

THE EXCHANGE SPHERE IN THE SOLIDARY ECONOMY: SOLIDARY COMMERCE AND CONSUMPTION IN THE CITY

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ABSTRACT

Exchange is a condition for the reproduction. Production and consumption, mediated by distribution and by exchange, are inseparable spheres as states Karl Marx in Introduction to the Political Economy Critic (2008). Identifying and analyzing the exchange forms in the Solidary Economy and its relation with the space produced by capitalism brings to us a new understanding possibility about the social reproduction conditions. The objective of the text is to develop a critical analysis of the conditions of the exchange forms reproduction of the Solidary Economy, especially of the commerce and solidary consumption.

KEY-WORDS: Pace, City, Solidary Economy, Commerce, Solidary Consumption

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Resumen

El intercambio es un requisito para la reproducción. Producción y consumo, mediados por la distribución y el intercambio, son esferas inseparables según lo declarado por Karl Marx en la Introducción a la Crítica de la Economía Política (2008). Identificar y analizar las formas de intercambio en la economía solidaria y su relación con el espacio producido por el capitalismo nos trae una nueva posibilidad de comprensión acerca de las condiciones de la reproducción social. El objetivo de este artículo

es desarrollar un análisis crítico de las condiciones de reproducción de las formas de intercambio de la Economía Solidaria, especialmente de comercio y consumo.

PALABRAS-CLAVE: Lugar, ciudad, economía solidaria, comercio, consumo solidário.

INTRODUCTION

The exchange is a strategic sphere for the social reproduction. The exchange development is closely linked to the work social division since the primitive communitarian regime as demonstrated by Jane Jacobs in *La economía de las ciudades* (1975) when he presents his hypothesis based on archaeological studies that the exchange does not emerge from the excess production, but from the necessity to acquire other objects not produced by isolated communities. Likewise, through his analyses, Jacobs reverses the understanding that the origin of the cities is in the necessity of the country area in exchanging its excess. Thus, the exchange and the city gain a new explanation. Both do not emerge, historically, from the country area excess. From this premise we interline our studies about the Solidary Economy forms. Understanding the relation between the urban space production and commercial forms is the objective of a Brazilian researchers group that constitutes the Commerce and Consumption Studies Nucleus (Núcleo de Estudos sobre Comércio e Consumo - NECC). Our insertion in this group has the objective to understand the relation between the Solidary Economy exchange forms to the urban space reproduction.

The Solidary Economy consists in a form of production, distribution, commercialization, exchange, consumption and finances, with a cooperative and self-managed base, having as a goal the reproduction of the associated work and of another way of living. This production form involves the social, economic, political, cultural and spatial dimension, where it is inserted with the perspective of the construction of a solidary and democratic society, reaffirming the emergence of social actors with the workers emancipation as historical subjects.

We start from the premise that the consumption is one of the axes of identity construction. If in the capitalism the consumption imposes a globalization/alienation of the place through the homogenization of a global taste offered by the big global retail brands and their franchises, we set the hypothesis that, in the Solidary Economy, the consumption searches the appropriation/belonging of the place by communities which reproduce their living conditions through social relations based on the reciprocity and on the cooperation.

We pursue through the Solidary Economy study, to understand the new economical forms in the city. These forms, which contest the traditional capitalist forms present a contradiction inherent to their existence. The Solidary Economy forms are inserted in the space produced by the capitalist social relations which are their reproduction condition. Karl Marx (2008), states that the production, distribution, exchange and consumption are inseparable spheres of the production general relation. Our doctorate thesis emphasizes that it is only through the exchange that the production is accomplished and is transformed into reproduction. This rule is not applied only for the capitalism. It is applied with equal relevance in the Solidary economy. It is not enough to have solidary production it is not enough to have self-management in the merchandise production. To actually be materialized an economy which is solidary it is necessary that the self-management and the reciprocity also become effective in the sphere of distribution, of exchange and of consumption.

