

XXXVth Annual Conference of the AES (Association for Social Economy)

THE SOCIAL ECONOMY IN THE FACE OF THE CRISIS

CEPN (UMR CNRS 7235)

Thursday 10 and Friday 11 September 2015
[at the University of Paris 13 – Bobigny Site]

Call for communications

Six years after the fall of Lehman Brothers, the world economy is still suffering the effects of the shock. The last six years have been marked by a strong downturn in growth – with a serious impact on public budgets – and a rise in unemployment and inequality. To begin with, many countries introduced fiscal stimulus policies which alleviated the economic slowdown. But then in 2010, the sovereign debt crisis (particularly in Europe) led to a radical change in policy, focusing on the reduction of public spending, and mainly social spending.

In many of the fields of social economics, governments used the crisis to legitimate the reforms started at the beginning of the 1990s and to strengthen the shift in the frame of reference for public policies, for example in the domains of pensions or health. As a result, not only was the traditional role of redistribution as an instrument of short-term economic stabilization called into question, but people were obliged, in keeping with liberal theory, to turn to other modes of protection (top-up pensions, life insurance policies, private health insurance).

In this context, the whole social action of the state is called into question, including the major public services, spending on education or culture policy. And this is true on both national and local levels, since the budget restrictions affecting central government have repercussions on local authorities, whose financial equilibrium has been weakened.

In the face of these cuts, the social and solidarity economy (SSE) is playing an increasingly important role; firstly to compensate for the disengagement of central government and secondly because SSE organizations have proved to be more resilient to the crisis. Thus, community-based solidarity has replaced national solidarity, with the development of local exchange systems, local currencies, networks of associations for social and professional integration, etc. In parallel, the business model of cooperative and mutual companies has resisted the crisis better than the traditional capitalist model, favoring its development.

ISSUES AND QUESTIONS

The social economy in the face of the crisis covers several inter-related themes.

1) *The social economy as automatic stabilizer*

Although the traditional role of social spending as an automatic stabilizer functioned well at the beginning of the crisis by compensating for the fall in earned income, the stabilizing effects rapidly declined to become negligible from 2012. In this respect, the French case provides a good illustration: after a fall in volume growth in 2009 (-3.1%), the automatic stabilizers contributed to a recovery, with growth of 1.7% in 2010 and 2% in 2011, before becoming negligible in 2012 (0%) and 2013 (0.3%). This evolution was the result of both reforms in social protection and the deleterious impact of budget control. In many countries, furthermore, the stabilizing effects were countered by budget reductions, which often caused an increase in fiscal pressure.

So, in the United States, for example, the reforms to the old-age pension system led to a shift from defined benefits to defined contributions. The crisis then led to a collapse in the value of retirement accounts without any change in the levels of contributions, annihilating the stabilizing effects.

In Europe, all social security benefits have followed a similar path: improvement to begin with, followed by decline from 2010. Unemployment insurance systems, for example, were improved by an extension in the period of payment from 12 to 15 months for jobseekers aged over 50 in Germany (2008) or a reduction in the length of affiliation required for unemployment benefit eligibility in France and Finland (in 2009 and 2010), followed by the gradual abolition of these improvements from 2010, in most countries.

The contributions proposed for this theme will concern the macroeconomic impact of reductions in social spending in terms of regulation or inequalities, or the consequences of the eventual loss of instruments of short-term economic management.

2) *The social economy in the crisis*

The reforms of social protection implemented in many countries consisted in speeding up the dismantling of the welfare state. This has generated a process of marketization in many fields of social protection, such as health, pensions, etc., or in the social action of the state in terms of education or culture. This trend can also be observed in the incursion of private finance into state action (public-private partnerships).

Increased marketization has led to the development of private structures performing public missions. This is true, for example, in the health sector with the extension of additional (private) health insurance, generalized by the national interprofessional agreement signed in January 2013, or more widely with the introduction of market-based benchmarks (like the reforms to hospital funding (T2A) and higher education funding (LRU-RCE)). Initiated before the crisis, this marketization has been accentuated by the increased budget constraints faced by national governments.

Contributions on this theme are expected to focus on the different fields of the social protection or social action of the state in a time of crisis, and their consequences for the parties concerned. From a more theoretical perspective, they could consider the outlines of a new social model that may emerge.

3) *Austerity and social protection in Southern European and emerging countries*

Southern European countries were particularly affected by the sovereign debt crisis. The Troika (the IMF, the ECB and the European Commission) obliged Greece and Portugal to cut their public spending drastically. Spending on social protection was reduced, affecting health, pensions, family policy and unemployment benefits. In Greece, for example, the health budget has been cut by 40% since 2008, and about 35,000 doctors, nurses and other health workers have lost their jobs. The consequences in terms of public health have been disastrous: more than 30% of the population no longer has any social coverage. In Portugal, the measures taken have considerably reduced pensions over the short term and extended the retirement age over the longer term. Iceland is the exception, insofar as social protection in this country has been relatively untouched.

Outside of Europe, the crisis has severely impacted emerging countries, in which social protection is generally weaker: their labor markets have been particularly affected, touching a population that is more vulnerable because it is less well protected.

The countries that have experienced the strongest budget constraints and introduced the harshest austerity measures often appear to have focused their spending cuts on social protection.

This theme covers works that bring to light the impact of austerity policies on social protection spending, taking stock of the situation and analyzing the results. Such papers are expected to focus above all on European countries that have called on the ECB and the IMF for financial support (Greece, Portugal, Ireland, Spain) or on emerging countries severely affected by the crisis (Brazil, India).

