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Solidary Popular Bank, Ceará, Brazil: A practice compatible with the paradigm of de-growth

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Abstract

This study suggests that solidary economy is one of the possible alternatives for putting into practice the paradigm of de-growth, in spite of the fact that heterogeneous perceptions and definitions of solidary economy call into question its potential. This contribution questions self-adjusting markets as legitimate and efficient institutions which meet human needs through unlimited economic growth and seeks to re-establish social bonds destroyed by monetary exchange relations. It focuses on an interesting solidary economy experience in the Conjunto Palmeira, Fortaleza, Ceará, in northeastern Brazil, which involved the creation of a Popular Bank, based on social control and community guarantees and currently coordinates a series of activities which strengthen the local solidary economy network. Examples of such activities include: creation of a local currency used in a club which includes bartering, collective buying, mapping of production and local consumption, incubating initiatives of at-risk women, trading services with no monetary exchanges, cooperatives etc. These practices are compatible with ecological democracy, relocation and local autonomy. These self-managed segments may constitute a level of reality in which the social institution of economic relations is plural and leads to bottom-up transformation of the dominant economic paradigm. Evidently, in order for this transformation to take place, changes are necessary at the global level, in which economic relations are instituted in the market. Nevertheless, it may be concluded that de-growth and this concept of solidary economy create a positive feedback cycle, improving the quality of life and reducing consumption of natural resources.

Keywords

solidary economy; Popular Bank, case study; Brazil

1 Introduction¹

Werner Heisenberg's manuscript under the title *Reality and its Order*, unknown until 25 years ago, contains philosophical reflections by the 1932 Nobel Prize winner in Physics. What draws attention is that the author considers the symbolic and social dimension of sciences and reality. Likewise, this study does not intend to apply exact science concepts mechanically to social science discussions.

De-growth and solidary economy propositions are marked by controversy, be it regarding their institutional and political possibilities for effectiveness, or regarding the theoretical coherence between the two.

The objective of this study is to discuss this relation within Heisenberg's proposal. The first part contains a presentation and discussion of the philosophical consequences for sciences, as well as the social reality of the author's proposal. The second part presents Marcel Mauss' theory of the gift as an alternative to methodological individualism and as the basis for solidary economy in the perspective of a plural society (Polanyi,2000). In the third part, an analysis of points of convergence between the solidary popular bank and de-growth, using the Palmas Bank as an example. The two previous parts illustrate the situation in which the experience of this popular bank is analyzed.

2 Order of Reality and Social Paradigm

The idea of de-growth is based on a set of relatively well-known conclusions and principles. Entropy in the economic system, as established by Georgescu-Roegen, is contrary to the possibility of unlimited growth, since it goes against the perception that the finite nature of natural resources will be historically overcome by technical progress, which would lead to an infinite capability of substitution of resources. This means that it is not possible to universally extend consumption patterns of developed countries to the nearly seven billion inhabitants Earth currently has, since this would require approximately four such planets.

There is much controversy regarding whether or not a stable *per capita* consumption of natural resources is necessary in order to reach sustainability. This leads us to the discussion regarding the need for growth, which is considered a basic value in modern society. Thus, the idea of a stationary state or even de-growth is circumscribed by the proposition of a new social paradigm.

A social paradigm is directly related with the scientific thinking of its time. Development of modern science led to experiments which proved that matter behaves as a particle at times, while it takes on wave behavior at others, or both. This discovery by Max Planck became known as quantum of action.

In quantum physics, the entity, *Quantum*, is indivisible. The implication of this is that quantum transitions are discrete, not made up of a continuous serial transformation between a starting and final state. This discontinuity shows that there is nothing, not even objects, atoms, molecules, or particles between both states. This means that local causality² cannot be established at the quantum level. Global causality is observed in this domain, which conceives the system containing all physical entities in its set. These entities interact regardless of the distance between them, i.e. they are inseparable.³

Quantum is also characterized by the impossibility of being located in a precise point in space and time. Added to inexistence of local causality, this indeterminism means that the concept of trajectory, so dear to classical physics, loses its meaning at the quantum level. Mathematical formalization needed for

¹ All the citations had been translated of the Portuguese for the authors.

² Continuous chain of causes and effects.

