ensure effectiveness and activeness and efficiency.

INTERNATIONAL COOPERATIVE PRACTICES: FROM ECONOMIC GROWTH TO SOCIAL JUSTICE

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SEE NAME	LOCATION	SCOPE OF WORK
Tamera (1995)	South Western Portugal	An ecovillage
Esperança Com Esperança (1985)	Rio Grande do Sul- Southern Brazil	The development of public policies for the support of the solidarity economy in Brazil. (The development of an alternative livelihood that ensures food, housing, health, and education to its participants)
The Open Food Network Project	Currently has local instances running in 10 different countries in the world, and in the UK it has over 800 producers and food hubs.	An open-source project that provides the technical infrastructure to allow food hubs to trade online.
Gibside Community Farm	Newcastle- UK	Community supported agriculture
The Box Scheme	North East Organic Growers -England	Community Solidarity
Byker Pantry	Deprived neighborhood in Newcastle	Lost-cost shop model
Central Brooklyn Food Coop Brooklyn cooperative Brooklyn Packers	Brooklyn	A Black-led food coop
The Drivers Cooperative	New York City	An act that is owned by the drivers themselves.

Table 1. Overview of International SEEs represented in the conference

TOWARDS A DEMOCRATIC ECONOMY: ACTIVATING THE GRASSROOTS APPROACH

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Based on practices from other contexts, a main model for SEEs (Figure 1) is one that has social justice in its core. In order to foster social justice, most international cooperatives follow a consistent process which aims at gaining economic power in order to achieve social justice as follows:

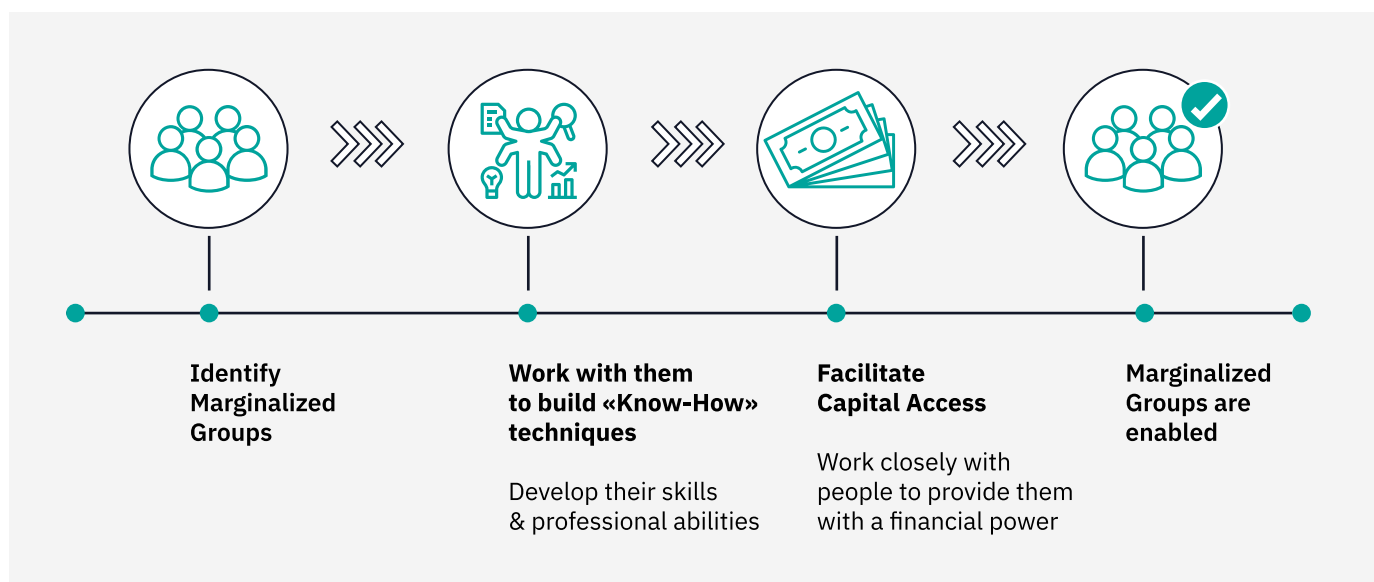


Figure 1. Achieving social justice by activating a grassroots approach

ROLE OF DIASPORA AND INTERNATIONAL ORGANIZATIONS AND/OR DONORS

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International organizations cannot be categorized in a unified manner due to variations in strategies and agendas. Several international actors are interested in supporting a democratic economy through supporting the initiation of solidarity economy enterprises such as cooperatives.

However, others are interested in implementing their own agendas that do not necessarily relate to the topic. Regarding diaspora, they do not focus on the output or payback as most of the community members perceive because they are also affected by the crisis taking place all over the world. As discussed, their main objective is to support their communities in times of crises.

The diaspora and international organizations are collaborating together to support communities in Lebanon in various ways. Many of initiatives were successful and positively impacted both service providers and communities.

While international organizations often claim that their ultimate goal is to shift from financial donors to promoters of solidarity, social justice, equity, and equality; huge efforts

are still needed in supporting the sustainability of alternative social and economic structures.

Some examples of such initiatives include those implemented by some diaspora groups, such as launching ‘Lay-mouneh’, the projects by UN Women aiming to increase the number of women in Lebanon’s labor market, connecting local needs with international services, livelihoods interventions and others pave the way towards building an enabling environment for solidarity economy enterprises.

