



Valdai Papers

#20 | June 2015

# Social Commons: a new alternative to neoliberalism

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We live in a paradoxical time. On the one hand, the international organisations are currently promoting ‘social protection’ in third world countries. But the same organisations, helped by the European Union and all national governments, are trying to dismantle the existing social protection mechanisms in Europe. What does it mean? What are the alternatives the left has on offer?

In this paper, I want to propose a conceptual shift towards ‘social commons’ in order to focus on participatory and democratic decision-making, as well as on the collective dimension and the necessary protection of society itself.

## 1. *The background*

It would be naive to think that organisations like the World Bank or the IMF (International Monetary Fund) can be trapped in contradictory political preferences. They know perfectly where to go and have succeeded in the past twenty-five years to impose their policies to all indebted, poor countries. Today, it is the European Union’s turn to experience what neoliberalism means at the social level.

### 1.1 Poverty reduction against social protection

Development thinking emerged in the 1950s en 1960s, mainly at the United Nations. From that period onwards, the UN regularly published its reports on the ‘social situation in the world’. What is striking in these reports is that they never speak about ‘poverty’. They mention the usual social problems, such as the lack of health care, of schools, of decent housing, etc. The solution for these problems was called social and economic ‘development’.

After a brief and failed attempt to put poverty on the agenda beginning of the 1970s, the World succeeded in 1990.<sup>1</sup> This was almost ten years after the beginning of ‘structural adjustment’ policies, a neoliberal program for indebted countries with all the known recipes that remained unchanged since then: fiscal balance, restructuring and diminishing public expenditures, export-led growth, liberalisation of trade and finances, deregulation of labour markets.<sup>2</sup> The social consequences of these programmes were disastrous.<sup>3</sup> When the first poverty-oriented priority was announced, the impression was that the Bretton Woods organisations finally showed their ‘human face’ with a heart for poor people.

An analysis of the international discourse on poverty of the 1990s shows that there is much more in poverty reduction than just caring for the poor people. It was a new label on the existing neoliberal policies. Poverty had to be reduced by extending markets, preserving competitiveness and protecting property rights. The poverty focus did not change these policies, it was not in favour of more social policies and was perfectly compatible with ‘structural adjustment’.<sup>4</sup>

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<sup>1</sup> World Bank (1990): World Developing Report. Poverty, Washington, The World Bank.

<sup>2</sup> Williamson, J. (1990): The Progress of Policy Reform in Latin America, Washington, Institute for International Economics.

<sup>3</sup> Cornia, G.A. et al. (1987): Adjustment with a Human Face. Protecting the Vulnerable and Promoting Growth. A Study by UNICEF, New York, Oxford University Press.

<sup>4</sup> Mestrum, F. (2002) : Mondialisation et Pauvreté. De l’utilité de la pauvreté dans le nouvel ordre mondial, Paris, L’Harmattan.

Moreover, the World Bank as well as UNDP (United Nations Development programme) repeatedly emphasized that social protection was not useful for poor countries. The core social mission of States is to help extremely poor people, preferably with ‘sound’ macro-economic policies and as few as possible protective measures. ‘*Market-inhibiting policies*’ were said not to be in favor of the poor but were actually harming them.<sup>5</sup> Minimum wages and subsidies were to be banned. Social insurances can exist but can be provided by markets. ‘*The chronically deprived and dispossessed must be brought up to a threshold of human development to enter the mainstream of economic growth. But then it is time for governments to step aside ... if human development is the outer shell, freedom is its priceless pearl*’.<sup>6</sup> ‘*It was a diagnostic error to think of poverty in terms of social protection and social expenditures*’.<sup>7</sup>

## 1.2. The emergence of social protection

The World Bank also put social protection on the agenda, in 2000, with the publication of a ‘theoretic framework’.<sup>8</sup> In this study, social protection is seen as ‘risk management’ and risks are said to be extremely difficult to eliminate. They just happen, and all one can do is to ‘mitigate’ their consequences and to help people to ‘cope with’ when they occur. Therefore, people have to be made ‘resilient’.

