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# Reciprocity: a way to understand the role of the Social and Solidarity Economy in the past and in the future

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## Resumen

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### Abstract

This paper aims to demonstrate that one of the main historical roles of Social and Solidarity Economy (SSE)<sup>1</sup> has been to maintain life forms and economic systems distinct from the market economy. SSE opposes the principle of exchange, a pillar of market economies, by activating the principle of reciprocity, on which other processes of production and movement of goods develop. SSE gives way to a multitude of forms of production and trade and, thus, contradicts the appearances of a single market and undoes the beliefs in its inevitability. According to the seminal contributions of Karl Polanyi and Marcel Mauss, overcoming these beliefs in mental and practical levels is a requirement for the construction of new scenarios for today's societies. Authors dedicated to examining the possible and desirable directions of our civilization stress that future societies, in order to be virtuous, will depend on bonds of cooperation between individuals, social groups and nations. In other words, they will need to break free from the utilitarian iron cage, inherited from modern societies instituted during the 19th century.<sup>2</sup>

**Key words:** exchange; gift paradigm; Karl Polanyi; Marcel Mauss; reciprocity; social ties

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<sup>1</sup> From now on, we will use that acronym. The designations vary according to the trajectory and conformation of this field of practices in each regional or national context, without significantly interfering in the issues addressed in this paper. For a conceptual discussion, see Cattani et al., 2009; for a broad view, Defourny and Nyssens, 2017; in relation to the Latin American context, Gaiger et al., 2019.

<sup>2</sup> Utilitarianism emerged as a philosophical current (Mulgan, 2014), whose evolution in the plane of ideas and their practical applications quickly diversified and faced severe criticism, given the reductionism that it imposes on nature and human conducts, and its indemonstrable axiomatic character (Sen, 1999).



## Brief overview

This paper is structured as follows: the purpose of the first section is to demonstrate that empirical economies derive from an established process that keeps them socially immersed, with varying degrees, but generally restricted, in relation to the norms emanating from their social environment. In the following section, it will be explained why the market economy, under the impulse of the capitalist logic of continuous accumulation, represents a singular historical case. Then, the relations between the forms of economy and society will be examined from the notion of economic plurality, proposing specific categories of analysis regarding the levels and forms of integration between socioeconomic principles and patterns. The fourth section will pave the way to assess the historical relevance of SSE: it institutes different forms of economy and keeps us protected from the fallacy of the omnipresence and self-sufficiency of the market economy. The paper concludes with some reflections on the relevance of reciprocity today.

By proposing this theoretical and conceptual approach, the paper does not unknow other explanatory possibilities. However, systematically addressing them would require more space, even if they are contributions and controversies centered on some schools of thought, in particular the New Economic Sociology, in which orbit several authors cited. We then prefer to stay on the route of the proposed argumentative thread, which synthesizes results of theoretical incursions and empirical studies on different societies and times.<sup>3</sup>

## 1. The social institution of the economy

Throughout history, the activities of production and circulation of goods and services have, as a rule, been immersed in social life, without constituting an autonomous sphere, determined by its own norms, apart from what we experienced in our present time. In this regard, some of the forerunners of modern science called *Economics*, such as Adam Smith (Sen, 1999) and Karl Marx (Levine et al., 1989), or sociology classics such as Max Weber, Émile Durkheim (Raud-Mattedi, 2005) and Georg Simmel (Caillé, 1996) had no doubt. Neither currents not strictly individualist or utilitarian (Wacquant and Calhoun, 1991; Caillé, 1996; Cattani et al., 2009) hesitated about this, nor approaches aligned with the New Economic Sociology (Laville, 1997), in particular the antiutilitarian school in the social sciences (Godbout, 1999).

Nevertheless, the recognition of the insertion of the economy in society gave rise to several interpretations. For some, it means that economic activity always takes place within social relations, being affected by the dynamics of these interactions (Granovetter, 1985): economic agents are induced to weave social bonds as a way of achieving economic results, but they also do so because they are guided by other objectives, such as sociability, social approval,

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<sup>3</sup> There is no room here to present such studies, developed over the last 25 years. It should be said, at least, that they addressed the theoretical fulcrum that undersets this paper (Gaiger, 2016), compilations of works on diverse realities of the South and North (Gaiger and Santos, 2017) and a more recent panoramic analysis, especially of the Latin American context (Gaiger, Nyssens and Wanderley, 2019).



identity and status. In their economic performance, there is an influence of interpersonal relationships and imponderable factors, such as trust. This is why there are communicating vessels between the economic sphere and the others, attributable both to social relations that affect agents and to the influence exerted by the broader cultural and political context (Granovetter, 1999).