³ "The existence of non-local correlations expands the field of truth, of reality" (Nicolescu,1999: 28).

representation of this system state is not simple, since the properties of matter are presented as statistically⁴ revealed potentialities. This is due to the fact that the effect of the means of observation on the object under observation adds an uncontrolled disturbance, making it no longer possible to obtain the precision and accuracy of classical physics. In quantum physics the properties of matter are characterized by a wave function. Nonetheless, this function is not associated with the actual properties of an individual object, event or process.

The result is that quantum does not have properties which are independent of the experimental context or formulated questions, and determination of its properties in a univocal manner is not possible. The process of experimentation itself results in indetermination⁵ of some properties in a system during establishment of emergence of another property. Thus, determinant parts in a system are considered complementary.

Philosophical and cultural implications of this entire process are profound. "The greatest cultural impact of the quantum revolution is, no doubt, questioning the contemporary philosophical dogma of existence at a single level of reality." (Nicolescu, 1999: 30).

Among the main consequences of this process listed by Werner Heisenberg, the following stand out:

- The impossibility of separation between subject and object, which creates the need for re-signification of the notion of objective reality;
- Re-signification of the notion of reality transcends the simplistic notion of objective-subjective reality;
- Construction of a new language and new orientation for the power of language and symbolism regarding the form of carrying out the world⁶.

Quantum physics show that our knowledge is of a "state" rather than a physical fact and the reality about which we are able to speak is not itself a reality, but rather the knowledge we have of it. Therefore, truth is no longer a correspondence between theory and knowledge, or nature and reality. The object of investigation ceases to be nature itself and becomes nature as human perception sees it. The image constructed by science is not that of nature, but of our relationship with it.

What can be put into objectivity is not natural objects and processes, but knowledge, the laws we formulate about them. In other words, method and object are no longer entities which exist separately (Costa & Videira, 2009: XXVII).

Regarding the question of whether scientific truth exists, Heisenberg answers that scientific truth can be coherent and definitive if the notion of the domain of validity of a theory is accepted. Additionally, it is not possible to apply the same concept of truth or theory or the same method to different domains of the human experience.

Another point highlighted by Heisenberg is that the word image no longer refers only to science and knowledge, it should include other dimensions in which human action is present, such as ethics, arts and even religion. A reconnection of science, ethics and arts is necessary. Science alone is not sufficient for the

4 Probabilities. Initially this technique was seen as an alternative whenever the starting state of a system was unknown. It would be a mere juxtaposition of trajectories. From this standpoint, probabilities translate our ignorance and the level of individual description is equal to the probabilistic. However, Prigogine defends that in stable systems both descriptions are equal, but in the presence of instability, probabilities take on an intrinsic meaning. Given the sensitivity to starting conditions, the trajectory becomes an idealization and "distribution of probability allows us to incorporate the complex microstructure of the space of phases into dynamic description. It thus contains additional information, which is lost in the description of individual trajectories." (Prigogine, 1996:39).

5 Also known as the Heisenberg uncertainty principle.

6 "It should be emphasized here that the meaning of a word may depend widely on the connections in which the word is used. More precise consideration allows us to see that there are no isolated concepts or words associated with them from which thoughts construct a proposition like bricks." (Heisenberg, 2009: 11).

reflection of the fate of humankind, since it is not enough to know more in order to reach the desired destination⁷ (Heisenberg, 2009).

We no doubt need to content ourselves from the start with the fact that very diverse connections may determine our life; and if the word reality means nothing more than the set of connections by which our life is amalgamated and supported, then it is certainly true that there must be very diverse regions or layers of reality. (Heisenberg, 2009:7).

Reality would not be strictly that which can be put into objectivity in space and time, but that which is “carried out”⁸.

Subjectivity is related with the fact that it is not possible to undertake an abstraction along with a description of the connections of a domain in which we are intertwined. Nevertheless, these relations can be put into objectivity.

Order ascends from the objective to the subjective element, so it is thus visible that the procedure of knowledge which informs us about reality forms by itself an increasingly integrating part of the connections which constitute the region under analysis. (Heisenberg, 2009:33).