In the general relation of the production with the distribution, exchange and consumption in the Solidary Economy, the central terms are the ones which are presented to us in the most instigating form. Perhaps because the distribution and the exchange are in the particularity, while the production is the generality and the consumption, the individuality, according to the syllogism rules exposed by Karl Marx (2008). Which particularity is this? For Karl Marx the chaining exists, but it is superficial. Then the difficulty to understand it out of what is established as standard, as hegemonic. In this superficial chaining the distribution is determined by the

social contingency, that by its own meaning, is unpredictable, fortuitous, escapes from control, an unknown eventuality.

A rule of the general relation established by Karl Marx seems unquestionable, even in the Solidary Economy: the production is also immediately consumption. For beyond the consideration that the production itself is also an act of consumption, but besides that because the consumption stimulates the production, because it creates the necessity of a new production. “Without necessity there’s no production. But the consumption reproduces the necessity” (MARX, 2008, p. 246). The production which is not consumed is not accomplished. The goal of the product is the consumption. It is in the consumption that the product is really turned into product. Karl Marx’s examples illustrate this question very well: a dress is truly converted into a dress when it is worn; an uninhabited house is not for real a truly house. Likewise, the Solidary Economy production only reaches its aim when it is consumed. The reproduction of the Solidary Economy has consumption not as a final point, but as a starting point, because, in the moment of the acquisition and of the use of the product, it is being fostered the conditions of the production realization, to its reproduction.

It is not enough to have solidary production, it is needed the solidary consumption, both intermediated by exchange as circulation sphere, which contains the exchange determined by the subject and the distribution determined by society.

COMMERCIAL AND CONSUMPTION SPACE

To study the commerce and consumption space is inserted in one of the proposals for the understanding about the city and the urban. In the Critical Geography this analysis is founded in the Marxist presupposition of the general relation of the production, distribution, exchange and consumption, as articulated spheres which reproduce the capitalist production from.

The shapes that the exchange assumes in the city reveal approach strategies between the merchandise and the consumer and are turned into conditions for

the reproduction of the capitalist production form and, also, in our conception, for the reproduction of the Solidary Economy even though we can't state that it, today, is a production way.

Pintaudi (1999) considers that the commercial activity belongs to the urban essence and the deepening of its study allows a better understanding of the space and of the life of the city and in the city. In her argumentation the author defends that the study of the commercial forms implies the study of space. By this perspective an investigation line was developed by Pint Audi from the understanding of the commercial and consumption spaces as reproduction condition of the production social relations in the capitalism and that intrinsically implies the reproduction of the very mode of the production itself.

For beyond the shape, Pintaudi (1999) considers that the commercial analysis, by the Critical Geography perspective, also implies the analysis of the structure and of the function, according to the associated triad of Lefebvre (1983, p. 162, aped PINTAUDI, 1999, p. 145). The particularity of this investigation line comes from the premise that "the commercial forms are, foremost, social forms; it's the social relations that produce the forms that, at the same time promote social relations" (PINTAUDI, 1999, p. 145).

Therefore, it is not about the analysis of the commercial form restricted to itself, or even of the place that it occupies in the city, but why it occupies such place and how this localization implies the reproduction of the urban space and the social reproduction. The commercial forms in the capitalism enclose a purpose: the capital amplified reproduction. The occupation of the place does not happen by chance, because it is a condition for the exchange realization.

It is up to the Solidary Economy enterprise, public managers and supporting entities to understand that the commercialization space, as it is presented in the capitalism, is, not only product and condition of the capital reproduction, but also, of social reproduction.

As well as in the capitalism the space is a Solidary Economy reproduction condition. Understanding the forms, the function and the structure of the commercialization in the capitalism constitute in a strategy to organize the Solidary Economy, offering conditions for its reproduction. At this point emerges the question about the insertion and, even, the cooptation of the Solidary Economy by the capitalist market. The strategy at this point can also be of cooptation: to know the capitalism mechanisms to coopt them in benefit of the Solidary Economy. This strategy is advantageous in the Solidary Economy, because it is favored from the principle founded in the cooperation and in the association. The principle that guides this form of economy organization carries the possibility of a form of society organization seated on the collectivity.