All risks are amalgamated, from inflation and fiscal deficits, to illness and epidemics, to earth quakes and floods. The solutions, then, are necessarily also very comprehensive, going from insurances to pensions, child labour and emigration. In fact, it opens up the concept of social protection in order to make all possible policies and survival mechanisms fit into it.

In this view, social protection has nothing to do with solidarity or redistribution of incomes, it is a mechanism to help families when they are in trouble and to promote growth and economic stability. ‘*From safety net to Springboard*’<sup>9</sup> became the new guideline, which comes down to what is now called in Europe ‘activation’.

In 2012 a follow-up document was published. The World Bank added labor to its strategy and insisted it wants ‘*to strike the right balance between protection and competitiveness*’. The World Bank does not think of a universal social protection: ‘*Resilience for the vulnerable, equity for the poor, opportunities for all*’.<sup>10</sup> At its annual meeting of 2013, it proposed a new strategy. It now wants to eradicate extreme poverty (reducing to it 3 %) and ‘*share prosperity*’ by rising the incomes of the bottom 40 %.<sup>11</sup>

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<sup>5</sup> World Bank (1993): Poverty Reduction Handbook, Washington: The World Bank, p. 34.

<sup>6</sup> UNDP (1990): Human Development Report, New York, United Nations, p. 83-84.

<sup>7</sup> PNUD (2000): Vaincre la pauvreté humaine, New York: United Nations, p. 8, 40, 42.

<sup>8</sup> Holzmann, R. & Jørgensen, S. (2000): Gestion du risque social: cadre théorique de la protection sociale. Document de travail 006 sur la protection sociale. Washington: The World Bank.

<sup>9</sup> World Bank (2000): From Safety Net to Springboard, Social Protection Sector Strategy, Washington, The World Bank.

<sup>10</sup> World Bank (2012): Resilience, Equity and Opportunity. Washington: The World Bank, p. 1.

<sup>11</sup> IMF/WB (2013): World Bank Group Strategy. Development Committee, DC 2013-0009, September 18.

### 1.3. The neoliberal turn in the European Union

As for the European Union, it never had any competences for social security, only for measures concerning health and safety of workers. Poverty programmes from the European Commission were blocked by the European Court of Justice, for lack of a legal basis.

The European Treaties do not speak of poverty, only two major policy documents, the Lisbon Process and EU-2020<sup>12</sup> state that poverty has to be drastically reduced.

As for social security, two facts have to be mentioned. First, priority is given to ‘social investment’, a concept pointing to the necessary investment in ‘human capital’, leaving out those who have no ‘capital’ anymore, such as the elderly. It is no coincidence that pensions are always among the first reforms imposed on countries. Second, social security is now being discussed and decided on via the ‘economic governance’ measures. Every year, the European Commission gives ‘country specific recommendations’ about how countries can respect the binding standards of the Fiscal Pact documents. At least forty percent of these recommendations concern social policies, such as pensions, indexation mechanisms and wage setting arrangements.<sup>13</sup> Social expenditures have to be made ‘sustainable’ within the strict framework of unchanged neoliberal policies.

Finally, the Commission proposes ‘social innovation’, which means a shift towards citizens who can take care of many tasks formerly executed by states, such as kindergartens, libraries, the maintenance of parks, etc. This is framed within austerity policies cutting social expenditures and shifting responsibilities to markets and citizens.

### 1.4. Neoliberal social protection

This short overview gives an explanation to the paradox stated at the start of this contribution. There is in fact only one single neoliberal logic at work, introducing a new social paradigm.

Today, social protection does not mean the same anymore as it did twenty years ago. Neoliberal social protection is about the economy, promoting growth, productivity and stability. It favours markets and helps to create new markets for health, education or transport, services traditionally provided by public authorities. It is targeted to the poor and can never be universal. The non-poor can buy social insurance on the market-place.

Neoliberal social protection has nothing to do with social and economic rights – never fully accepted by the World Bank – or with social citizenship, let alone redistribution. The poor will be helped if they are perceived as being ‘deserving’. Poverty reduction policies are becoming conditional and those who are ‘non-deserving’ will be punished. Poverty is not a social problem anymore, but a problem of individuals who have to be ‘employable’, can be ‘activated’ and re-directed towards labour markets.