While such efforts can contribute to a more decentralized economy, nevertheless, it is insufficient in contributing to the transformation towards a democratic economy if not coupled with the initiation and sustainability of local solidarity economy value chains and economic cycles.

Such value chains can reduce costs, increase productivity, preserve value, and create wealth to the local communities.

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Conclusions and Reflections

The gateway to sustainable local development is through encouraging community members to engage in activating and empowering solidarity economy enterprises such as cooperatives (Figure 2).

The concept of solidarity economy enterprises has to be bottom-up, providing the economic power to the members of the community. This power is gained when people acknowledge the need for cooperation in order survive economic crises and pave the way for a productive democratic economy. It is pivotal to emphasize that cooperatives, and all solidarity economy enterprises should be formed by individuals who have shared interests and values.

It is true that the country is passing through an economic crisis, but this might be an opportunity to rethink Lebanon’s current economy and infuse it with new pillars and values. In order to achieve a certain model of democratic economy, there is a need to revamp laws governing solidarity economy enterprises since it is a core foundation of a democratic economy.

There is a fundamental need to create cooperative economic networks and value chains in order to establish a democratic economy; ending as such the dependency

of cooperatives on donations cash hand-outs from international donors and political entities.

Diaspora collectives and international organizations and/or donors can work on supporting communities in Lebanon in initiating and sustaining SEEs despite all the challenges.

Such funding and support should be focused on supporting and maintaining existing value chains or building ones rather than supporting individual cooperatives. There are some success stories among cooperatives in Lebanon which were properly supported and which were able to overcome local challenges and create new markets form themselves.

Additionally, working closely with municipalities and the Federation of Municipalities (اتحاد البلديات) can play a greater role in promoting and supporting a local productive economy, namely one based on solidarity. Support can include provision of machinery, land, buildings, as well as improving the required infrastructure.

However, a key factor in creating a culture of cooperation are people themselves: People must believe that they have more power if they cooperate!

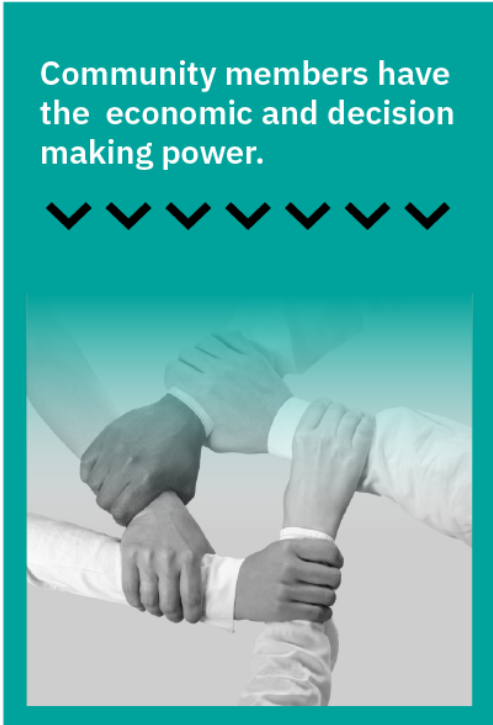
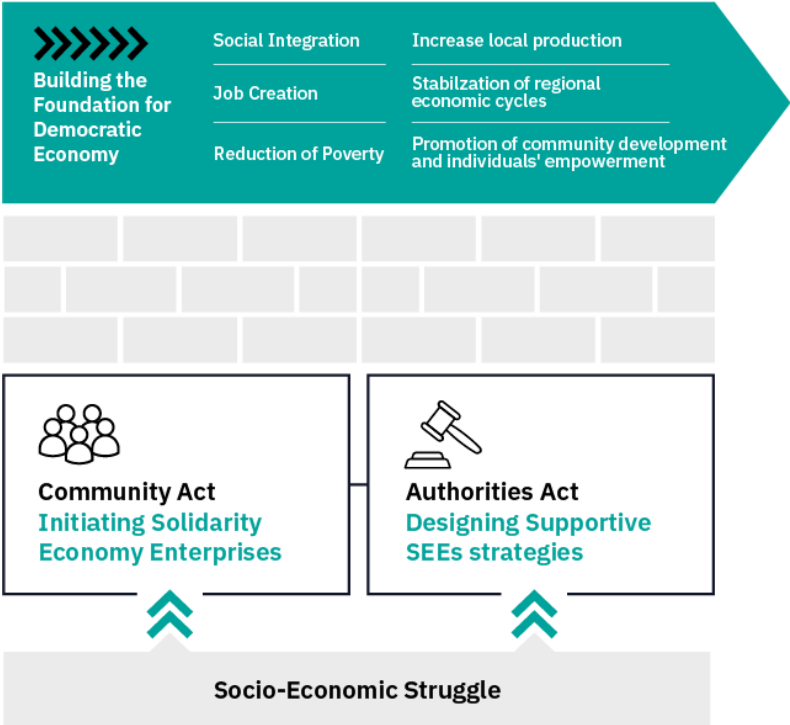


Figure 2. A model for solidarity economy enterprises as building blocks of a democratic economy

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Over the course of a year, ongoing conversations and engagements between social innovators, technologists, grassroots, community actors, researchers, activists, and designers will be channeled towards defining socio-economic issues and exploring potential solutions and options.

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