According to other approaches, the social immersion of the economy means that the functioning of markets must be controlled so that it does not lead to excesses and imbalances, remaining stable and guaranteeing its promised benefits. Since the early 19th century, it is a historical fact that social movements have fought against the freedom granted to the modern market economy, given its innate tendency to detach itself from the factors that restrict the production and increasing circulation of goods and also to impose its own logic on the structure and social life. The need for this kind of intervention would no longer be doubt, as the 2001 Nobel Prize in Economics, Joseph Stiglitz, argues. According to him, in neoliberal times it is evident the urgency of freeing us from the sale that prevents from perceiving the politically deliberate nature of the so-called *free* economy, as well as the fact of responding first of all to the interests of the capital owner classes.

As I have already noted, Polanyi exposes the *myth* of the free market; there was never a truly free, self-regulating market system. In *their* transformations, the governments of today's industrialized countries took an active role, not only in protecting their industries through tariffs, but also in promoting new technologies (...). Even today, protectionism and government interventions are alive and well (Stiglitz, 2001, p. xiii).

The premise of social insertion of the economy has even deeper consequences in Karl Polanyi. In its most incisive sense, this premise means that the economy has no own self-determined purposes; it is in itself no more than a means, a way of enabling human achievements – although such achievements may pass off the so-called "economic" territory, unlike the particular case of *market society*. Therefore, to say that the economy is intertwined with social life means that it does not derive from its own laws, from purposes independent of sociocultural parameters. It means that there is no *natural* economy, as an inevitable outcome of the repetition of individualistic conducts intrinsic to human beings. It means admitting that economics is nothing more than a term used in our time to mentally evoke a particular dimension of collective life. This dimension results from a historically established process (Polanyi, 1957) by which each society determines how it will deal with the production and circulation of its means of subsistence, according to the meaning it attributes to them and the consequences of these activities that it deems desirable.

The shape of this process, i.e., its institutional form and the motives which make it run are determined not by any single factor either in nature or man, but are the resultants of several interdependent levels of human existence, ecological, technological, social and cultural (Pearson, 1957, p. 326).

Economic relations, whether between people, groups or larger collectivities, depend on recognized values, arbitrated norms and means to bring them into practice. Something



obvious, but forgotten: societies create and control the economic acts practiced in their territories. Judging by the knowledge about it, in most cases it was not postulated that man would behave like the "wolf of man" and there were not many insistences in this sense. Even the establishment of the modern economic system, driven by cold competition between economic agents, is not explained by an irreparable human compulsion, but by a deliberate action of class agents, with a decisive help from the State to subject ever wider domains of social life to the designs of market mechanisms. Since the 19<sup>th</sup> century, it was precisely against the tragic repercussions of these facts that the voices and practical initiatives that came to conform the SSE were raised.

Therefore, economic institutions should be understood as socially constructed entities, in which the related processes are codified and internalized in culture, providing stability and fluidity to the economy (Plociniczak and Maucourant, 2009, pp. 145-6). This entails an insoluble imbrication between the economy and the social and cultural elements, visible in the expression "market culture" and in studies on economic mentalities. It is then arbitrary and ethnocentric the separation between economic activities and others, since such borders are usually flowing and changing, when not non-existing. Moreover, economic behaviors have a clear political dimension: their occurrence and recurrence presuppose sanctioned and legitimized norms. Not being spontaneous, economic institutions are neither universal, nor perennial.<sup>4</sup> As Karl Polanyi emphasized, the institutional structure of the economy in general did not force individuals to *save*, in the common sense of spending less time, resources or money, unlike our present habits and beliefs (Polanyi et al., 2012, p. 84).

The economy is imbricated in economic and non-economic institutions (Polanyi, 1957, p. 250), which provide continuity and predictability in relation to the conduct of agents.<sup>5</sup> At the same time, they indicate the procedural content of both the economy and the other dimensions of collective life (Plociniczak & Maucourant, 2009). On the one hand, there are *instituted* conditions: lending at interest has already been banned, gambling is still, often; leonine contracts are censored, according to the morale of each society. On the other hand, there are *instituting* conditions: it is not enough for individuals to act similarly and to engender the same style of behavior to enter a type of economy. As we shall see, an economy of reciprocity is not created or evolves without community, state, corporate or associative ties, capable of generating a pattern of relationships. In turn, individual exchange acts only contribute to pricing if there are systematically price-defining mechanisms, added to a general trend to which goods and services are sold and purchased:

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<sup>4</sup> One example of this is the gold standard, whose influence on the national and international economy was undeniable, without itself originating from the spontaneous movements of the economy, but rather from a decision arbitrated by a set of nations, precisely to direct and release economic flows under certain conditions.