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<sup>12</sup> European Council (2000): Conclusions of the Presidency, Lisbon, 23-24 March; European Council (2010): Conclusions of the Presidency, 17 June.

<sup>13</sup> ETUI (2013): The Euro Crisis and its Impact on national and European social policies, Working Papier, May.

## *2. Alternatives*

The reason why these policies can easily be implemented is linked to the fact that there seem to be no alternatives. For sure, all Western European countries have known huge demonstrations against austerity policies and the dismantlement of social and equal rights, but they are ignored by governments. Trade unions are on the defensive and do no more than stick to a status quo. Civil society is inward-looking and proposes small-scale solutions that are perfectly compatible with neoliberal policies.

Nevertheless, welfare states do have to reform. Societies and economies have changed these past fifty years, women have massively entered the labour market, there are huge numbers of single parent families, migration, de-industrialization, etc. Today, poverty and inequality are growing and demand for better and fairer solutions.

Alternatives, then, are urgent.

### **2.1. Commons**

Many young people, especially those rejecting the 'old order' are developing a new narrative. More and more literature is available on the sharing economy, P2P (peer-to-peer), social and solidarity economy and the commons. Most of these new ideas want to break with capitalism, though nothing is said about strategies, and current practices take place at the local level. Often, they lack politicization and their main objective seems to be to build self-help communities of solidarity. They happily replace public authorities and, instead of dismantling capitalism, they are strengthening and perpetuating neoliberalism.

The concept of 'commons' however can also be used in other sectors and at other levels.

'Commons', according to Dardot & Laval<sup>14</sup>, are all the things that 'we' (at whatever level) decide have to become a 'common'. This 'we' is part of the building of a political community cooperating in the definition of the common and in establishing the rules by which it can be used.

Till now, the concept has been used primarily to design natural elements, such as the seas, the forests, the mountains and the land. But it is also used in the above-mentioned small-scale cooperation initiatives.

A fundamental characteristic of the 'common' is that it never is inherent in the nature of the thing, but always is the result of a social co-activity. Commons are created by cooperating people who decide how this common can be made available to all. It is a fundamental critique of private appropriation and ownership.

Commons can exist at the local, the national, the regional or the global level, but each time, universalism will apply at the level it was created.

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<sup>14</sup> Dardot, P. & Laval, C. (2014): *Commun*, Paris, La Découverte.

## 2.2. Social commons

Reflecting on this practice – without any legal consequences till now -, it is obvious that several social constructions we are used to, can be made into commons.

A first candidate for this conceptual switch could be social protection. If there is anything that belongs to the people, having paid for it through taxes or via social contributions, it is precisely social protection. These systems belong to those who have contributed to its funding.

When welfare states or social protection are perceived as commons, after a defining and regulating process, they can contribute to collective and individual welfare, as emerging from collective and participatory action. The commons sustain our common being, our being together, our co-existence. They go beyond individual interests.

In order to reform the existing social protection and to preserve some of its valuable basic principles, it is possible to start local, national, continental and global debates on what is wanted and needed. People can take the opportunity to enlarge their rights, such as with the indispensable environmental rights to water and land for farmers. All fragmented sub-systems of social protection can be made part of a coherent whole, with social insurances, social assistance, public services, labour right and environmental rights. In so doing, competition between sectors can be avoided and the blurred dividing lines between them can disappear. It is indeed difficult to defend a decent wage for workers, if there are masses of poor and unemployed people ready to take a job at any wage. As it is difficult to help poor people if bad working conditions on the labour market produce more poverty than can be eradicated.

Commons should be multi-level, since a good protection in one city or one country necessarily will promote social dumping from another city or country. Social convergence, without making all systems equal, will be the inevitable consequence. It means that the objective of social commons cannot just be insurance, but also has to be a better redistribution in order to promote more equality.

It is obvious that different political communities will have different priorities, so all systems will be different. This is not problematic, as long as they are compatible with each other and strive to social convergence. Human rights could be the common reference.

## 3. *Social commons and human rights*

Human rights are individual rights, ignoring social relationships. How to make them compatible with commons, as there is clearly a tension between them?