In spite of the existence of domains or levels of reality, it is a coordinated set and its organization in regions should replace the crude division between objectivity and subjectivity. It should extend between the poles of object and subject, in a manner in which complete objectivity is possible at the lower echelons. From these, intermediate echelons are coordinated, in which the state of things cannot be separated from the process of knowledge. The higher regions of reality refer to the states of things which can only be created in connection with the process of knowledge⁹.

Concepts may be considered privileged points, by means of which the many echelons become intertwined. Language is important for expression of thoughts regarding the states of things. This presentation cannot and need not be complete. It must contain what is essential and will serve as an embryo for other series of thoughts. That is, the fruitful character and interpretation of the concepts matter more than their precision. This is the region whose thought has a dynamic characteristic in its presentation of reality.

Nevertheless, every presentation of reality bears traces of dynamic thought and static thought. In static thought language seeks the greatest possible precision of the state of things by means of fixation on details of conceptual relations.

So far, transitions between one region and the next is only well-understood at the lower echelons. At the intermediate and higher echelons, the abyss between conceptual systems can be overcome by intuitive thought as by a leap, but cannot be overcome by means of construction of a formal conclusion bridge.

It should be pointed out that order presupposes our existence and it can thus be said that it is our comprehension of reality or a configuration we make that is ordered. It is in this regard that higher echelons are directly related with human conscience and creative power, reflecting the existence of a spiritual dimension.

All which is spiritual, be it in language, science, or art, rests upon application and the strength of symbols. Spiritual contents are not connected with bodies, but are rather transmitted by symbols. In this case, the symbolic force of an object or process – similarly to conscience or life – is something entirely objective, or perhaps more precisely said: can be put into objectivity. (Heisenberg, 2009:109).

⁷ The 1942 Heisenberg manuscript, under the title Reality and its Order, is better understood when put into the context of its historical moment, the sources of disturbances – such as the Second World War and the Nazism – led him to think about the need for orientation or order of reality.

⁸ Greek gods effectively ruled over the Greek world while sacrifices were made to them.

⁹ The order proposed by Heisenberg is: classical physics as the lower echelon; quantum physics, with chemistry as a particular projection of this domain in the level of space-time objective processes; organic or biological life; conscience; form and symbol (language, arts, sciences); and creative forces (religion, inspiration and the great allegory).

Language establishes a different connection among men than biological ones, since this connection is consciously established and subordinated to our will. It is this creative power which makes us human and not mere living beings.

It was based on these ideas that transdisciplinary thinking arose, which means transgression of the logic of a single reality, lacking in coordination between opposites, such as: subject and object, simplicity and complexity, order and disorder etc.

The logic of transdisciplinarity is the logic of the third included, in which:

- A is A
- A is not not-A
- There is a third term "T" which is at the same time A and not A.
- T is A and not-A.

Thus, transdisciplinary knowledge understands that reality is multi-dimensional and its causality is conceived in a circular and multi-referenced manner, albeit supported by disciplinary thinking. That is, transdisciplinarity and disciplinarity are complementary.

Contraries coexist¹⁰ and as in quantum physics there is discontinuity¹¹ between the many levels of reality. This is an open unit, since at each level of reality in which contradictions are articulated, new contradictions arise as a result. This means that theories are temporary and historical and that there is no complete theory.

There is, however, a direct relation between logic and the environment, which can be: physical, chemical, biological, psychic, macro and micro sociological. The environment, as knowledge and comprehension, changes over time. Therefore, logic can only have an empirical foundation. (Nicolescu, 1999:37).

Furthermore, as stated by Heisenberg, transitions between the higher levels of reality cannot be formalized¹², they are understood by means of leaps of intuitive thought. Discontinuity refers to existence of a gap, similar to a quantum gap, in which all is a variation of being and not being. This gap is filled with all potentialities and the quantum imagination has no images.

Comprehension of the quantum world thus undergoes a lived experience, which integrates knowledge – based on theory and scientific experience – in our own beings, making us aware of another level of perception within ourselves. (Nicolescu, 2009:80).

In this regard knowledge can be at the same time internal and external and perception is made up of two simultaneous and interacting paths: from the outside to the inside and from the inside outward. "Human beings learn based on knowledge which has been structured (not a tabula rasa), not only objective knowledge, but also sensations, emotions and intuitions." (Santos, 2009:35).