<sup>5</sup> As Maucourant and Plociniczak point out (2009), the Polanyian approach goes beyond the *New Institutional Economy* (NIS), since for this school the institutions are complementary to the market (or the economy) and this, as such, is not considered an institution. The extra-economic determinants of the market are seen in this perspective as factors *ad hoc*.



Individual acts of barter or exchange – this is the bare fact – do not, as a rule, lead to the establishment of markets in societies where other principles of economic behavior prevail. Such acts are common in almost all kind of primitive societies, but they are considered as incidental since they do not provide for the necessities of life. In the vast ancient systems of redistribution, acts of barter as well as local markets were a usual, but no more than a subordinate trait (Polanyi, 2001, p. 64).

For individual actions to have the necessary strength to establish their own economic standard, supra individual conditions are required: to say, a "paraphernalia" of institutions that carve and discipline practices through laws, authorities and codes of conduct (Arensberg et al., 1957, p. xvii); otherwise, innovating economic acts are likely to be seen as intolerable anomalies or transgressions. There is, therefore, a difference between socio-economic principles as such, which operate for specific or particular purposes, and principles with power of *integration*, which function as pillars of a certain standard of economy, guaranteed through institutions that give it unity and stability.

Following Karl Polanyi (1977, pp. 40-42), what we call public or state economy constitutes the contemporary manifestation of a pattern, instituted throughout history, based on a common, integrative principle: part of the available wealth is legitimately concentrated in the hands of a central authority (via taxes, etc.), who are responsible for their *redistribution*, according to socially legitimate criteria, in defense politics, infrastructure works, religious acts, sumptuous activities, etc. What is behind symmetrical and repeated retribution between individuals (within organizations), social categories (as in peasant societies) or nations (via international cooperation), is the principle of *reciprocity* - the same that models the functioning of SSE organizations. Therefore, the SSE aligns with a specific economic standard, even if it doesn't play a dominant role in today's societies.

Actions carried out to satisfy the individual interests of the parties trading is a practice governed by the principle of *exchange*. But until this principle is generalized, becomes a vector of integration and institute an exchange economy, goes a long distance. Without this distinction, an undue synonymy between the exchange principle and the market is created, this second term being understood in reference to an economic standard, whose structure depends on how the exchange, in historically situated contexts, becomes part of the economy. In most societies, however, the economy was not integrated by exchange, but by other principles. When there were exchanges, there was no market pattern, or it was subordinate to other principles to whom the role of integration was appropriate. In most historical societies, there hasn't been a market economy.

## 2. The singular case of the market economy

The recurrence of societies *without a market*, whose economic institutions do not derive from the principle of exchange, was well demonstrated in the historical research works of Karl Polanyi's team. One of the concepts elaborated in the study of civilizations of Mesopotamia, Africa, Central America and Mediterranean coasts is *the port of commerce* (Polanyi, 1963). It





confirms a central aspect explored in those investigations: trade practices, in the sense of regular transactions of goods between communities or nations, occurred in general in the absence of a market system established as the dominant standard. And there is no reason to point out this absence as a cause of the decay of those economies, after centuries of operation. Even in important trade centers, the exchange was something occasional and secondary: there were exchanges, trade plazas, spaces for bargaining, but not a general system of floating prices, in which the sort of transactions would depend on the abilities of economic agents supposedly moved by the monetary or material advantages, repeatedly. On the contrary, sometimes the conduct of such warehouses was fundamentally administrative: without giving up the advantages of the exchange of long-haul goods, it was sought to protect local society and its social cohesion from excessive contact with other economic systems, potentially destabilizing (Graslin & Maucourant, 2005).

