Chapter 11

Socioeconomics of Solidarity: A Multilateral Perspective from the European Union

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ABSTRACT

This work deals with the Socioeconomics of Solidarity analyzed from a double public and private perspectives. The chapter begins with the guiding principles of this emerging economic thought based on the principle of subsidiarity, the search for the Common Good, and the necessary solidarity based on justice. After having grounded these principles, the author develops different solidarity-based public policies, mainly focused on the European Union, by including principles, objectives and stages of the European Official Development Aid, the European Development Fund, and the Common Framework for Joint Multiannual Programming and Efficiency. This analysis is complemented with the ideas rooted on the Socioeconomics of Solidarity that is analyzed following a private perspective, arguing that it is necessary to re-launch these School of Thought based on solidarity and justice to search for an economic world characterized by social welfare and economic wealth.

INTRODUCTION

Today, the business world is characterized by a strong “glocalization” (think globally, act locally), with a business policy development based on outsourcing. This business strategy is complemented with the launching of public Official Development Assistance (hereinafter, ODA), close with economic policy prescriptions, to achieve higher levels of economic and social welfare.

In this process, the Information and Communication Technologies (hereinafter, ICTs) have a key role to play, which have transformed the world as a global village (McLuhan, 1964). Following Rifkin (2011), we are now facing the Third Industrial Revolution, also called the Revolution of Intelligence or Knowledge Economy1 (Marginean, 2009), which is defined by the transmission of real-time information through Internet over the world. Faced with the undeniable benefits associated with Internet, most notably:

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1. Real-time communication independently of the type of transmission used;
2. Higher levels of productivity;
3. More efficient academic work;
4. Networks rooted on personal and professional contacts;
5. Less operating and supply costs;
6. Further expansion of clients by opening new markets, and
7. The possibility of collaborative consumption, leading to a global social re-humanization.

As the world is immersed into a global village, economic crises have a deeper impact, as has happened in the First Global Crisis, beginning on 15 September 2008 after the Lehman Brothers bankruptcy. Given the negative effects arisen from this crisis, a reintroduction of values and guiding principles defining subsidiarity, solidarity and the common good, as well as a strengthening of ODA mechanisms, is necessary.

The Socioeconomics of Solidarity has recently emerged in Latin America and Spain as a complementary School of Thought to diminish the strong economic imbalances in terms of unfair income and welfare distribution existing in these countries. Fostering social entrepreneurship and welfare generates positive externalities (Leadbeater, 1997; Dees, 2001; Drayton, 2002), Braunerhjelm & Stuart, 2012), to combat poverty by implementing business strategies to maximize profit, such as applying Corporate Social Responsibility and the Triple Bottom Line. In fact, any initiative based on economic issues has a social impact (Certo & Miller, 2008; Mair & Schoen, 2007), whose intensity varies according to business and social characteristics in the country, being particularly important in the case of social entrepreneurship.

In this sense, and after having analyzed the entrepreneurial activity in 49 countries, Lepoutre et al (2011) show that countries with high levels of entrepreneurship, most of them are social enterprises focused on creating economic welfare with social value, while stimulating social changes by offering goods and services to meet consumer needs. All of this leads us to conclude that entrepreneurs create value to stakeholders. After having studied the Ashoka’s ‘hybrid value chain’, and the ‘holistic approach to development’ conceived by Bangladesh Rural Advancement Committee (BRAC), Kim (2014) propose a global social entrepreneurship model both to fight poverty, and to highlight how entrepreneurial efforts can create opportunities for launching ventures to satisfy social needs, while balancing economic and social imperatives on a global scale.

Social entrepreneurship can be improved through solidarity focused on social needs. Good business practices are characterized by the implementation of policies based on social entrepreneurship seeking to “catalyze social change and social needs” (Mair & Marti, 2006: 37) and “social value through the implementation of new business opportunities” (Weerawardena & Mort, 2006: 25). This social value is translated into a higher quality of life for society, as well as a growing sense of self-worth and self-assessment individual sentiments.

This sense of self-assessment is enhanced by the desire of a continuous improvement in the pursuit of excellence through cooperation and self-competition. Actually, this fact is a constant pursuit of happiness for entrepreneurs and their immediate environment, leading to a constant search for quality and needs’ satisfaction, not only for their customers and suppliers, but also for their own happiness.

Given these premises, social entrepreneurship can be fostered through solidarity addressing a variety of social needs. Generated from entrepreneurship, well-done jobs are a mixture of motivation, courage, determination, ethics, continuous learning, intelligence, passion, and entrepreneurship seeking the welfare
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