Construction of knowledge is a continuous process, not dissociated from human affection and not a solitary construction. Humans are conditioned and not determined by their environment. In order to ensure survival they adapt and become flexible, capable of reorganizing when faced with new cultural and social requirements. (Santos, 2009).

The search for meaning in the process of knowledge requires an epistemological transgression. In it, the

¹⁰ In the logic of the third included, the triad made up of A, not-A and the third term included, co-exist at the same moment in time. In the Hegelian triad, the terms are successive over time.

¹¹ Nicolescu sees this phenomenon as the existence of that which is sacred, which cannot be rationalized.

¹² This is due to our limitations and those of whatever instruments "alleviate" these limitations (Nicolescu, 1999).

human being is faced with the challenge of experiencing new values from new mental models expressed in theories aimed at explaining and responding to phenomena in a given historical circumstance and which, in order to be put into effect, bring about a change in social behavior by means of construction of new organizations and institutions.

3 Reality as a Plural Society

The following reflection is based on the proposition that there are levels of reality and transdisciplinarity. We are at the historical moment in which evolution is strictly related with the process of knowledge. Nevertheless, this process is a social construction. This social construction is intentional and circumscribed in the creative dimension of human beings.

In a simplified manner we may conclude that evolution, as an intentional process of searching, is a need of the human species. In most animal species, evolution takes place by means of genetics, natural selection, and instinct. Animals are practically born knowing how to behave or instinctively discover all necessary movements and practices for their survival as individuals and as a species. In the case of the human species, this must be taught and learned in a minimally conscious form. The human species needs to think its society in order to survive, to distribute the goods necessary for survival etc. Social organization of the human species changes and develops according to needs, discoveries and values of the human conscience¹³.

The large social appeal of the current socioeconomic order consists in the freedom of potentially undesired social relations, by means of the contract¹⁴. This freedom is permitted by immediate and permanent liquidation of debt in the heart of social relations by means of the use of currency and the fact that preferences are given and not questioned. It is a model which proclaims itself neutral regarding values. More detained observation shows that

The market adds a condition to functionality which affects neutrality: whatever the values may be, it must be possible to sell them, to transform them into merchandise in the form of products which are released into the market. Freedom is complete, under the condition of being able to translate all values, beliefs, passions into a demand for consumer goods (or services). (Godbout, 2002:68).

This means there is a basic value: growth.

Modern man has all freedoms, except for not contributing to growth of the GNP [...] If, thanks to modern times, we are set free from our bonds, we become, on the other hand, increasingly dependent on our assets [...] our products and, overall, on our capacity to produce more and more. (Godbout, 2002:68-69).

This theory is based on utilitarian methodological individualism¹⁵ and on the mechanist paradigm, which defends that the market is a system which produces well-being and order spontaneously, by means of a reversible pendulum movement between supply and demand. This means that scarcity of resources and capital is coordinated by the market mechanism, i.e. by the summary of spontaneous individual choices, in an efficient and optimal manner¹⁶. This efficiency is achieved by aggregating individual behaviors, which reflect preferences in search of maximized utility perceived as autonomous consumption of merchandise. The consumer's sovereignty is a cornerstone in neoclassical theory. It means that consumers' preferences are unquestionable and fixed propositions, which do not change over time.

¹³ In this regard, conscience transcends to formal and objective knowledge. It integrates the relation between intuitive thought and rational thought.

¹⁴ The contract makes it possible to acquire whatever is desired from another with no establishment of bonds.

¹⁵ It is believed that it is possible to reduce social phenomena to results of individual decisions and actions.

¹⁶ Economic efficiency is defined by the Pareto Optimum. This is an allocation of resources in which it is not possible to improve the well-being of an economic agent without negatively affecting the well-being of another.

In other words, in the view adopted by neoclassical economics it is the individual who configures reality. However, since production ceased to be carried out by individual instruments and requires cooperation of everyone, interests are no longer individual, but have become collective. This means that reality extrapolates the limits of individual actions and market principles.

It can also be observed that this model, known as homo economicus, was gradually incorporated in social sciences, becoming a postulate. In other words, it is inserted in the

[...] structure which is subjacent to the scientific process, to the types of questions considered relevant for science, the qualifications of its answers, the set of methods and techniques to test theories, the degree of strictness necessary and commonly accepted with regard to acceptance or rejection of theories, the institutional context in which researchers work – in summary, the entire set of factors which Kuhn combines in the definition of paradigm. (Dopfer, 1979:12).