Historically, trade has been integrated into broad economic systems, based on both reciprocity and redistribution. He could afford the exchange of goods with some autonomy, but this was not compulsorily motivated by individual expectations of increasing pecuniary earnings. The exchange principle and the corresponding practices were present in trade, without functioning as an integrative factor (Polanyi, 1977, pp. 81-96). The habit of confusing both things has been questioned by Karl Polanyi:

In effect this [the formal economics] argues the virtual presence of a market system in every society, whether such a system is empirically present or not. All human economy might then be regarded as a potential supply-demand-price mechanism, and the actual processes, whatever they are, explained in terms of this hypostatization (Polanyi, Arensberg & Pearson, 1957, p. 242).

Therefore, the relevant issue concerns the historical conditions in which the principle of exchange has established the economy in which we live. This is not because it was unavoidable, like a sort of unrestrained result of human progress. The current market economy has not resulted from the growth or transformation of pre-existing local or national markets. It has been the most resounding theme addressed by Karl Polanyi, the market economy appeared in the 19th century, precisely in the middle of a complex transformation, partly thanks to the conscious intervention of the State and the expansion of foreign trade, thus drastically affecting the trade practices then known (Polanyi, 2001).

How could the economy be structured under the aegis of the exchange, be driven by it and then enthrone it as a general standard of conduct? The logic of the exchange is negotiation, the bargain to obtain vantages (and minor disadvantages); it supposes the minimization of the means spent to achieve these ends. Instituting this behavior is tantamount to establishing a general bargaining agreement, an open system of permanent competition between numerous economic agents, even though their individual interests in maximizing gains are mutually exclusive. Such a peculiar historical condition requires very particular initial conditions, as well as subsequent measures to ensure that the new rules of the economy are consolidated and perpetuated. In the modern Western experience, these conditions have been as follows:



- That nothing interferes in the negotiation, in the calculation of the purchase and sale prices, except the free will of the agents who transact according to the value they attribute to the goods and as they deem there are no better alternatives for the business. Faced with convergent evaluations, the transaction takes place. A succession of similar acts comes towards a general balance between supply and demand, even at the price of a permanent system instability. But no artifice must interfere, not to tarnish the rational basis of negotiations.
- That all or most of the goods should be traded in this floating prices open system. This includes the factors needed for the production of other goods, such as land and workforce, converted for all purposes into goods, whose price is fixed by the labor market. Everything being left in charge of the supply and demand-law, it becomes rational that agents draw competitive strategies and explore situations of scarcity in their favor, producing goods still little offered or causing increased demand, through different stratagems.
- Objective conditions (materials, technological, physical) to produce incessantly for the market, renewing the supply of goods and reducing production costs. Innovating in products without raising prices is a safe strategy to bargain successfully. Since the first Industrial Revolution, an irreversible pathway has been opened to perpetuate this mechanism.
- An ideological action capable of discrediting or dissuading skeptical recalcitrant spirits, as to consecrate the economic logic of the free market as superior to protected and controlled economies. This action requires a considerable segment of agents engaged in the ever more improved functioning of these gears, agents endowed with capital, political power and ideological cohesion sufficient to impose such directives, by suffrage or by force, until their establishment as a dominant economic standard.
- A political action guided by this new creed, aimed at breaking down legal barriers - formal or tradition-based - against freedom and market expansion; therefore, actions aimed at overcoming resistance movements and producing a new legal-bureaucratic state support for the unimpeded functioning of the new economy.

As we know, this was the historical scenario of capitalism rising: the era of the Industrial Revolution, of the Enlightenment ideals, of the surge of new classes, of political and ideological clashes - but also of doubts and perplexities - alongside beliefs in the virtues of reason and in radiant perspectives of progress. In a few words, the time of establishment of bourgeois society and its counterface: the market society. Social structures were gradually subordinated to the dictates of the economy through new institutions, replacing the previous ones, seen from this new point of view as traditional, anachronistic and irrational. The market laws gradually imposed themselves and converted into goods the most different human needs and creations, which meant transferring them to the domain of private property so that they could be at the disposal of purchase and sale acts, freely and successively. The institution of the market has





opened the field to the development of a free market for labor, land, productive resources, knowledge and everything else.

Instead of economy being embedded in social relations, social relations are embedded in the economic system. The vital importance of the economic factor to the existence of society precludes any other result. For once the economic system is organized in separate institutions, based on specific motives and conferring a special status, society must be shaped in such a manner as to allow that system to function according to its own laws. This is the meaning of the familiar assertion that a market economy can function only in a market society (Polanyi, 2001, p. 60).

