

SOLIDARITY ECONOMY IN BRASIL: Analysis of an Enterprise of Recyclable Materials

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ABSTRACT

Aiming at analyzing solidarity economy as a possibility for social inclusion and citizenship achievement in the municipality of Três Rios in State of Rio de Janeiro (Brazil), this article's concern is to address the issue especially considering the point of view of the beneficiaries of these projects. Accordingly, a survey of existing cooperatives was initially held in the cited municipality. Through research on the internet, information obtained from SEBRAE (Brazilian Service of Support to micro and small enterprises) and from local civil servants, we learned of the existence of the "Recyclables Cooperative", which is part of the "Três Rios Recycling Project", a kind of popular cooperative, which was chosen for this case study. Thereafter, interviews were conducted in the cooperative itself so that we could better understand its formation, trajectory and management. The main conclusion is that there are many flaws in the management systems of the surveyed cooperatives.

Keywords: *Solidarity Economy, Enterprises, Recyclable Materials, Brazil*

1. INTRODUCTION

In order to comprehend the issues raised in the case study, it is necessary to understand the solidarity economy history in Brazil and in the world, which brings us to the first thinkers who saw it as a new social, democratic and economic mode. Robert Owen (1771-1858), considered the father of Cooperativism, owned a British textile complex when he decided to invest his assets in creating a new economic organization that would be able to replace the characteristic capitalist competition by cooperation. The idea of the so-called "Cooperative Villages"

was then presented to the government of his country. In these "villages", people would live, work and produce for their own subsistence. However, his project was presented in a context in which the British economy was in deep depression because of the French Revolution which had caused several wars in Europe (SINGER, 2002).

Owen's proposal sought to help victims of poverty caused by the warlike confrontations, while he tried to imply, through his idea of "villages", that people could be reinserted to production and thus contribute to the British economy so that it would be rebuilt in the postwar period. The government of his country refused to implement the proposal offered by Owen. He lost part of the support he had from the upper classes and decided to try to implement his solidarity economy ideas in the United States, which was achieved in 1825.

The followers of Owen's thoughts - factory workers and other workers - dissatisfied with the position taken by the government, began to put his ideas into practice. The first owenist cooperative was then founded between 1821 and 1822, in London, by George Mudie.

Thus, the idea of solidarity in economy was being shaped in accordance with the lower classes of society because, for them, it was a chance to fight the ruling classes and claim their rights. It is clear, hence, that this kind of economy sought to curb industrial capitalism, while looking for an answer in favor of social inclusion. The connection between solidarity economy and the working critique of capitalism was evident. We can say that Owen played an essential role in the growth and strengthening of solidarity economy for being the inspiring figure and forerunner of the idea that would serve as inspiration for the later followers of his movement for a more just and less exploratory economy.

2. THEORETICAL REFERENTIAL

2.1 The Brazilian Solidarity Economy

In Brazil, solidarity economy strongly arises in the late twentieth century, as an attempt from employees to respond to new forms of exclusion and exploitation at work. Growing increasingly fast, the active solidarity economy in Brazilian land has allowed the generation of jobs and income to those considered "outsiders" in society (MAGERA, 2005). The participants of this movement seek to claim their rights, propose solidarity public policies and gain, through solidarity practices, their own identity. Understanding the reason for the rapid growth of this economy in our country does not seem so complicated.

In the 1990s, when, in Brazil, there was a strong unemployment wave, it became a middle class problem, too, becoming, thus, a major cause of social exclusion. The supporting actions of solidarity economy implementation, as a response to unemployment, were gaining more and more strength. In the 1990s the use of increasingly modern technologies in industries pointed to a greater job growth in the services sector, reducing the need for unskilled and non-specialized labor. Thus, we address the issue of the Brazilian solidarity economy as a field of actors seeking their own structuring process in this globalized capitalism (FILHO, 2006).