The consequences of this postulate for society put in check its validity for the current level of evolution of knowledge and reality.

Marketing “everything” destroys social bonds and ignores the needs of the human soul. Individuals do not need only material goods and are not mere producers and consumers. The market brought about economic growth, as well as psychic and moral involution, which produces social degradation in the form of wars, hunger, drugs, corruption, unemployment, inflation, financial imbalances, violence, diseases and epidemics, environmental degradation etc.

It is thus the moment to construct another social paradigm based on rescuing the principles lost in market society.

Marcel Mauss conceives reality as a symbolic order, in which the central symbol is the Gift. There are many interpretations of Mauss’ thinking and contributions by other thinkers to this topic. We discuss here the anti-utilitarian concept.

In the paradigm of the gift there is an intimate connection between symbolism and the obligation to give, receive and give back, a type of solidarity indispensable in human societies, for which material interests are subordinated. Social order is thus supreme over economic and contractual order.

The notion of gift constitutes a new paradigm in social sciences. It is an anti-paradigmatic alternative to methodological individualism and holism, since they are not capable of grasping the genesis of the social bond. In methodological individualism and holism, the subjects, be they individual or collective, are limited to applying an aprioristic model of the structural logic to which they are connected. The Gift paradigm proposes structural uncertainty, a plurality of possibilities for individual initiatives and responses and does not presuppose monetary equality. Exchanges are symbolic.

Nevertheless, this is not mere altruism. There are interests involved, although the interests are a consequence of the wager on generosity. This means that solidary behavior is expected to be fruitful, although it is a possibility rather than a certainty. Furthermore, it stands out that instrumental interests (of having) are hierarchically secondary to interests of being. That is, the desire to give cannot be reduced to calculation and instrumentality. (Caillé, 1998).

- In the gift paradigm, the idea of obligation does not exclude the freedom of individuals, which does not result in liquidation of debt. It is found within the social bond and consists in making the bond itself freer. Givers voluntarily and permanently choose uncertainty, stepping away from the contract, the rule of duty or any universal rule, which constrains the other person regardless of his or her feelings. “The true gift is that which does not have the purpose of conformity with a social convention or rule, but rather expressing the bond with the person.” (Godbout, 2002:75).
- This structural uncertainty is given by the fact that retribution is not certain and is made up of the opportunity the receiver has of putting the gift into practice. It is this uncertainty which enables

manifestation of trust and, consequently, strengthening of social bonds.

The Gift makes it possible to develop a political view based on society itself, which is not supreme over market or state. The proposal is to reinsert State and market into a social and political order which bears global meaning. It is a new form of organizing social relations and incorporating the idea that these relations can be multiple because they are developed in specific contexts.

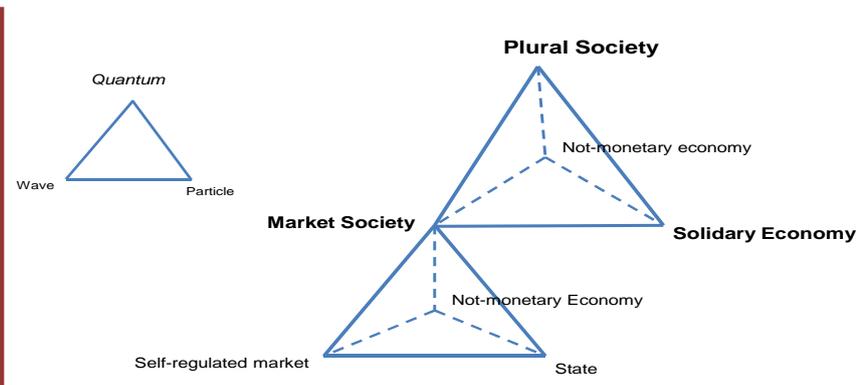
The market principle should not be confused with the market as a physical or virtual place of exchanges. The self-regulated market was historically overcome by the market society with permission from state action. This process presupposes transformation of elements which are central for social life, such as the human being, nature and currency, into merchandise. (Polanyi, 2000).

The ideas which are presented are the conceptual basis for solidary economy experiences. The perception of existence of socioeconomic logics which are distinct from the market principle is developed based on quantum logic.

