

## Sociology 929

# Seminar in class analysis: The Social Economy

Professor Erik Olin Wright

Fall, 2010

Wednesdays, 2:00-4:00

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Economic activities are organized in four primary ways in contemporary societies: through capitalist markets, by the state, within the family, and in the “social economy.” The social economy is the least familiar of these forms and has received the least systematic treatment by sociologists and economists. Indeed, the term itself is not yet standard in theoretical discussions of economic forms, and so a variety of other terms are sometimes used to tap into the same general empirical domain: the solidarity community, the community economy, the nonprofit sector, the third sector, the citizen’s economy. Negatively defined, these are economic activities that are not oriented to maximizing profits and not organized by the state or the family. Positively they are economic activities oriented to meeting individual and collective needs and organized through various kinds of voluntary association within communities.

This seminar will revolve around three tasks: concept formation; theory construction; empirical research.

*Concept formation.* Our first task will be to explore a range of theoretical treatments of the social economy and try to give this concept greater theoretical specificity. There are many ways this can be done. Here is one of them:

		<i>Central mechanism for cooperative activity</i>	
		<b>power</b>	<b>voluntary association</b>
<i>Primary interests motivating economic activity</i>	<b>collective</b>	State economy	Social economy
	<b>private</b>	Capitalist economy	Family economy

In this formulation, the social economy is characterized by voluntary association oriented to collective needs. This is most sharply contrasted to the capitalist economy which is characterized by cooperation based on power oriented towards private interests. We will examine this and a variety of other conceptualizations. This will also provide the seminar with a good opportunity to think about the nature of concepts and the practical tasks of giving precision to a working concept.

*Theory construction.* The purpose of forming concepts is to use them to build theories. Theories are always in the service of solving some kind of problem. Here I want to focus on the theoretical problem of the relationship between the social economy and capitalism. There are two broad ways in which this relationship has been theorized: (1) the social economy is a niche within capitalist economies that engages in various kinds of economic activities that would be unprofitable for capitalist firms; (2) the social economy is a non-capitalist form of economic organization that could be corrosive of capitalism and constitutes a potential pathway beyond capitalism. These two theoretical understandings of the causal relationship between the social economy and capitalist economy could, of course, both be correct; which is most relevant may depend upon other contextual factors.

*Empirical Research.* This seminar will be an active research seminar, not just a reading-and-discussion seminar. The goal will be for the students in the class to substantially finish a serious research project by the end of the semester. For this to be at all realistic, students will need to decide on a research project by the end of September. My expectation is that these projects will mostly focus on a single type of social economy activity (perhaps even a single social economy enterprise). I do not want papers to be a general review of the literature on the social economy or a full-scale theoretical treatise on the problem of the social economy – although, of course, papers will involve theoretical and conceptual discussions. Rather, the idea is for the papers to involve gathering systematic data – quantitative and/or qualitative – on real social economy organizations and activities, exploring how they work, the dilemmas they face, the conditions which enhance or undermine their viability, etc. My hope is that in most cases students will form research teams and do collective projects. In order to make it possible for students to do a project within a semester, the seminar sessions will be organized in the following way:

Weeks 1-5 (September 8-October 6): Reading and discussion

Week 4: form research teams

Weeks 6-8: (October 13-27): no regular seminar sessions during these three weeks so students can intensively begin their research. I will be available for individual consultations and discussions during class time.

Weeks 9-14 (November 3-December 8): We will meet during the regular seminar time for “brainstorming” discussions of the research project. Each week we will hear a report from each research team, but we will spend more or less time discussing any given project depending on the situation. The purpose of these discussions will be to refine the research questions, to think about the gaps in data, and generally to think through the practical and theoretical issues posed by each project.

Weekend of December 11-12: Mini-conference on the Social Economy where the research will be formally presented.

At the end of the semester we will discuss whether the research has been successful enough for us to consider developing the projects into some kind of collective publication.

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Students interested in reading something which lays out some of my ideas on the social economy should read chapter 5 and chapter 7 in *Envisioning Real Utopias*, available on line at:

<http://www.ssc.wisc.edu/~wright/ERU.htm>.