



# **Local Solidarity: Historical and Contemporary Experiments in Socially Responsive Business Development\***

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## **Introduction**

In its multiple meanings, solidarity is a fact of human existence, a normative value, a means to an end, and a call to arms. Commonality, unity, and cohesion are among its synonyms. It is understood by competitive athletes, by union activists, and by human rights campaigners. It is invoked by managers for business purposes and yet feared at the same time. Unlike the weak bromide of corporate social responsibility, solidarity may serve as an organizing principle and guide the reconstruction of the local and global economies. However, it is fragile, often yields to narrow and sectarian interests, and sometimes sustains prejudice.

Solidarity is a social bond of affection and identity that unites family, tribe, ethnic group, and nation. It may also extend to an inclusive view of humanity unmarred by invidious distinctions. While all organizations and communities depend upon group cohesion, solidarity is a special form of cooperation that may transcend sectarian interests and boundaries.

## **Solidarity, Culture, and Human Nature**

In his famous work, *The Gift*, French anthropologist Marcel Mauss (2002) found patterns of reciprocity embedded in the practices of a wide variety of cultures. He argued that the notion of a gift actually carried with it expectations of return. That is, giving creates a relationship characterized by mutual responsibility, which the recipient will honor with another gift. Mauss questioned the economists' reduction of social relations to a carefully calibrated exchange of commodities of equal value, since he

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\* The author thanks Milton Jacobs for his introduction to the domain of philosophical anthropology.

viewed exchange as constitutive of social bonds, of solidarity. Mauss asserted that broader gift processes were at work in modern society through the operation of cooperatives and trade unions, despite the apparently dominant capitalist logic.

Mauss' conception of gift processes appears consistent with 'reciprocal altruism,' which arguably has both cultural and natural sources. On the one hand, some cultures embrace gift processes to a greater degree than others. On the other hand, biologist Robert Trivers (1971) found evidence of reciprocal altruism in animal behavior. That is, cultures may choose to reinforce a behavior that emerges within nature without the benefit of consciousness.

Among the social institutions that may be described as instantiations of solidarity, one would include social security, universal health care, cooperatives, trade union federations, and social regulations of broad public benefit. None of these reflect an abstract and disinterested universalism. Rather, each links and realizes specific interests within the context of universal guarantees.

Since capitalism and socialism come in multiple forms, it is often deceptive to rely on rigid categories to describe something as fluid as political economy. Despite the claims of neoclassical economists, both self-interest and altruism are ineradicable elements of the thinking and behavior of all humans and will be reflected in social institutions regardless of the putative governing ideology. Self-interest is linked to individual identity and altruism underlies potential solidarities.

In addition to centripetal and solidaristic forces sustaining cooperation, there are particularistic and centrifugal forces leading toward capitalist forms. Cooperatives, for example, sometimes metamorphose into traditional capitalist enterprises as individual members sell their stake in the marketplace. This is emblematic of a broader dynamic in which solidaristic initiatives yield to internal and external pressures.

## **The Emergence of Global Solidarity**

Global travel and trade have brought disparate communities in close contact and have stimulated debate about similarities and differences among cultures. Global contacts have led to the development of a variety of institutions for communication and control. In many contexts, one human group has found advantage in the denial of the humanity of another. Gould (1981: 245) notes humans' problematic habit of imposing a rigid ranking on disparate cultures. Slavery, servitude, imperialism, and ethnic cleansing have drawn inspiration from this ranking process.

The development of capitalism and the evolving language of human rights shook the pre-existing feudal hierarchies and engendered new debates. By overturning old institutions, reformers and revolutionaries fostered a period of institution-building. Some sociologists and social critics found the logic of market and contract a threat to the improvement of 'society,' whose malleability they proclaimed with optimism. Auguste Comte, Émile Durkheim, and other early sociologists struggled to understand the nature of social cohesion in its favorable and destructive forms. Unfortunately,

many students of society continued to find gradations of humanity in the world's population.

The nineteenth century anti-slavery movement demonstrated the growing power of a global conception of human rights, according to which human equality was asserted across cultures. Marx's call for class-consciousness focused on the shared interests of the working class but tended toward the possibility of a broader human redemption. Later, anthropologists like Boas (Boas and Wallace, 1939) and Levi-Strauss (1966) challenged prejudicial conceptions of race and culture and provided a scholarly justification for a broad human solidarity.

## Solidarity and Critical Management Studies

Notions of solidarity have been central to the many currents of scholarship challenging the main drift of capitalist development. The 'possessive individualism' of Thomas Hobbes and John Locke and the market models of Adam Smith and Jeremy Bentham contributed an intellectual foundation for laissez-faire capitalist institutions but also helped engender a critique of capitalism. For example, Locke's right of revolution could be appropriated by thinkers with a more egalitarian and solidaristic vision, like Thomas Paine. Adam Smith's notion of sympathy helped inspire Giddings' concept of *consciousness of kind*, the development of shared identity among similarly situated individuals. This idea undermined individualistic models of human nature (Giddings, 1896). Marx, institutionalists, and evolutionary economists observed collective processes underlying the practices of capitalism and perceived the bases for an alternative solidaristic economics. Durkheim identified the coercive dimensions of capitalist contract (which he called *contractual solidarity*) and *ascriptive solidarity*, which he associated with the exclusive identities of gender, kin, ethnic group and nation. These he counterpoised to more egalitarian and consensual solidarities.