Despite the sudden prominence of solidarity economy in Brazilian land, emerged from the unemployment crisis, "experiences of economic activity organization according to the solidarity principles are not a recent phenomenon in history, but in the last decades there has been a renewed interest in the subject" (CUNHA, 2003, p.45). It is known that the Brazilian solidarity economy is still very much related to the idea of responding to unemployment and "the extraordinary variety of organizations that make up the field of solidarity economy allows us to formulate the hypothesis that it may be extended to all economic activity fields "(SINGER & SOUZA, 2000, p.23).

Therefore, solidarity economy, which raised as a social movement in Britain in the nineteenth century as a kind of resistance (by those excluded from society) to the compulsive growth of capitalism, emerged in Brazil only at the end of the last century. It should be noted, however, that it currently presents considerable growth, making the country an international reference on the subject.

2.2. Definition of Solidarity Economy

Solidarity economy would then be a production mode based on the idea of collectivity, equal division of management, ownership and profits. To illustrate, in a capitalist enterprise, wages are unequal and workers are free to change jobs whenever they deem necessary. When solidarity economy is deployed, its members earn what they call "withdrawal", instead of salary, which varies according to the revenue and can be divided equally between the partners or in accordance with each member's productivity (SINGER, 2002). Unlike the capitalist enterprise, whose aim is to maximize profits, a solidarity enterprise's goal is to ensure that everyone can get a good withdrawal. There is no competitiveness, a feature of the capitalist system.

This type of economy seeks to maximize production so that everyone can get a good income. The remains, which were the surplus within capitalism, are destined according to the members' decision and can be used for investment or even divided among the members. For Paul Singer, a great Brazilian economist and reference on solidarity economy, the definition of solidarity economy is related to the worker and the means of production, in which the enterprise rejects segregation between the means of production ownership and work, the basis of capitalism.

Hence, the solidarity enterprise is basically composed of workers who are secondarily its owners. Thus, the solidarity economy program is based on the idea that the contradictions of capitalism create opportunities for economic organizations, whose logic is opposite to the dominant mode of production (the capitalist mode of production), to be developed. Singer also points out that to build a strong and representative solidarity economy it is necessary that the population itself is willing to learn and follow the principles of solidarity, democracy and equality.

The duality between solidarity and the remarkable competition in the capitalist system is put into question in the definition of solidarity economy. The competition of the capitalist system generates social effects and produces increasing inequality. "In the capitalist economy, the winners accumulate advantages and the losers accumulate disadvantages in future competitions" (SINGER, 2002, p.8).

Solidarity economy is constituted as a new and different way of production characterized by self-management. There should not be, at least in his theory, the exploitation of others, destruction of the environment, and cooperation would be exalted. This new development logic that generates work, distributes income and at the same time, promotes inclusion of its members in society can be organized into associations, barter clubs, companies which practice self-management, cooperatives, among others which perform activities based on fair trade and solidarity consumption. The results offered by this type of economy aim at counteracting the principles of the capitalist system, such as alienation, social inequality and the environment exploitation. Through an organization based on the ideals of solidarity, association, cooperation and preservation, solidarity economy is consolidating itself as a socioeconomic practice in which all members have the same amount of capital and, as a consequence, the same right to vote in all decisions.

The quest for reducing inequalities will rely on an important tripod that symbolizes the main features of the solidarity economy system: equal division of profits, property and management. Equal division of profits is understood as the notion that all profits raised by a company that adopts solidarity economy should be divided equally among its members. It should be noted that this egalitarian distribution of profits is entirely contrary to the capitalist model, where profits are not divided among employees. The equal sharing of profits reduces competition, increases solidarity at work and makes everyone feels responsible for the business success (SINGER, 2002). The property is seen as something that belongs to the cooperative, regardless of the monetary contribution that each member provides for the establishment of the cooperative society. Thus, the members are the owners of the means of production, and not having the figure of a head, it can be said that each participant in the solidarity economy system are their own boss. The fact of not having an employer who should be accountable matches the following feature: egalitarian management.