THE EXCHANGE FORMS: FAIR COMMERCE AND SOCIAL CURRENCY

The solidarity restricted only to the production sphere is not enough for the establishment and reproduction of the Solidary Economy. The economic forms distinct from exchange are the ones which can decisively imply the effectiveness of this economy.

Therefore some adaptations, or if we can call counter-hegemonic cooptation, express exchange forms which externally seems those of the capitalism, but whose function is, at first, diverse. The commerce and the currency, two traditional exchange instruments of the capitalist economy, gained adjectives which qualify them to serve the Solidary Economy as well.

The consumption is one of the exchange forms. There are other forms and the Solidary Economy has developed some of them. Exchange market-places and clubs are some of the examples. Improving these exchange forms in order to propitiate that the cooperation and solidarity extrapolate the production spheres is one of the challenges of the Solidary Economy.

The social properties of the production means in the Solidary Economy eliminate the exploration of man by the man at the “factory floor”, in the production relations limited to the space appropriately restricted of the material production. Outside the walls of the production is a contradiction. If inside the enterprises the production social relations can be characterized by the self-management, outside its walls prevail the production capitalist social relations. In the distribution and in the exchange the Solidary Economy product competes head-on with the capitalist economy product. Overcoming this difficulty is the challenge of the solidary economical enterprises.

The fair commerce, also known as fair trade, advocates the exchange through a value which adequately remunerates the working force spent in a non-precarious form, practiced with liberty, equity, security and social protection. For Coterie and Ortiz (In HESPANHA et al., 2009, p. 60) the fair commerce is an interchange process of the production-distribution-consumption, aiming a solidary and sustainable development, which search to benefit the poorer producers and to allow better economic, social, political, cultural and ethical conditions, both for producers and for consumers.

The fair commerce idea emerges from the international commercial relation established among the poor and rich countries for the commercialization of agricultural and handcraft products, in the 1960 decade. Non-governmental organizations from these countries developed an alternative approach on the traditional international commerce, which promoted the recognition of the producers work from the so called countries from the South, through the fair payment of their products and sensitizing the consumers from the North about the knowledge of the production relations, differently established in the capitalist traditional economy and in what some years later would be called Solidary Economy.

The approximation between producers and consumers constitutes itself in one of the main strategies for the fair commerce. The reduction of intermediate

not only reduces the costs of the merchandise distribution, but also enables the direct recognition of the productive process by the consumer. This proposal consists in the substitution of the assistance by the promotion of solidarity in the economical exchanges with the slogan “Trade, no aid – Commerce, not welfare”, according to Coterie & Ortiz (In: HESPANHA et al., 2009, p. 61).

From the international Fair Trade, the fair commerce concept spread to the local markets and it is constituted a promotional strategy of the local production, which searches the recognition for its merchandises, not only of the usage value and exchange value, but also of the production materialization in dignified conditions of work force reproduction, as well as of the local experiences. Therefore it is important the awareness of a solidary consumption, which does not reveal itself only as economical act, but also ethical and political, as states Mince (In HESPANHA et al., 2009, p. 74). For this author consumption is an exercise of power that, can foment the worker exploration and the planet progressive destruction, as well as can feed back the solidary production.

But a question is hidden from our point of view. Who is the consumption an exercise of power to? To the one who can choose and has conditions to do it. The Solidary Economy merchandise has a production factor which has an extra cost. The worker’s fair remuneration implies in higher price of the merchandise, which not everyone can pay, even having consciousness of the productive process. Blaming the consumer for their choices obscures the social relations established in the hegemonic production form. Does the conventional working mass of conventional capitalist companies, remunerated with the salaries of the more-value exploration, have conditions to choose the more expensive merchandise that, however, means the non-exploration of the worker?

The consumer can be ethical and responsible as their reproduction conditions enable them to practice the consumption as a power act. Here another contradiction is presented: can the Solidary Economy worker practice the consumption as an act of power? Is the Solidary Economy worker, fairly remunerated for their

production, without holding back the capital extended reproduction process? Will they be able to acquire merchandises different from the ones they produce, from the Solidary Economy? The question is that great part of the Solidary Economy workers belong to the poorer social class. And, for the poorer the only practice of choosing is restricted to consuming more items cheapened by the exploration of other workers, what does not mean that it is enough for the their reproduction and their families' or consuming cheaper merchandises, which represent the work appreciation, but that can imply access restrictions to other essential items.