In the case of the capitalist market, the only one that has reached a global scale, the determining logic of transactions responds to the demands not only of price freedom, but of the cycle of permanent accumulation of capital, through the increasing circulation of goods; that is, of products of paid work on which the extraction of added value is carried out and which, as far as the labor force itself is, are transacted according to the same law of the market prices. Therefore, unlike delimited market (or trade) systems, capitalist logic undoes the social commitments of the economy at various levels and areas. It repels the coercions strange to it and, following its inherent rationality, expand to other spheres of social life. It then engenders a *market society*.

### 3. Economic plurality

This historical episode is still determinant in the present times. Nevertheless, it should not lose sight of the fact that real economies always derive from a process defined from the integration of different socio-economic principles. Employing one or more principles, institutions conform models or standards, whose intertwining with other concomitant patterns gives way to historical forms of economics. The activation of the same principle can give rise to empirical realities or distinct models of economy, even if they share the same structuring rationale. This is due to the peculiar historical circumstances and also because the existence of a dominant pattern, linked to a principle, does not imply the banishment of others, nor of secondary standards. This thesis being accepted, several combining possibilities arise, according to the level of analysis in question:

- *Hybridism* situations correspond to consistent and significant combinations of socio-economic principles (which lose their pure state) in some social behavior. The fact can be illustrated in our days by undertakings at the same time familiar and business, which generates constant dilemmas for family life and the conduct of companies.
- *Mixed patterns* result from the institution of internally heterogeneous forms of economy from the point of view of the latent principles that determine them. This is the case of community markets and more recent situations, such as ethical banks and fairtrade networks. The coexistence of different economic principles in its modus operandi is one of the dilemmas of the cooperative sector and, by extension, of the SSE.



- Economic *plurality* corresponds to the coexistence of distinct patterns within the same encompassing system, in which a certain principle and its correlated pattern assume an integrative role. This general trait of most socioeconomic systems, due to their eminently plural configuration, contradicts the evolutionism immanent to the expectations of market omnipresence and superiority.

As an example, let's consider the principle of exchange. It obeys a pragmatic instrumental rationality, which gives rise to contractual ties. Its institution configures, in each time and place, a system of transactions in which several agents take part. Modern markets are characterized by impersonality and monetization, as one can see in private companies. However, depending on the parallel action of other economic agents and on the activation of other logics, the market space acquires additional connotations. The act of exchange neutralizes these nuances, but sometimes does so more in appearance: the marketing of a product "made in" by an international franchise in a shopping center has little substantively similar to the sale of an article derived from simple market production in local retail stores, at craft fairs or, still, to the provision of home services involving interpersonal proximity. It would be fair to say that there are multiple markets within the market. Even if they are aligned with a guiding principle, markets can house other agents and lead to concomitant logics. They do not configure a space of practices exclusively moved by self-interest, nor by strict exchange relations typical of capitalist enterprises.

When a consumer goes shopping at an agroecological fair, he probably disburses the amount requested after passing through the booths, comparing products and prices. But it is unlikely to do so due to a significant reduction in his expenditure, even if it has been estimated, without also considering that in the acts of purchase he takes part in a movement for healthy food, for the sustainability of the planet, for the livelihood of organic farmers and also as a way of challenging the cartels that dominate the global food chains. The fairers, in turn, are willing to engage in conversations with their visitors, rather than simply bargaining with anonymous customers. Possibly, the productive reconversion initiatives in which the family farmers have launched themselves give rise to their mutual recognition and appreciation. Acts of exchange are carried out between buyers and sellers in an environment determined by motivations that differ from the supremacy of self-interest, thus stimulating camaraderie and arousing confidence. The pattern of this microuniverse of commerce is based on reciprocity, both by the peculiar nature of economic exchanges and the general spirit that animates them. This justifies the mention of *reciprocity markets*, in which there is no assumption of monetary equivalence ensured by utilitarian calculations of supply and demand (Sabourin, 2006, p. 21).

To give another example, altruistic motivations can explain kindness gestures, common in the daily life of affective relationships within relatives and friends. The initiative, in this case, is entrusted in familiar habits and in spontaneity. As we move towards the orbit of bonds between groups and organizations, in which associative, confessional and class entities emerge, the acts get gradually separated from the simple daily routine: they enter into systems of reciprocity in which other principles, like redistribution, might also compete, such as tax deductions



applied for philanthropic donations and other private initiatives of public interest. The fact that donations might also be tied to an individual dynamic of self-promotion or to business objectives of market positioning, demonstrates that altruistic behaviors also may combine with several principles, each one bringing a singular meaning to the practices.

