

# **Solidarity Economy and the Commons in Central and Eastern Europe**

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## **How does the global movement for the commons, solidarity economy and municipalise expresss itself in the post communist countries of Eastern Europe?**

The global economic crisis of 2008 and the international movement wave that formed in its wake have crystallised new political initiatives in North America and Western and Southern Europe. In the years following 2011, the movements that evolved from the square occupations and assemblies of Occupy-type anti-austerity and pro-democracy movements developed several proposals for the institutionalisation of social alternatives to pro-market crisis management. In these proposals, initiatives for changing the state and the form of government – in Occupy’s language: creating real democracy – are combined with initiatives to change the shape of the economy to one that serves social reproduction instead of capital’s profits.

In a new wave of movement collaborations, earlier initiatives and frameworks around commons, peer-to-peer economy, and solidarity economy increasingly merge together in new networks and political imaginaries which are centred around the ideas of participatory democracy, social economy, and sustainability. The municipalist movement, democratic socialists, and the workers’ cooperative movement in the US, as well as the commons movement or – in the UK – the Labour party’s programme embracing alternative models of ownership, suggest that the combination of political democracy with the democratisation of the economy is shaping up to be the core idea at the heart of emancipative political answers to the crisis.

Several points for consideration arise when thinking about the potential relevance of this trend to Central and Eastern European contexts. Basic frameworks of North American or Western European debates need to be broadened or renegotiated in order to grasp the differences and the interconnectedness of similar initiatives across regions.

### **A view from a semi-peripheral region**

Compared to former welfare democracies where the new political paradigm around solidarity economy is taking place today, in Central and Eastern Europe crises, disposessions, or the lack of formal income are historically more frequent, and survival strategies based on informal and mutual help solutions more widespread. Seen from this position, the recent wave of activism and intellectual thought around solidarity economy and the commons seems to name a phenomenon that is not so much a new development born from the post-2008 crisis period, but rather a local tradition. Beyond the fact that the idea of cooperatives and cooperativism was abused and delegitimated during socialism, even the wider idea of using mutual help structures to survive might appear not so much as something new, revolutionary, and promising, but rather traditional, boring, and tied to the everyday struggle to make ends meet – something we all would like to leave behind. This is similar to how researchers who had worked on peripheral regions or communities commented on new discussions around the crisis in former core countries, claiming that these make visible something

that has long constituted the reality of most of humanity, but has only recently reached the top layers of global society. Without doubt, the tools and strategies worked out by the new solidarity economy wave in North America and Western and Southern Europe are relevant to potential action in Central and Eastern Europe, too. However, they need to be related to local contexts within a global framework in order to be applied meaningfully.

### **Solidarity economy: a long-term global phenomenon**

According to research, various forms of solidarity solutions are more frequent in those positions of the global economy where the costs of reproduction are not covered by formal capitalist structures – that is, in more peripheral communities and regions of the global economy. One of the streams of social research that covered such practices was the anthropological literature of informal economies in the 1970s, particularly in Africa. An anthropologist working in West Africa, Keith Hart, proposed the term ‘informal economy’ to reflect something more substantial and elementary than just some informalised aspects of the global economy. He demonstrated how in African regions with high statistical unemployment people were in fact maintaining large and complex economic sectors. The notion of informal economy later became acknowledged by international institutions, and became part of the logic of global development. However, critiques of this argued that global development tools relying on informal economy, such as microcredits given to female heads of households or housing programs based on self-help, merely make use of the social reproductive work performed by these people among uneven conditions, instead of contributing to changing their situation.