4) *The solidarity economy as a response to the crisis*

The crisis has led to the retrenchment of state programs of solidarity, opening the way to the development of diverse actions, often local in nature, like LETS and micro-credit schemes. The gap left by the withdrawal of national policies has also been filled by local initiatives like the PTCE (“territorial hubs of economic cooperation”). New business models based on principles of solidarity have emerged, leading to the creation of new entities like AMAP (“community-supported agriculture”) in the farming sector.

Numerous studies have highlighted the resilience to the crisis of organizations in the solidarity economy (especially cooperatives). Thus, according to the Top 100 produced by Coop FR (the organization that represents the French cooperative movement), the turnover of the 100 largest French cooperatives grew by 4% between 2008 and 2010. These companies have also continued to create jobs. During this period, the number of employees rose from 674,000 to 750,000, accounting for 3% of jobs in the private sector. Along the same lines, it has been shown that mutual and cooperative banks have weathered the financial crisis better than other banks. Lastly, the rescue of SeaFrance and Lejaby thanks to their transformation into SCOP (“cooperative and participative companies”) illustrates the economic interest of these principles. So the solidarity business model can provide a credible response to the crisis.

This theme covers works that highlight the advantages of SSE structures in a context of economic crisis and financial market pressure. In particular, these works will seek to bring to light the reasons for this phenomenon and the conditions that favor the development of such structures. This new role of SSE raises questions both about the internal organization and governance of entities in this sector, and about their representation. Contributions addressing

the effects of the crisis on SSE entities and their organization or the resilience of their founding principles will therefore also be welcomed.

Although the scientific committee of the AES is particularly interested in contributions addressing the central themes of the meeting, as every year, the Annual Conference of the AES is also open to contributions on the standard themes of the social economy, such as health, education, social protection, housing, the economy of the non-profit sector, poverty and exclusion and the economy of culture. Proposals for communications not specific to the central theme can therefore also be submitted to the scientific committee of the AES for evaluation.

How to submit your proposal

Proposals for communications should respect the following format (2 to 3 pages maximum).

On the first page should be indicated the title of the communication, the name(s) of the author(s), postal and e-mail addresses of the author(s) [for co-authored papers, the corresponding author should be underlined], the affiliation of the author(s).

The proposal communication should mention the following points:

- brief summary of the subject and its significance;
- for communications addressing one of the main themes of the conference, mention the number of the theme and the connection to the subject proposed;
- the originality of the communication with respect to the existing literature;
- the nature of the communication: theoretical, empirical;
- methodology: sources and tools;
- state of progress of the work;
- selective bibliography (5 to 10 references).

These proposals should be submitted uniquely by e-mail before 14 November 2014 to the following address:

aes2015@univ-paris13.fr

This address can also be used to contact the organizers directly.

You can also find all the relevant information on the websites of the CEPN and of the Association for Social Economy:

<http://www.univ-paris13.fr/CEPN/> ; <http://association-economie-sociale.fr>

Schedule

- Deadline for submitting proposals for communication: **14 November 2014**
- Response of the scientific committee to authors: **19 December 2014.**
- Deadline for submission of final articles for publication in the Proceedings: **17 April 2015.**

Publication of the proceedings

Whether or not they address the central themes of the conference, the contributions accepted for the conference may be published in the proceedings of the conference, (*les Actes des Journées*), published by the Presses universitaires de Louvain. In May 2015, the scientific committee will select the best communications. To be eligible for this publication, communications must be submitted by 17 April 2015 at the latest, and respect the norms of presentation (these norms will be communicated to authors after completion of the selection procedure for proposals). The texts of communications not selected for publication in the proceedings and those that are submitted after the deadline of 17 April 2015 will nevertheless be available for downloading from the CEPN website.

The valorization of communications may also be extended to publication in special issues of peer-review journals.

Local organizing committee

CEPN University Paris 13

- Philippe Abecassis; Mattéo Cavallaro; Nathalie Coutinet; Hamza Debbarh; Ariane Ghirardello; Armelle de Guibert; H el ene Zajdela.

Scientific committee

- Philippe Abecassis (University of Paris 13)
- Philippe Batifoulier (University Paris-X Nanterre)
- C ecile Bourreau-Dubois (University of Lorraine)
- Nathalie Coutinet (University of Paris 13), *general secretary of the AES*
- Herv e Defalvard (University Paris-Est and Chair of social and solidarity economy at UPEMLV)
- Jean-Paul Domin (University of Reims), *treasurer of the AES*
- Claire El Moudden (University of Caen)
- Chantal Euz eby (University Grenoble-II Pierre Mend es-France)
- Maryse Gadreau (University of Bourgogne)
- Bruno Jeandidier (CNRS and University of Lorraine),
- Marie- eve Jo el (University Paris-IX Dauphine)
- St ephanie Lagu erodie (University Paris-I)
- Bruno Lamotte (University Grenoble II - P. Mend es-France), *president of the AES*
- Guillemette de Larquier (University Paris-X Nanterre)
- Fran ois Legendre (University Paris-Est Cr eteil)
- Marthe Nyssens (Catholic University of Leuven)
- Michel Maric (University of Reims)
- Jean-Luc Outin (CNRS and University Paris-I)
- Francesca Petrella (Aix-Marseille University)
- Jean-Michel Plassard (University Toulouse-I social sciences)
- Delphine Remillon (IN ED)
- Nadine Richez-Battesti (Aix-Marseille University)