Returning to Karl Polanyi (1957; 1968), a principle becomes integrative when it originates suitable institutions, able to materialize and disseminate it. In this sense, the cooperative drive, essential to the success and perpetuity of SSE organizations, finds its natural environment in patterns instituted from reciprocity. Even when management is guided by the requirements of efficiency and optimization of means, it is essential for its viability to pre-exist or establish extra-economic ties, as to emulate the cooperative behavior upon which the meaning and dynamics of the organization is rooted. Social bonds motivate participation and justify renewed contributions from its members, despite individual alternatives that might be more attractive from a utilitarian point of view. The difficulties faced by ESS in market-dominated environments largely have to do with being *out of place*. As Luis Razeto points out, in regard to cooperatives:

In fact, cooperativism is not a fruit of capitalism or a part of it, *but a* reaction to social and economic phenomena derived from capitalism. In relation to the dominant mode of production, cooperativism is presented as a *subordinate, contradictory and alternative* reality (Razeto, 1990, p. 135).

Interpreting real economies from the imbrication between different rationalities and rules, here called principles, not only reflects past facts of our history with greater acuity, but also subverts the neoclassical approach of economic conduct, leading us to investigate other motivations, besides self-interest, and other spheres, besides the mercantile one, as well as to discern the social and political conditions of primacy of one or another principle, with its correlated pattern. One can then capture with amplitude the social experiments that, in their variety, escape the monism of contractual individualism. In addition, one can envision the adoption of a regulatory system that guarantees the coexistence of different logics under minimum equilibrium conditions. This balance would revitalize forms of economy deeply affected by the supremacy of the mercantile economy, making room for new socioeconomic arrangements.

## 4. The historical role of the Social and Solidarity Economy

Through the ages, reciprocity has driven practices of production and circulation of goods and services, both in small groups and in ancient great civilizations, like the Incas (Murra, 1969; Wachtel, 1974). Karl Polanyi, converging with authors who relate the paradigm of gift<sup>6</sup> to

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<sup>6</sup> Marcel Mauss formulated the *principle of the gift* by gathering and comparing an immensity of ethnographic studies and reports, which led him to the conclusion that it is a fundamental anthropological foundation of human societies. The core of this paradigm concerns a triple dynamic of “giving – receiving - giving back”, symbolic and at the same time referred to a practical and political order of reciprocity, trust and alliance. In many historical cases, this has resulted in the creation and cultivation of social bonds, apprehensible both in terms of interpersonal relationships and between larger groups and collectivities, such as peoples and nations (Gaiger, 2016).



reciprocity (Sabourin, 2008, 2011a, 2011b), states that its role as an integrative element must be understood within its surrounding social bonds framework. This distinguishes reciprocity frontally from bilateral exchange or generalized exchange acts:

The same is true where reciprocity rules; acts of barter are here usually embedded in long-range relations implying trust and confidence, a situation which tends to obliterate the bilateral character of the transaction. The limiting factors arise from all points of the sociological compass: custom and law, religion and magic equally contribute to the result, which is to restrict acts of exchange in respect to persons and objects, time and occasion (Polanyi, 2001, p. 64).

Acts of reciprocity do not separate material and spiritual riches in two independent universes, do not operate by an equivalence dictated by market criteria, do not reduce their meaning to contractual clauses and, as a rule, are not effective at the individual level, but as compromises between collectivities. Community organizations typical of the Andean peoples or peasants of Mexico, as well as associative experiences of magnitude carried out in rural and urban contexts of countries such as Canada, France and Portugal, attest to the validity of reciprocity with these senses (Gardin, 2006a; Servet, 2013; Gaiger and Santos, 2017). Even when the transactions themselves relate to utilities, ethical values and social ties are at stake. Thus, reciprocity is the principle that mirrors and allows understanding the economic dynamics from the spirit of cooperation and the binding sense of SSE organizations.

By scrutinizing a broad set of SSE initiatives in the European context, a study concluded that many of them, in their start-up phase, use material, human and technical contributions from both public grants and donations or voluntary work, in addition to sales in the market. They are supported by a hybrid of resources (Gardin, 2006a, pp. 77-78). In the later stage of consolidation, however, it is up to reciprocity to play the main role, thereby giving new meanings to the exchange relations in these organizations. Modalities of direct reciprocity between peers, or multilateral, are created, in the second case involving multiple stakeholders, from producers to benevolent supporters, committed to the social meaning of the initiatives and to their democratic and egalitarian nature (Gardin, 2006a, pp. 54-55). The central role of reciprocity is revealed in the degree of involvement of the participants - motivated more by social ties than by material gains - with the ethical and political considerations (human rights, nature, peace) underlying the strategic choices of these organizations. Above all, long-term interpersonal bonds fulfil a basic driven role in these organizations (Gardin, 2006a, pp.152-158 *et passim*).