Self-management (egalitarian management) is a very interesting feature in this type of economy. "Participatory management means that the power of decision belongs to the members themselves, through assemblies" (DOMINGUES JUNIOR, 2003, p.40). Paul Singer argues that this administration mode characteristic of the enterprise would be the main difference between the capitalist and solidarity economies. So, self-management would be based on democracy. It should be noted that this type of management requires more from workers, as the partners have to worry about all the problems of the company, not only with the fulfillment of their tasks, providing great human development to its practitioners since they must be interested in the enterprise's good. One of the many advantages of self-management is the fact that, for participating in all discussions and decisions that occur, members become more confident and safe on the position they should take (SINGER & SOUZA, 2000).

Moreover, it is important to highlight that solidarity economy is not only restricted to the income generation proposal, going far beyond that. Many ideas are put into question in this economic model, among which we mention the relationship with the environment, the relationship between the members, the appreciation of work, cooperation and solidarity values, the rejection of competition and the non-exploitation of its workers. Therefore, its objective is a sustainable development, trying increasingly to meet the needs of each participant and providing, through the ideals of solidarity, justice, cooperation and unity of effort, better life quality and social inclusion for its members.

Solidarity in these endeavors consists of equal distribution of income, improvement in the participants' living conditions, relationships established between the community and the environment and respect among all workers. It is a new way to produce in which the human being is the center of everything that happens. The main focus is no longer the pursuit of profits, exacerbated competition and quest for market dominance, but rather the worker's own growth as a human being, through practices that integrate members of society who yearn for a chance at the labor market by providing them with a better relationship with society and with all its components.

2.3 History of Cooperatives

The cooperatives are one of the manifestations of solidarity economy and, as well as other forms of associations, it originated from the human need to be supportive so as to achieve a common good. The beginning of the cooperatives date from the Industrial Revolution period occurred in England. Weavers from Rochdale - a neighborhood in Manchester - dissatisfied with the unemployment and low wages to which they were subject, assembled so that they could buy basic necessities together. The Rochdale Society of Equitable Pioneers, which was later named Rochdale Cooperative, was established in 1844. The function of this cooperative was to raise the capital needed to increase the purchasing power of its members, i.e., it was a consumer cooperative, mother of all cooperatives. According to Singer (2000, p.52) "the great initial advantage of cooperatives was the market provided by a group of partners booming".

In the Rochdale Cooperative, the number of members grew more rapidly than the number of jobs created. The massive growth of this cooperative around 1850 and 1860 affected many European countries. The cooperative movement began to spread across the European continent in countries like Germany and France, reaching afterwards the rest of the world, including Brazil.

Initially, the forms of cooperative organization were related to agriculture. Currently, cooperatives are expanding even more, which can be explained by the rural exodus, urbanization, social problems increase in urban areas and industry advancement. In Brazil, cooperatives are legally recognized as a form of organization, gaining more followers (FILHO, 2006).

2.4 Cooperatives in Brazil

Founded in the midland part in the state of *Paraná* by the French physician Jean Maurice Fivre, around 1847, the first Brazilian "cooperative" was short-lived but very important for the further development of cooperative practices in Brazil. It was a community organization which worked based on the cooperative ideals of cooperation and effort unity. It is interesting to highlight that in Brazil the cooperatives emerged as a way to satisfy the interests of the elites, developing mainly in rural areas so that, thus, the agroexport elites could take control of society always aiming at the modernization of production and neglecting the workers' living conditions. The strengthening of the Brazilian cooperative movement occurred around the 1930s, in President Getúlio Vargas's government (SINGER, 2002).

Solidarity economy began to be more representative in Brazil in the 1980s, with the emergence of many cooperatives, self-management companies and enterprises based on solidarity. The crisis of formal employment and precarious working conditions resulted in the growth of the number of work cooperatives in Brazil.

Thus, from the 1990s on, cooperatives became an alternative for solving problems caused by unemployment, becoming important means of employment and income generation, acting in multiple processes, from production to service. Interestingly, work cooperatives have gained significant experiences because without them, many workers would probably be in precarious living conditions.

In the 2000s, with a more stable economy, work cooperatives have gained importance in representing a real source of income for workers, who are able to achieve more equitable earnings. Therefore joint efforts make the cooperative grow and generate new opportunities for its members, in a strong virtuous circle that provides growth to the participant.