Moreover and more importantly, protecting the rights of people is not the same as protecting society itself. This becomes necessary if a commons approach wants to tackle neoliberalism, a system which destroys societies – remember Thatcher: *‘There is no such thing as society’*.

A commons approach is able to do this as it is constitutive of society as well as it allows to focus on the collective and participatory dimension of the emergence of collective rights.

Human rights then, will have to be re-examined and be made compatible with a societal approach. The French philosopher François Flahault<sup>15</sup> contests the idea that society exists as a consequence of individuals making a 'social contract' in order to satisfy material needs. In this vision, individuals precede society. However, social life is so much more than a practical arrangement for satisfying material needs. It is an end in itself. The reasoning can then be turned around, stating that the individual cannot exist without society. She emerges from society, from the bonds which links people to each other and which link each of us to the whole of society. Social relationships, then, are not purely contractual but are constitutive of each one's individuality.

The individual then, cannot be self-sufficient. The problem with capitalism is indeed its anthropology. The threats against society, caused by destroying relationships, communities and bonds, by promoting competitiveness, flexibility and the struggle for life are real. The welfare of the collectivity does not coincide with the welfare of individuals, and neoliberalism finally kills both. Without solidarity, we do not even exist.

This means that not only individuals have to be protected, but also society as such. Which gives a further justification for social protection as a social common. It will have to protect the material and the immaterial needs, by recognizing the primordial role of social life as a condition for individual life. Re-conceptualized human rights are perfectly compatible with commons. They are complementary. And the commoning process, constitutive of the political community, is a way to protect and preserve this community.

#### *4. Social commons are transformative*

One of the reasons the left is often reluctant to discuss social protection, is the conviction that nothing can be done within capitalism. It is the reasoning that paralysed many social movements.

But the reasoning can also be turned around. What if the promise of better and more protection leads to other power relations that make it possible to promote systemic change? What if an emerging new kind of social protection leads to the awareness that indeed the economic system will have to change as well?

For decades, different proposals have been made for changing productive relationships. Nothing was achieved, capitalism remained as inventive and resilient as ever and today, a new accumulation regime emerged with the extension of the financial sector.

However, with the ongoing climate change, the system comes up against its limits. Capitalism can re-invent itself, but societies can promote other ways of production and consumption. In many countries of Europe and the Americas people did already say farewell to consumerism and experiment with P2P systems, create new cooperatives, etc. If well developed, the social and solidarity economy certainly can harm the system. More importantly, workers taking over their company now also start to see these as commons. They own, manage and use their companies and their products as a collective undertaking, something they have decided on themselves.

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<sup>15</sup> Flahault, F. (2011): *Où est passé le bien commun?*, Paris, Mille et une Nuits.

Reflecting on this and looking at the motivations of the many people working in new systems of production, one finds out that the demands mainly concern the embedding of the economy into society. People want the economy to provide the products they really need, or, in other words, people want the economy *to care* for people, instead of making and accumulating profits.

There is yet another way in which care becomes a priority and makes the commons transformative.

Care is also what links up with ecology. At stake is the survival of the mankind, something that neither markets nor technology can do.

At this point, the links between social commons and climate justice as well as the transformative character of social commons come to light.

Social commons as such cannot change the economic system, but a re-defining of its can go hand in hand with social and ecological protection as commons, whereas climate justice implies caring for nature. What this lead up to is a system taking care of the sustainability of life, of the nature, of individuals and of the society.

## 5. Conclusion

What a system of social commons will look like is difficult to say, since people will have to decide on it. There is no blueprint. Everything will depend on the local conditions and circumstances, as well as of the power relations.

Social commons do not imply the disappearance of the State, on the contrary. The State will be needed to set norms and standards and to guarantee rights.

If the economy works for the needs of people and if all the socially necessary work is shared, the result may be full employment and a drastic reduction of working time.

What will have to be developed is a legal system to protect the rights of the commons and the commoners, since ownership relations will be totally different.

Social commons offer a conceptual framework within which social and economic rights can be extended, universal protection and collective solidarity can be developed. It opens a new horizon with more decision-making power for people. It can become a new paradigm for linking social to climate justice. Social commons can protect society and take care of the immaterial and material needs of people. They can be bread and roses.

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