Mutatis mutandis, one of the relevant historical roles of SSE is to have conveyed and materialized the principle of reciprocity in our times, preserving it as a vector of resistance and alternativeness in societies hard affected by the supremacy of market logic. Fulfilling this role, SSE has protected life systems in which the economy is socially embedded and, therefore, controlled in its expansionist and destructive potential. The SSE favors the creation of new experiences, such as those currently associated in some countries with the Solidarity Economy (Gardin, 2006a; Gaiger, 2017) or the new wave of collective activism, typical of the 2010s



(Gaiger, 2020). To some extent, SSE guarantees hybridism within markets, refraining the autotelic trend of exchange and introducing variations in the corresponding economic pattern. For all these reasons, as its name implies, SSE preserves *social* ties and invigorates *solidarity*.

These propositions require some conceptual precisions, in order to avoid misunderstandings. First, sometimes reciprocity is understood only from common sense, as repeated gestures of bilateral retribution, as "a reversible mutual relationship between two subjects" (Sabourin, 2008, p. 137). By leaving aside the values and social bonds that support reciprocity, it ends up being understood as a type of "symmetrical exchange", which induces its identification with the rule of equivalence proper to the exchange (Sabourin, 2011a, p. 27). Now, as we have seen, Karl Polanyi has added that, under reciprocity, "acts of exchange are generally inserted into far-reaching relationships that imply acceptance and trust" (Polanyi, 2000, p. 81). Depending on itself, mere exchange tends to incorporate minimal reciprocity, without involving "affective or ethical values such as peace, trust, friendship and mutual understanding" (Sabourin, 2008, p. 135).

When these substantive differences are forgotten, we stay one step away from classifying reciprocity as a strategy to obtain gains, to the taste of the utilitarian approach according to which collective cooperation actions are, ultimately, alternative means of achieving selfish ends (cf. Guerra, 2002, p. 165). To the extent that it translates into repeated gestures of retribution, reciprocity is a functional mechanism, put into practice at the sake of bringing effective outcomes for its agents – all economic principles must do it, in some way. Therefore, it is a common practice in organizations that are guided by cooperation. However, these organizations are guided by the principle of reciprocity, firstly. In this plan, what is at stake are the issues of preserving collective identities, of mutual recognition and common social engagements.<sup>7</sup>

Undoing a second focus of misunderstandings, in view of some given circumstances the cases of "non-egalitarian reciprocity" become understandable, with regard to solidarity initiatives in which the beneficiaries of the action, devoid of minimum resources, can hardly reciprocate with gestures, although it is imaginable that they can do so in attitude, subjectively (Gardin, 2006a, pp. 48-50). The problem in these cases would not be the lack of retribution, but the unwillingness to reciprocate. If symmetry were a strict prerequisite, requiring from the outset an effective "reciprocity between pairs" (Gardin, 2006a, pp. 50-55), in societies such as ours this principle of action would be much less viable, starting with the enormous difficulty of establishing itself. Thus, reciprocity should be essentially seen as a latent socioeconomic

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<sup>7</sup> The coexistence between these two levels of reciprocity was pointed out by Karl Polanyi regarding the Trobriand Islands, where anthropological studies brought up the gift cycle: on the one hand, a practical reciprocity related to daily subsistence, through a sophisticated scheme of mutual help between the families of each island nucleus; on the other hand, a symbolic reciprocity, involving a wide circuit of ceremonial performances between the islands – the *Kula* – an immense and tireless work "to minimize rivalry and conflict, and maximize the joy of giving and receiving gifts"; thus, preserving alliance and peace (Polanyi, 1977, p. 51).





principle, inserted in a binding dynamic, functioning as a mainstay of relations of cooperation and social solidarity.

## 5. Final comments

In the guise of recapitulation, our purpose was to demonstrate that, over time, SSE promoted and preserved life systems and socioeconomic organizations whose foundations are distinguished from the market economy. This is its main contribution: due to its sui generis nature, the SSE subordinates its economic practices to the fact that they are constituted from and in function of communities and associations of people, based on binding social relations. Thus, it is led to oppose the logic of the market economy, to feed socially binding forms of organization of activities usually classified as *economic*.