The OBC (2010) - Organization of Brazilian Cooperatives - defines a cooperative as "a society of at least twenty individuals, united by cooperation and mutual aid, managed in a democratic and participatory manner, with common economic and social objectives, whose legal and doctrinal aspects are distinct from other societies" (Tenth Brazilian Congress of Cooperatives - Brasília, 1988). Through mutual aid, members of a cooperative seek to solve many common problems, which can be economical, social and cultural, among others. A cooperative differs from other types of organizations of people for being essentially an economic one. It can be

understood as a company whose task is to provide services to its members. In such a way, a cooperative can be seen as an important way in which a group of individuals are able to achieve certain goals through a voluntary agreement for mutual cooperation.

It is worth noting the difference between the definitions of cooperative and association. Associations generally have a social, cultural and educational purpose, among others, while cooperatives have an economic goal, always aiming to make the business profitable for its members. Another essential difference between them is that in the cooperatives, the members are, or at least should be, owners of the property and the means of production, unlike associations, where the assets do not belong to the members. When a cooperative is created, the objective is to improve the economic status of its members through mutual cooperation between them. Therefore, as previously explained, the cooperative is one of the manifestations of economic and social practices proposed by the solidarity economy. The cooperative model has been used so that it can be possible to make viable business in various fields (SINGER & SOUZA, 2000).

2.5 Definition of Cooperativism

Cooperativism consists of a practice based on solidarity, autonomy, independence and democracy. Thus, the focus of this kind of society is the union of its members and not the capital. It is important to highlight that the cooperative system seeks to satisfy, firstly, the needs of the group, becoming an economical alternative which desires the balance among its participants through the junction between social welfare and joint efforts of its members.

As it is one of the means by which solidarity economy is expressed, cooperatives will also have features such as a democratic management, equitable sharing of profits and property. In the cooperative management, we observe that it is an institution based on self-management, in which each member has one vote in the decisions taken in assemblies. The cooperative system will aim to empower its members for work and for life in society.

3. METHODOLOGY

Our first methodological aspect involved a bibliographical research on cooperative/solidarity economy. Through survey on websites, books, documents and articles, we selected the material used as reference to write this article. In addition, a case study was conducted, in which we were interested in deepening our knowledge about a specific cooperative, the "cooperative of recyclable materials pickers," for being a popular cooperative and a solidarity economy experience. Hence, through a field survey, we sought to understand, primarily, the history and functioning of this cooperative.

Then, we made visits to the cooperative analysed, as well as observation of its functioning. Interviews were conducted - which were recorded - with members and other important actors for the enterprise (among them, the NGO Recycle *Três Rios*, the town hall and also SEBRAE). The questions were mainly about the origins and reason for the emergence of the cooperative, its operation and the importance of this enterprise for its members. The responses obtained were of utmost importance for understanding the relationship between the cooperative and its participants, and the idea they had about the project in which they were inserted. Finally, we performed the interpretation and analysis of data obtained through field research and these interviews (TRÊS RIOS TOWN HALL, 2011; SEBRAE, 2010).

3.1. The First Step

Initially, our goal was to understand the whole functioning and history of the analysed enterprise, trying not to go into much detail. Interviews encompassed topics such as date and reasons for the emergence of the cooperative, as well as issues that would lead us to understand the dynamics of each one. Thus, among the existing cooperatives, we chose to analyse more deeply the "cooperative of recyclable materials pickers" for its solidarity feature that, as far as so we noted, offered its members the generation of citizenship possibility and the (re)construction of certain autonomy through a recycling project.

3.2. The Second Step

Subsequently, more interviews were conducted only with those involved in the chosen project. So we interviewed the head of the NGO Recycle *Três Rios*, - which offers great support to the "cooperative" as well as the municipality environment secretary - since the town hall supported the studied project over a long period, as discussed below. We also interviewed a consultant from SEBRAE (organ that supports the "cooperative" to promote its members' training) and most of the participants – the beneficiaries - seeking to understand the enterprise's history and its relationship with those individuals (SEBRAE, 2010).