Since quantum exists, and is found at a level of reality which is superior, in which contraries, wave and corpuscle, are coordinated, we may infer that social reality can have several levels in which several types of social relations may be coordinated, based on different principles and forms of institutions.

Fig. 1 Quantum logic and perception of the society

Source: Own elaboration



Perception of society or economy as plural is filled with aspects related with different currents of thought and distinct thinkers. It is not our goal to discuss these aspects, but rather to seek a convergence point, more concerned with positive results of theories and perceptions than with conceptual precision.

Furthermore, stating that a specific perception is right or wrong is not intended. There are different levels of reality, to which different types of perception correspond, each being true to the extent in which new perceptions arise. A level of reality which corresponds to a level of perception and representation is what it is due to the open unit among the many levels.

Theory is not knowledge, it enables knowledge. A theory is not a point of arrival, it is a possible point of departure. A theory is not a solution, it is the possibility of addressing a problem. A theory only fulfills its cognitive role, only comes to life, with full employment of the subject's mental faculties [...] A recursive relation between method and theory is established. Method generated by theory regenerates theory itself. (Morin, 2003: 24).

Therefore, we cannot think that an alternative theory or model holding a new totality should fall upon society. Transformation will derive from reality, from practices based on new principles, such as the Gift, reciprocity, solidarity; which will constitute a space for democratic learning and experience. These principles provide the path or set of possibilities for a diversity of experiences which will be aligned with the specificities of each experience. In other words, there will be experiences which will be more successful than others.

One possibility which may reduce the marginal character of solidary economy experiences is formation of

regrouped networks of solidary economy. It reduces the leakage of wealth when purchases are made in the market of products which do not exist in the network. The regrouping guided by different principles than those of the market will be strengthened as different products and sectors are gradually added. Formation of networks places value on the individual citizen and not on the individual consumer, since the networks are self-managed. This context may lead to bottom-up economic and political democratization¹⁷, configuring autonomous public spaces which are complementary with regard to public state spaces. This may mean reduced willpower of the self-regulated market.

Criticism is aimed at certain solidary economy experiences regarding strong participation of the State, by means of Polanyian redistribution of wealth, making these experiences dependent on it. Historically, though, Market Society benefitted not only from State-distributed wealth, but also from State action toward legitimization of practices such as enclosures¹⁸.

Furthermore, having the Principle of autonomy/dependence¹⁹ of Complex Thought as reference, we may state that not only solidary economy networks are dependent on external resources, but also that Market Society is surrounded by externalities²⁰.

4 De-growth and the practice of the Solidary Popular Bank

De-growth is not simply negative growth, but means reducing or suppressing the negative externalities caused by economic growth in market society.

Questioning the considerable volume of dislocations of people and merchandise in the planet with its corresponding negative impact on the environment (therefore a relocation of economy), questioning the equally considerable noisy and often nefarious publicity, questioning, in summary, the accelerated obsolescence of products and disposable gadgets with no more justification than increasing the speed at which the infernal mega-machine can produce turnover, constitute important reserves of de-growth in material consumption. (Latouche, 2006:9).

It is about re-introduction of what is social and political into exchange relations, aiming at re-discovering the objective of the common good. It is necessary to question domination of economy over life and resist colonization of fabricated needs. True wealth consists in full development of social relations of living together and re-opening the space of inventiveness and creativity of the imagination blocked by economic totalitarianism.

Decisions regarding what to produce, how much and how – normally in the hands of the market mechanism, therefore, become a social choice which is not subordinated to accumulation interests diffused by advertising. Priority would be given to production of goods which increase the quality of life of people excluded from the individual consumption society. In other words, the economic system would function primarily for production of public goods and would shift the demand for superfluous goods with ecological impact in favor of relational goods. These goods should meet the demand for “attention”, care, knowledge, participation, creative spaces etc.

¹⁷ Economic democratization is used here due to the fact that it enables a new practice of insertion in the workforce which is alternative to the market. It is political due to the decision-making space in self-management.

¹⁸ The primitive process of accumulation which was described by Marx as a lengthy historical process, started as early as the XIV century, in which lands were fenced in and the masses were removed, often by force, from the land and thrown into the workforce as free proletarians, unprotected and having no rights. Furthermore, this historical process of expropriation of the agricultural producer, the peasant, walked hand-in-hand with the genesis of the capitalist farmer and the industrial capitalist. (Foster, 2005).