The generalization of an ethical and solidary consumption, for all those who want and can participate depend on a broad discussion about the social distribution of the richness and on the establishment of minimal conditions of social reproduction.

It does not mean that the ethical and solidary consumption cannot be stimulated. Through it we can also do the redistribution of the social richness. The richer who has the power of choice for the consumption, practices it in favor of the Solidary Economy merchandises produced by poor workers, paying in a fair way the working force practiced and giving the workers reproduction conditions. But it cannot be done as welfare or charity. The recognition of the capitalism driving force, the more-value exploration, must be understood as central element of the richness concentration, of the social and spatial inequality, that can only be reverted with the fair remuneration of the work force through a collective awareness that the poverty exists because the richness is concentrated.

Fairly remunerating the Solidary Economy worker is a legitimate form of income redistribution, but still not enough for the reversal of the socio-spatial inequalities. It is needed public policy, through an effective action of the Government that supports and subsidizes the solidary production, so it has real conditions to be established facing the market economy.

For the fair commerce, as well as for any commercial form, the insertion space plays primordial role in the strategy of approximation with the consumer. The

main solidary commercialization space is the street markets. But the existence in the city, of a fixed point of fair commerce is a claim that appears in the data collected by the Information in Solidary Economy National System (2007), as well as it is recurrent the demands of solidary economical enterprises that we have followed in our latest research with the Numen Eco Sol which currently advises eight enterprises in the city of Sao Carlos/SP.

A survey realized in 2011 with the solidary economical enterprises advised by the Numen EcoSol⁴ for the proposal of guidelines of city public policies revealed among the main difficulties the incipient structure and conditions of the Solidary Economy production commercialization allied to consumption practices, even in the Solidary Economy scope, unfavorable to it. As specific demands presented are the logistic guarantees for products distributions and commercialization, in the territory and in the city.

In the formulation of the city public policies guidelines referring to Solidary Economy commercialization it is highlighted the creation of permanent spaces of commercialization in the city and the participation facilitation of solidary economical enterprises in commercialization opportunities like market places. For the implementation of these guidelines forms were suggested like the Creation of Solidary Economy Public Market and the Fair and Solidary Commerce Center.

The localization strategies are as valuable to the Solidary Economy as to the capitalist economy. The simple opening of a fair commerce point, without a market study, does not guarantee the merchandizes commercialization. Therefore, in the presented guidelines implementation, it is necessary to consider that the commercialization space must hold the characteristics of the Solidary Economy production, among them the approximation between the producer and the consumer.

Another emerging exchange form in the Solidary Economy is the local circulation social currencies, emitted by developing communitarian banks, which emerge as an alternative to the direct merchandise exchange. Between the social currency and the official national currency there is not a mandatory bond.

Its circulation is restricted to the groups that participate of the local Solidary Economy and has as objective to redistribute the resources within the community and decrease the economic power centralization, as happens in the capitalist economy. As the commercial transactions rise, the amount of social currency circulating in the community also rises. The social currency establishes a differentiated relation with money. It is useful to move the local economy and not to be accumulated.

Among the experiences which stand out in the social currency emission the Palmas Bank, created in 1998 by the Dwellers of the Palmira community, a shantytown with 30 thousand inhabitants located in the outskirts of Fortaleza/CE, with the objective of guaranteeing the micro-credit for the local production and consumption, with low interest, no income proving or guarantor and without requirement of cadastral consultation. The neighbors of the person getting the loan guarantee its responsibility in paying it back.

The bank strategy consists in identifying local producers and consumers for the constitution of a Solidary productive chain, in which the circulating money is the social currency, with ballast in reais (R\$). The bills are produced with security components to avoid falsification. To participate in the circulation the local producer or merchants adheres to the communitarian bank register, which also allows the exchange of social currency for reais to buy or pay outside the community. To stimulate the use of the social currency discounts are given promoted by the producers and merchants.