4. SEARCH RESULTS

4.1 History of the "Cooperative of Recyclable Materials Pickers"

The analysed "cooperative" history began in January 1999. It was a kind of first step of the project *Recycle Três Rios* which, over time, began to assist in the environment preservation. A heavy summer rain flooded the town centre of *Três Rios*. With the great amount of mud and dirt scattered in the street, people started to strengthen the idea of recycling and environmental education in this municipality. SEBRAE had already had a pilot project in a nearby town, which involved employment and income generation through garbage recycling and correct disposal, but this project had not worked out. The manager of *Três Rios*'s SEBRAE at the time initiated the project *Recycle Três Rios* with his brother's support, who really struggled for the success of the "cooperative" due to an old dream of creating and strengthening such an enterprise. After moving the community and entities, and also, relying on the government's support, the project was settled. At first, the role of the town hall was only to raise capital, assist in its structuring and dissemination, as well as lending a shed where the "cooperative" worked for years (SEBRAE, 2010).

The lack of resources and credibility was remarkable at the beginning of the project. About fifteen people directly involved in the materials' recycling, separation and packaging work laboured in a warehouse lent by the town hall. As the "cooperative of recyclable materials pickers" had no power to develop partnerships that provided their growth, in 2001, two years after its creation, the NGO *Recycle Três Rios* emerged. It must be noted that the NGO is a non-profit project and, along the years, it began to support other existing solidarity and productive projects in the town by making covenants, partnerships, searching for sponsorships and donations. Among the other projects supported by the cited NGO we can refer to the workshop "Marys of the Arts," which uses discarded tissues as raw material for making bags, shirts, dresses and jewelry. There is also the "Bamboo Art" project, established in August 2009, which aims to stimulate the interest of the *Ladeira das Palmeiras (Slope of Palms)* community about cultural and environmental issues through a bamboo lamps workshop. Finally, the "Bambunato Eco Design", created in 2007, which focuses on the development of utility-decorative products and fashion accessories such as jewelry and purses.

With the creation of the NGO, specifically in relation to the "cooperative of recyclable materials pickers", a covenant with the town hall, which would be renewed annually, was made. In accordance with the agreement, the mayor would yield a monthly amount (which normally varied) for the "cooperative" to invest. Thus, this money was invested in the maintenance of the two trucks destined for the selective collection (SEBRAE, 2010).

The growth of the NGO in all the projects it supported was remarkable during its early years, especially in the analysed "cooperative". Partnerships with local schools were made to promulgate the importance of recycling in society and its benefits for the environment; companies donated materials, basic grocery packages, uniforms and transportation; the marketing of green brooms (made from PET bottles) was also started, which for a while, were produced by the project members. Many organizations gave preference to the project and donated materials for recycling.

SEBRAE, one of the oldest partners, works on the cooperative training and the restructuring of the business, being also responsible for campaigns in the town and in the region. It acts in schools with consultants who clarify information about the project and ensures that cooperative members meet other projects. We observe, therefore, that SEBRAE plays a fundamental role in the market access, capacity building and promotion of lectures issues (SEBRAE, 2010).

Materials collection were made regularly in all districts of the town, with previously arranged date and time, as well as a route made for the collection of materials in partner companies. The trucks had no exact arrival and departure time to and from the shed since the goal has always been to achieve the highest possible amount of material collection daily in order to increase the income obtained by the cooperative members. As the municipal government changed, the shed where the venture had worked until then had to be vacated and other spaces were rented over time, which were paid by the "cooperative" itself.

It is noteworthy that the agreement of the NGO with the town hall was renewed at the end of each year but, at the end of 2009, the city did not renew it since, according to the environment secretary in an interview, the government was already capable of performing the selective collection service in the town. We could, then, observe that the studied "cooperative" was only an outsourcing recycling service in *Três Rios* (TRÊS RIOS TOWN HALL, 2011).