¹⁹ Subsystems are autonomous in regulation but dependent on external flows of energy, information, culture etc.

²⁰ Generally speaking, environmental goods and services are public assets, characterized by non-rivalry and non-exclusivity. For this reason, property rights are difficult to establish and, consequently, spontaneous marketing is not possible. This means that no price is put on them in the market. Nevertheless, since they are effectively used, they generate benefits and/or costs which are not reflected by the market mechanism. In other words, externalities.

It may be observed that many principles and objectives are common and even complementary between propositions of de-growth and solidarity practices based on the principle of the gift. Both can be considered potentially revolutionary propositions, but only if they become part of the process of production of knowledge, entering the imagination of people and becoming social practices.

This is the greatest difficulty in any true revolution. It needs to change everyday practice, habits, thoughts and social symbols. No doubt these are the primary institutions of society, even if they are not considered the most important or central. The question is: central for whom?

Furthermore, it is necessary to bear in mind that this revolution should also be made up of levels of realization. A solidarity economy practice may be a revolution for people in a given location, even if multinational companies remain. This is not about sudden replacement of the main socioeconomic institutions, even if it is a sudden historical process.

The Solidary Popular Bank makes possible the start of a rescue or new transformation of primordial functions, of human being, of nature and currency, which have been turned into merchandise by the Market Society.

Rescuing the human being is performed by a new form of insertion in the workforce, with participation in decision-making in the association and increased sociability.

Rescuing nature, or better yet, conservation of whatever remaining nature there is, can be put into practice during implementation of ecologically responsible enterprises²¹ by the network of solidarity socioeconomy, as well as by environmental education initiatives.

Rescuing the primordial function of currency takes place by means of creation of a local currency with the capacity to generate economic and social bonds, since in the solidarity perspective, the two are not separate.

Local, social or complementary currencies may play the role of an accounting unit and a means of exchange. In light of the agreement of the association, they must not play the part of a reserve, since this would mean hoarding and leakage in the flow of wealth produced by the community. They represent another type of social relation of production and distribution of wealth.

The main objectives of these currencies are to make exchanges within the community dynamic, act as a counterpart to the lack of official currency and ensure employment and income in the community. In other words, to distribute wealth.

Box 1 The nature of the paper of the types of currency

Source: Patrick Viveret, 2006

Bernard Lieter defines currency as a result of a conscious consensus of the community, which provides a means of exchange.

He defines two types of currency:

Yang currencies, which base their emission on hierarchy. They lead to centralization, to accumulation by a minority which invests in short-term assets. These currencies are scarce and lead to competition. All conventional national currencies are yang, since they bear these characteristics.

Yin currencies are equalitarian and discourage accumulation, while at the same time encouraging cooperation among users and leading to decentralization (they are a local support). They are always available in abundance.

²¹ It should be kept in mind that a capitalist company is not the same as an enterprise, since there may be enterprises that are collective, cooperative, self-managed etc.

The Palmas Solidary Popular Bank, located in the Conjunto Palmeiras (Fortaleza, Ceará, Brazil), had its origin in activities of a local neighborhood association.

In the 1990s, the association mobilized the community to advocate urbanization of the neighborhood and regularize the land tenure situation of the lots. Agreements with the Fortaleza local government and the Government of the State of Ceará made it possible to turn the request into reality.

Nevertheless, the population remained poor, to the point of selling their homes and moving to other substandard neighborhoods due to the lack of financial security to pay the fees for public services such as sewage, water supply and even property taxes.

During a seminar held by the association in 1997, the community became aware that they had wasted an opportunity to generate employment and income in the neighborhood. They could have created community enterprises to perform services in the process of urbanization.

An important conclusion was that most inhabitants shopped outside the neighborhood, which made the locally generated income circulate and exert its multiplicative power outside the community.

The first action taken was organization of consumers by means of creation of a credit card valid only in the community and a community bank.

The way in which we consume defines the type of society we want to build. Consuming is not only an economic attitude, it is also a political attitude. (Melo Neto, 2008: D-16).