When Latin American economies underwent a large wave of informalisation during the 1980s, sociologist Alejandro Portes defined informalisation as a political moment where rights previously gained by workers in the formal capitalist industry are rolled back as capital externalises the costs of crisis to labour. In this context, the flourishing of informal economies built on mutual support was the consequence of a lost battle, as labour picks up the bill after the crisis. State policies regarding labour rights and informal economic activities were, for Portes, of utmost political importance, as state regulation in many cases constitutes the line that defines whether capital or labour pays for reproduction costs. Later, Hart reformulated his concept of informal economy as the ‘human economy’, implying a holistic anthropological notion of the economy involving social, material, moral, and religious relations. This concept of the human economy has been used by the World Social Forum movement, and has been a source of inspiration to contemporary theories about solidarity economy. Running parallel to the research around informal economy, peasant studies provided an understanding of peasant societies that challenged the one-directional, modernisationist opposition between traditional and modern forms of social organisation. Today, the organisation of peasant production, its difference and (relative) autonomy from the logic of capitalist accumulation, and its relation to long-term ecological sustainability have become central topics in debates concerning alternatives to the unsustainable model of capitalist growth.

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The Marxist tradition of analysing the social reproduction of the conditions of capitalist accumulation, and especially Marxist feminists looking at the role of women’s reproductive and household labour, noted that unpaid, unfree (including forced) versions of labour, far from being cleared away by the development of capitalist relations, constitute a necessary basis of capital’s reproduction. Global labour studies confirmed the understanding that formal wage labour that covers the costs of a household’s reproduction characterises only a small minority of global labour up to the present day, and that the maintenance of partially paid, informal, unpaid and unfree labour constitutes a main characteristic of capitalist relations globally. Researchers working with the methodology of world-systems research argued that this is due to a systemic characteristic of global

capitalist accumulation: that capital's profits depend on capital not paying the whole costs of reproduction for the labour that it uses. In this sense, capital's capacity to reproduce itself is based on the persistence of non-free labour relations. This means that in all instances where capital does not pay for the costs of reproduction, it depends on people's ingenuity to find and create alternative sources for subsistence, providing a bottom-up subsidy to capital's costs.

One way researchers operationalised this global relation between capital accumulation and labour reproduction was by looking at households, conceived not as family units or persons living under the same roof, but as units of the reproduction of labour where reproduction costs paid by capital (i.e. wages) are combined with other resources (produced by housework, reproductive work, informal incomes, mutual help, etc.) to secure the reproduction of the household as a whole. In lower-class, more peripheral positions, the amount of alternative resources that households contribute to the costs of their reproduction is higher, something exacerbated by times of crisis in capitalist cycles. Inter-household economies of solidarity and mutual help were also found to be crucial in times of crisis, and in both these and households, the stream of wealth produced by reproductive work is channeled upstream along the structures of capital accumulation.

### **Solidarity economy in Central and Eastern Europe**

Central and Eastern Europe, like other semi-peripheral regions, is characterised by a large volume of informal and alternative incomes mobilised by households for their reproduction. Even the phase of socialist industrialisation, which formally achieved a full proletarianisation of the workforce, relied on what sociologist Wilma Dunaway calls the 'semi-proletarian household': reproduction structures that combined formal wage incomes with subsistence farming and other informal sources. Semi-proletarian household systems often bridged urban industrial areas and the rural hinterland that produced the demographic source and bottom-up reproductive subsidies for industrial labour. In times of crisis, a pushback from metropolitan to rural areas absorbed the reproductive shocks caused by unemployment. Recurrent modernisation efforts continued to strengthen such metropolis-satellite hierarchies of the urban-rural division. Politically, the control of rural areas has been traditionally stronger than that of the urban ones, helping to maintain these as a reservoir of cheap reproduction. The way global accumulation hierarchies have been internalised by Central and Eastern European countries through the production of urban-rural internal hierarchies has been compared by commentators to local regimes maintaining a colonial dominance over their rural constituents.