With the passing of an important leader for the "cooperative", in early 2010, the project went through serious difficulties for its maintenance. With the end of the support from the mayor, *Recycle Três Rios* began a

decaying process, unable to sustain itself with its own resources, without the government help and with limited financial resources. The role of the town hall was to provide the set value that backed the two trucks that collected the recyclable material. Without the aid of the government, the cooperative itself had to be responsible for expenses with the truck and other expenses they had. The town hall expected that the NGO could self-sustain itself and stand alone. Without this support, which was considered essential by the cooperative and members of the NGO, the cooperative started weakening and faced great difficulty (TRÊS RIOS TOWN HALL, 2011).

That is the context in which we found the "cooperative" at the beginning of our field research. From a qualitative study, we sought to analyse it through its origin process and formation, members' level of participation and involvement, management, cooperative system knowledge, linkage with local government, self-support capacity and their work structure. Thus, analyzing the "cooperative of recyclable materials pickers" we aim to understand how the enterprise actually works, which, in theory, is called solidarity, but in practice, as we will observe in this work, it presents points and issues that should be reviewed and resolved to its success.

4.2 Interview Results

We interviewed the head of the NGO Recycle *Três Rios*, one of the managers of SEBRAE, the environment secretary, and the cooperative members from the "Cooperative of recyclable materials pickers." From the information and facts exposed by them, we reached some conclusions, especially with regard to the management of the enterprise. Having the knowledge of definitions, characteristics, mode of operation and other understandings about the cooperative and solidarity economy, many aspects could be observed in the analysed "cooperative". Therefore, in this conclusion we seek to highlight some of these aspects, raising important issues that show possible causes of failure of this solidarity enterprise.

We noted the dependence of the "cooperative" upon the government, the existing gaps in its administration – which gave evidences of being little participative -, their poor working conditions and work devaluation, apart from the cooperative members alienation regarding the "cooperative system" in which they are inserted, the reproduction of some capitalist inequalities and other very relevant questions in the "cooperative of recyclable materials pickers" in *Três Rios*.

We noted that the participants ignored the essence of the cooperative system, who ended up reproducing, in the "cooperative", typical inequalities of the capitalist system, which are not part of the solidarity economy. Capitalist inequalities are reproduced from the moment that there is a hierarchical division of power, in which the "boss" uses their influence to inhibit other cooperative members who, without many alternatives and with little knowledge of the cooperative system, eventually submit to the authority and the excesses of this figure. In this "cooperative", the idea that the cooperative is an alternative mode of production to capitalism (SINGER, 2002) is not convincing, since we can observe the existence of the capitalist system's typical competitiveness by the members, with little exaltation of cooperation and inexpressive solidarity ties.

Thus, the equal division of profits was replaced by division according to the productivity of each individual. That is, besides depending on the amount of material collected in a given period, the income obtained is subject to the working hours of each member. Therefore, being assiduous in work is not a guarantee of good income at the end of the month. A particular person, for example, can work a few days in a period which a great amount of material is recycled and sold, which will provide good income. It is also possible that another individual works every day in one month which has little collected and recycled material, which will lead to low income.

Having a distorted concept of self-management, the cooperative members found themselves submissive to one person's will, who seemed to be a sort of boss. According to Magera (2005), the fact of not having studied or being illiterate makes cooperative members find it difficult to involve themselves in administrative matters of cooperatives and, as a result, other people often play the role of "boss". The cooperative members were not owners of the productive process, the means of production and the property - as it should occur in the egalitarian management proposed by solidarity economy. As a result, they became totally dependent on other actors (external) for the "cooperative" attempt of success (Singer, 2002).

We also observed that the "cooperative" suffered a kind of outsourcing of the collecting, recycling and separation work from the town hall (MAGERA, 2005). The municipality financed the project while it was convenient and interesting for it. When the local government was deemed able to perform selective collection in the town, the financial support given to the project for ten years was seized without much justification. In other words, the town hall initially transferred the responsibility of the selective garbage collection to the

"cooperative", giving capital and support to the enterprise to subsequently withdraw all support given, leaving the cooperative in an extremely difficult situation. The "outsourcing" reality has become very common in many Brazilian companies and organizations, as well as in various social projects. The result was not different in the studied "cooperative": precariousness and devaluation of work.