For which reasons binding principles, such as reciprocity, may be relevant in the future?

Firstly, it is worth reiterating that the gift paradigm and the reciprocity principle should not be conceived as past human events. Although seminal elaborations on this subject largely come from ethnographic studies on so-called archaic societies, leading Karl Polanyi to associate reciprocity with a structure of symmetrically ordered "kinship groups," it is not a logic restricted to societies lost in time, of which only reminiscences and moral teachings would be left. Organizations driven by reciprocity are, as we argue, easy to exemplify today, including in the globalized economy, which is evident in international trade treaties (Sabourin, 2006; 2011). Karl Polanyi himself stressed: "It should by no means be inferred that socioeconomic principles of this type are restricted to primitive procedures or small communities, that a gainless and marketless economy must necessarily be simple" (Polanyi, 2001, p. 52).

Secondly, given that one of the fundamental transformations promoted by modern culture lies in the value conferred on individual autonomy, a new socially binding environment can favor a transposition of the gift cycle, from the sphere of imposed interpersonal relationships (family, closed associations) to the scope of open groups, formed by free participation. As Philippe Chanial (2001, p. 142) recalls, one of the misconceptions made by liberal thought consisted of seeing in the establishment of modern democracy a simple movement towards individualism, a tendency to free human beings from the bonds that united them with their fellowmen. In fact, the rupture of the previous social architecture, with its corporations and hierarchical orders of membership, gave rise to the formation of new associations no longer compulsory, but voluntary, flexible and open. This trend was evidenced precisely by the emergence of the associative, cooperative and mutualist movement, as well as by the surge of trade unions, political parties, industrial corporations, scientific organizations, clubs etc. It might be said that, if the nation-state is the modern space for contracting "societal ties" (Gaiger, 2016, p. 113), the democratic state, despite the drifts caused by utilitarianism and market logic, presents itself as a broad voluntary association of citizens.

Thirdly, reciprocity is based on the idea of interdependence, on caring for the other, on the alliance between generations that chain themselves to each other (Servet, 2013, p. 199). By





promoting bonds from the economic terrain, reciprocity transfers them from the primary circuits to the orbit of secondary sociability, without producing depersonalization and alienation. In addition, it reaches even wider orbits, specific to tertiary sociability, today driven by the interconnectivity of the "globalized virtual society" (Caillé, 2000, p. 136). In these transitions, reciprocity overcomes the limits of unconditionality proper to elementary social structures, favoring the balance between freedom, autonomy and security.

In addition to providing a renewing return to the primary circuits, such confluences currently represent a primary contribution of organizations based on associativism and solidarity. In the field of humanitarian actions, civil organizations tend to bring donors and recipients closer together, to embody the figure of beneficiaries, avoiding deviations, inefficiency and waste of resources (Godbout, 1999, p. 76). By following state action, such initiatives prevent the action of bureaucratic apparatus from unilaterally favoring criteria of functionality and standardization that fade the meaning of public policies of redistribution or promotion of new economic agents. In the context of democracy, it is a question of rescuing the principle of the alliance to reconstitute politics as a rational body of deliberation and legitimate exercise of power; it is also a matter of regenerating political institutions incapable of absorbing and managing the differences and antagonisms proper to plural societies, being aware of the need to preserve and interconnect primary, secondary and tertiary sociability, co-existing in global society.

Together, the works of Karl Polanyi and Marcel Mauss elucidate the reasons human behaviors have persisted over time, such as responsibility and care between generations, which today transfer to environmental sustainability and the future of the planet. Both authors have drawn moral and political conclusions from their studies: they stressed the providential nature of the bonds of solidarity existing in the redistribution circuits in charge of the public economy, as in the notorious example of social security, a fact obscured by the technocratic rationality of the State (Nanteuil, 2014) and by incessant pressures for that assets and reserves for the future well-being of the populations enter the inclement circuit of the commodity. There is then a solid and fruitful theoretical and conceptual framework to consider the plurality of contemporary economics, with its various institutional patterns, without being carried away by the belief in economic determinism and the obsession of the market (Polanyi, 1947a; 1947b). It is from this point of view, being aware of these fallacies and the impropriety of situating the SSE in the same terms of the competitive logic of the market, that it is advisable to dimension its historical relevance and understand the challenges it has faced with its various conceptions, models and practices.

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