Similar to other global locations, the subdued capacity of local labour to sustain itself through alternative economic solutions turns into a more visible social force in times of crisis. In the 1920 and 1930s, Central Eastern Europe witnessed a strong wave of cooperative organisation. Between the end of World War II and the consolidation of communist regimes, in many parts of the region, people's self-organisation produced not only political, but also economic structures of self-governance – destroyed later, in most cases, by communist centralisation. In the last decades of state socialism, regimes suffering under hiking debt service increasingly outsourced the maintenance of life standards to households' informal practices.

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Informal economic activities tolerated and encouraged by the state in the last decades of socialism were described as a “second economy”. Based on the ideological oppositions of the Cold War period, researchers tended to understand this as market-based and private economic order, the opposite and the alternative of central planning. However, in global comparison the informal economy that

thrived in the crisis years of socialism resembles the informalisation of capitalist semi-peripheral economies in the same period. Contrary to expectations voiced by contemporaries, its function was not to create local bottom-up embourgeoisement in a market transition, but rather to absorb the costs of the global crisis of the 1970s.

The sweep of transition crises after 1990 destroyed the structures of second economy that were based in the interstices of the state economy. Instead, they allowed the formation of large-scale informal structures, the hierarchies of which reflected the hierarchies of global integration. At the bottom of these hierarchies, informal solutions served everyday survival under the conditions of transition crisis; at the top, they carried out the localisation of multinational companies. While informality remained a characteristic of post-socialist economies on all levels, the 2008 crisis intensified a new wave of informal subsistence solutions at the grassroots, from the appearance of informal housing zones in big cities' peripheral zones to the mobilisation of inter-household networks for debt service or securing opportunities for work migration, as well as illegal activities such as those around drugs and prostitution.

### **The workings of solidarity**

The long tradition and new proliferation of informal self-help and mutual help structures could provide an encouraging environment for the development of a solidarity economy. One positive example is that of urban-rural food networks and the tradition of home-based processing and conservation of food. Following the work of Polish sociologist Petr Jehlicka, this phenomenon has been considered as a traditional form of food sustainability, in contrast to Western European regions where such networks have been long since substituted by market provisioning, and where it takes new projects for community supported agriculture to build new instances of such connections. However, the drawback is that food networks, just like other informal subsistence solutions in the region, work to sustain the structures of capitalist integration: reduce the costs of reproduction, and optimise family expenses according to priorities linked to integration.

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Examples like food sustainability typically rely on extra unpaid work, mostly by housewives (who are, more often than not, also wage workers). Solutions based on mutual help often serve to stabilise the flows of capital extraction - as in the case of multi-household solutions for mortgage debt service, where debt service is dispersed over the whole network of the household asking for help on the brink of mortgage failure. Today, the reindustrialisation of the region by companies looking for cheap labor relies on the willingness of family members to work for lower wages in order to provide the cash flow necessary to sustain the household's reproductive portfolio. Migration to Western or Southern Europe implies taking on higher risks and worse conditions in order to supply a larger cash flow. Mortgage debt taken before 2008 is often the motivation to take both kinds of jobs. Besides serving capital accumulation through the parallel channels of reindustrialisation and debt service, households also often subsidise capital accumulation through paying the costs of workers' rent and commute. The price of moving between internal metropolis-satellite hierarchies, constitutes a new site for investment by travel and real estate companies today.

Relations within informal exchanges, and also within households, tend to be hierarchical. Their unevenness underpins the uneven relations of accumulation they mediate. Patriarchal relations sustaining the hierarchical differentiation between paid and unpaid labour according to gender roles, oppressive relations that produce unfree conditions of labour, or the utilisation of community networks to fulfill the functions of extractive relations are widespread characteristics of this new boom of informality, too.

The tradition and significant volume of solidarity practices in Central and Eastern Europe poses the question of how existing practices may be connected in an ecosystem to serve generative rather than extractive purposes, and how such an endeavor would relate to the hierarchical and embedded nature of these practices within existing accumulation processes. And finally, it points to an investigation of new solidarity and commons models in terms of such hierarchies, and constructive strategies of alliances along the principles of global solidarity and sustainability.

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