The bank²² started operating with a loan of R\$2,000.00 from a Fortaleza NGO which made possible credit for five producers and granting the PalmCard to 20 families. As a rule for credit analysis, the neighborhood is consulted regarding the conduct of the candidate for a loan, or a community guarantee is employed²³. Up to 2010²⁴, the bank accounted for generation of 1800 jobs and in 10 years reached R\$2.5 millions in credit granted in both currencies.

The bank does not only deal in currency, but also ideas, interpersonal relations, products, knowledge etc. It is a space for living together, social inclusion, learning citizenship. The community gathers weekly, at the Local Socioeconomic Forum (Fórum Socioeconômico Local – FECOL), to debate strategies and decide which projects will be supported and when.

Box 2 Palmas Solidary Popular Bank products

Source: Melo Neto, J.J. and Magalhães, S., 2008

- Local *fair* on weekends aimed at giving visibility to products;
- Solidary *store* filling the gap of a sales point during weekdays;
- Creation of the *local currency* and exchange club with the objective of fostering local initiatives for production and consumption, since at the exchange club everyone is simultaneously a producer and a consumer.
- *Collective shopping* to lower costs and make possible access to certain products;
- *Mapping production/consumption*, sectoral groups and solidary enterprises with the objective of diversifying the local production chain, directing it toward products in higher demand at the community, in this case food, avoiding competition;
- Creation of the *Solidary Socioeconomics Network*, under the Palm brand;
- *Urban agriculture laboratories* to assist in food security;
- *Incubator for persons* at risk creating opportunities for inclusion of these people;
- Community *Solidary Socioeconomics School* to develop the culture of solidarity; and
- *Foster Project*, or cloning of donations and public funds in local currency.

²² Relations established between loaners and debtors are based on trust, there are no contractual guarantees, the main objective is not profit, but rather sharing of the common good, in opposition to poverty and unemployment.

²³ In this practice the individual loan was connected with a group of people who should honor their debts or be penalized with denied access to future credit for the group.

²⁴ João Joaquim de Melo Neto, Bank Palmas Director interviewed in January, 2010.

Currently, the experience of the Palmas Bank serves as an example of methodology for implementation of community banks all over Brazil. Furthermore, the Palmas Institute was created, providing consultancy services for the Ministry of Labor and Employment (*Ministério do Trabalho e Emprego* - MTE) in its Project for Support of Organization of Community Banks²⁵. However, it should be noted that this methodology is only successful if it is perfectly understood and carried out by communities themselves.

Many demands arose and creation of these products took place gradually with reflections regarding the limitations and difficulties faced by the project.

An important point is the attempt to evaluate these initiatives with quantitative indicators of variables which are important for logic which differs from the logic of solidarity. The greater part of the most important variables in these experiences is impossible to be measured and can only be grasped relatively, by means of qualitative evaluation techniques.

In summary, the practice examined here is compatible with the paradigm of de-growth, since it enables economic relocation, while giving priority to local economy, saving costs with fuel and reducing the emission of greenhouse gases, and since, by means of redistribution, it generates employment and income for populations in precarious situations and promotes emergence of relational goods.

5 Conclusion

From a transdisciplinary perspective, in which opposites co-exist and interact, producing another order or level of reality, complementariness can be found between de-growth and solidary economy from a theoretical standpoint and that of the experiences, in the context in which reality is seen as a plural society.

A Solidary Popular Bank similar to the Palmas Bank is an important step toward re-establishing the primordial functions of human beings, nature and currency, which have been transformed by the market society.

The bank, in addition to all services mentioned above, enables strengthening of the local economy, shifting the demand from market products to community production, redistributing wealth among the population in need and creating the potential for transformation of the social paradigm by means of bottom-up democracy.

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²⁵ Dourados, Minas Gerais; Vila Velha, Espírito Santo; Vitória, Espírito Santo; Simões Filho, Bahia; Salvador, Bahia; João Pessoa, Paraíba; Palmacia, Ceará; Santana do Acaraú, Ceará; Paracuru, Ceará; Beberibe, Ceará; Irauçuba, Ceará; Paramoti, Ceará; Maranguape, Ceará; Maracanau, Ceará; Fortaleza, Ceará; Alcântara, Maranhão; and São João do Arraial, Piauí (Melo Neto, 2008).

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