Another example of social currency circulation is in the Jar dim Maria Sampaio in the Southern Zone of Sao Paulo. The circulation of the Sampaio currency, emitted by the Sampaio Union Bank, directs the consumption to the small producers to the merchants located in the neighborhood and in the South Zone Solidary Network, where it is articulated solidary economical enterprises and Campo Limpo associations. The increase in the local consumption allows the consolidation of the enterprises and the local richness production which remains in the

community. The creation of the social currency allied to the integration between productive credit and consumption credit increases the production and the exchange means in the territory, according to the Sampaio Union Bank conception.

The social currency is presented as an economical component founded on the collective management of the richness produced by the community. It has the pedagogical action to promote the understanding about the monetary process and the establishment of differentiated relations with money. It also enables the creation of productive networks since the cultivation of the raw material, passing by the manufactured production, by the merchandise distribution and exchange, until the consumption founded on the fair commerce with payment in the form of social currency.

Like in the fair commerce, the utilization of the social currency demands the recognition of the productive process and of the capability of creating sociability contexts founded on the solidarity and reciprocity. The process, however, is not realized in a short period of time, even for those directly inserted in the Solidary Economy. To unlink the social prosperity of individual richness accumulation implies in a pedagogical-political process which is build day by day.

In the exchange sphere it is very intensely revealed, the economy social character. At this moment it is defined the accomplishment of an effective Solidary Economy or the production cooptation made in a collective form by the market economy, which determines the work force remuneration and the merchandise distribution, as it benefits the capital amplified accumulation.

The exchange, or more specifically the commercialization, is presented, at this moment, in the Solidary Economy, as the main problem to be faced. From the space, as a social product, it is possible to concretely visualize the questions affecting the exchange in the Solidary Economy and relate to the locational strategies developed by the capitalism for its operation. It is not about adhering to the same logic, but understanding how the space is a reproduction condition of the Solidary Economy.

FINAL CONSIDERATIONS

The exchange is condition for the production to be realized. To support this statement we start with the triad Production – Exchange – Reproduction. The initial assumption is that the production, as an identified concept in itself, contradicts itself with the exchange as alienation in itself, and reconciles in the Reproduction as inseparable synthesis between production and exchange. Thus, it is not enough to produce, the exchange is necessary for the accomplishment of the production.

We launch the hypothesis in which the consumption in the Solidary Economy aims the place appropriation/belonging by the communities which reproduce their conditions of life through the social relations based on the reciprocity and on cooperation. Some experiences allow us this assumption. The communities are diverse, in Brazil, which has searched by means of implanting communitarian banks and by the social currency circulation to increase the consumption of what is locally produced. As examples there is the Palmas Bank and the Sampaio Union Bank, as we mentioned in this article. Other non-monetary exchange forms have also consisted as practice in the Solidary Economy as the street markets and exchange clubs.

A mapping of the experiences like the ones we mentioned in this article reveal a formation of short circuits of production and consumption which allows the capital generated by this economy form to stay in the place where the production happens. The financial result of the commercialization of the Solidary Economy products stays in the place. These experiences articulate, including, the urban and the rural.

A new consumption logic which approximates producer and consumer is the defense of different social movements which bring in the bulge of their discussions new development models. Daring not to aggregate adjectives to these models, the fact is that the change in the consumption logic also implies in a change in

the production logic. By this perspective, we understand that the link which unites production and consumption, that is, the exchange sphere, gains strategic importance.

Understanding the relation between the exchange forms of the Solidary Economy and the urban space enables us to advance in the project of the right to the city, in other words, in the transformation of the city into something radically different from the form that the cities are currently ruled by capitalism.

If we agree with Pintaudi (2009, p. 56) that the researches in the Commerce and Consumption Geography sphere, necessarily, need to account for a space that goes way beyond the economical circuit, we state that thinking about the exchange forms and the Solidary consumption allows us to conceive the construction of new spaces which go beyond the economic dimension, but that are characterized by new political and social contents.

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