It is true that, as Heliana Katia Tavares Fields stated, "the State is essential, but does not do everything alone" (MELLO *et al.*, p.33, 2006). The "cooperative" members had the resources and opportunities to make the project more consolidated and independent after functioning in the town for so long. Such a strong bond with the government was created that even the members themselves did not imagine that one day such a "fairy tale" could come to an end. So they felt comfortable with the support offered for years and did not seek other ways to improve their productivity for the members welfare.

Discontinuation of assistance and guidance to the "cooperative" by the municipal government impaired the enterprise and enhanced its dependence on public resources. From the end of municipal subsidies for the project, the cooperative can no longer achieve its sustainability. The death of a significant cooperative leadership affected even more the cooperative members who, without the support given by the town hall and without the important figure of a leader, try to restructure themselves. The management of the new leader did not generate good results, causing the parting of many members dissatisfied with his attitudes.

Prejudice towards those working in the rubbish is also part of the studied "cooperative" reality and some of the cooperative members are ashamed of saying where they work. Basic infrastructure and security problems also undermine and hamper the enterprise's growth, marked by poor working conditions and lack of safety equipment. In addition, the cooperative participants are exploited in the production chain by "scavengers" who impose low purchase prices of recyclable materials, causing the devaluation of the collectors' work (MAGERSA, 2005).

Some members feel embarrassed by their workplace, fearing suffering prejudices of a consumerist and unconscious society in regard to the importance of recycling nowadays. The devaluation of their work is noticeable when we find that industries that buy their materials set very low prices and, without many options, the cooperative members eventually give in to this kind of exploitation. Hence, the "cooperative" separates and packs the recycled material and sells it in large quantities to the scavengers, who then resell it for lower prices to industries. The devaluation of the cooperative work is reflected negatively in the payment of its members (MAGERA, 2005).

Another noticed factor was the increased number of women working in the analysed "cooperative", confirming what MAGNEM (2006) stated, that females act in most existing solidarity enterprises in Brazil, making one of the hallmarks of Brazilian solidarity actions be precisely the greater participation of the female contingent.

For some members, working in a "cooperative" represents the possibility of entering the job market (and exiting unemployment) and for others who have experience in the formal labor market, working as a picker is seen as extremely precarious. Thus, on one hand, some collectors value the work with recycling (beneficial to society, especially regarding respect for the environment) and, on the other hand, there are those who are embarrassed to work with "junk". However, many cooperative members feel valued for participating in the initiative, have their self-esteem boosted, and create expectations of better living conditions (DOMINGUES JR, 2003).

5. CONCLUSIONS

To summarize, we can conclude that the failure of the studied solidarity enterprise is due to a number of factors and erroneous decisions made by its management. We point out as our main conclusions the flaws in the administrative management, which should be guided by democratic administration, equal profits and property division, but in practice, we observe the reproduction of some capitalist practices and inequalities within the cooperative (HECKERT, 2003). Moreover, we also observed the excessive dependence of the cooperative on external actors such as NGO and town hall. Finally, we found poor working conditions and ambiguities in the cooperators' view on the project, causing difficulties and obstacles in achieving social inclusion and citizenship achievement.

As stated by Suzana Maria Moura, "solidarity is not a core value only among the socially excluded" (FISCHER, p.335, 2002). There is a need to strengthen solidarity bonds since they are structural elements in any social relationship. In fact, what we observe is that the sector of the solidarity economy has become invisible to the

policies of the Brazilian State, which is still schemed to promote capitalist development, and which ultimately ends up becoming reality even where, in theory, it is rejected (FILHO, 2006).

Nevertheless, beneficiaries feel valued in the analysed solidarity enterprise, raising expectations of better life conditions - despite all difficulties. In spite of initial prejudice, we noticed members' behaviour changes regarding garbage, changing their relationship with the environment. Aware of the importance of their work to society, participants of the "cooperative" repass their learning to friends and family, encouraging them to recycle and contribute to the improvement of the world where they live.

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