More recently, scholars in Critical Management Studies have sought to assert workers and community interests against the depredations of capitalism, in the interests of some kind of broader human solidarity. (See, for example, *The Critical Management Studies Interest Group Domain Mission Statement* [CMSIG, 2001].) They have described how the consciousness of shared concerns that sustains teams and corporate loyalty may also generate a broader social consciousness, stimulating labor activism, environmental campaigning, or global human rights work. On the other hand, Reedy (2003), relying on Rorty (1989), warns that solidarity and exclusivity often are correlated, and that local identity is likely to be more conducive to activism than universal ideals.

## Solidarity and Corporate Social Responsibility

Solidarity informs the struggles of trade unionists and the other stakeholders who challenge corporate decisions. Solidarity in the form of altruism should limit managers' exploitation of stakeholders. However, managers and leaders of corporations regard

themselves as a class apart whose need of autonomy trumps substantive duties to employees and community.

In the United States, successive waves of labor, Populist, Progressive, New Deal, liberal and radical movements have sought to limit corporate power, socialize it, and sometimes overturn it. As Charles Perrow (2002) points out in *Organizing America: Wealth, power, and the origins of corporate capitalism*, there were competing paths for the development of enterprise, and the leaders of the corporations were able to fashion doctrines of limited liability, legal personhood, and profit-maximizing that undermined older visions of craft workshops and cooperative commonwealth.

The 1960s and 1970s brought renewed challenges to corporate power, and some liberal business leaders puzzled out loud about their social responsibilities. Ralph Nader and other corporate accountability activists proposed a legal redefinition of the corporation. The Committee for Economic Development endorsed an expansive statement of corporate social responsibility, stressing the sufficiency of enlightened self-interest as a pillar of virtuous practice, but there were a few panel members who called for robust government activism (CED, 1971).

Corporate conservatives soon regained the initiative and continued to proselytize for a weak brand of corporate social responsibility founded on an opportunistic discretionary behavior by managers. Management scholars and practitioners alike have peddled this notion and have ignored the underlying reality that ‘stakeholder management’ tends to preclude enforceable standards in wage justice and job security. Instead, managers assert their sensitivity. What workers and neighbors probably want more than the rhetoric of intimacy is a durable set of guarantees. Solidarity is the end and the means in that fair treatment depends upon a reciprocity that presupposes an underlying equality and solidarity.

As distinguished from CSR, solidarity implies a correspondence of identity and incorporates public and private means to secure justice. It tolerates no invidious distinctions and insists on a global human equality. It endorses collective action for broadening the distribution of social goods. Most management scholars, it would appear, find the concept of solidarity to threaten the pre-eminence of the corporation and management. They prefer to study teams and corporate loyalty for that reason.

## Local Solidarity and United States Federalism

Local solidarity may guide institution-making in spaces where workers and other community members have decisive power by virtue of their votes and organization and a measure of autonomy. The federal structure of the United States permits considerable variation in public policy and private practice on the state and local levels. As a result, states and cities sometimes become home to a web of solidaristic initiatives.

The United States has always had a segmented and internally diverse political economy. Despite the rhetorical emphasis on capitalist individualism, there have been varied forms of capitalism and socialism implemented on the regional and local levels. In fact,

while states are frequently conceived as laboratories for experimentation, community experience is even more varied. Institutionalist economists like Peter Doeringer and Michael Piore (1971) have demonstrated that labor markets are segmented with varying dynamics elevating or depressing labor power even in the same organization. Competing paths of development are visible within organizations.

Regional, state, and local politics are influenced by heterogeneous patterns of immigration, ethnic politics, voter participation, industrial mix, and other historical and institutional factors. In the pre-Civil War period, plantation slavery coexisted with subsistence agriculture and craft workshops. Following the Civil War, slavery evolved into tenant farming and sharecropping in the South, but agrarian radicals built farm cooperatives, craft workers organized unions and agitated for worker cooperatives, and large scale factory production emerged. While the locus and intensity of economic competition grew, local markets and politics retained distinctive identities.

Particularly in periods of depression, local activists across the United States sought alternatives to economic insecurity through political action and social experimentation. A panoply of 'radical' economic programs were attempted at the local level, including state-level Populism in the 1890s, so-called 'sewer' socialism in city government in such cities as Milwaukee, Farm-Labor politics in Minnesota and North Dakota, the 'Wisconsin Idea' and LaFollette Progressivism, Upton Sinclair's End Poverty in California campaign for 1930s California, little New Deal governments in Michigan and New York, and, more recently, university and community-sponsored employee-ownership networks in Ohio and Vermont. There is a rich history of economic experimentation to consider (Goodwyn, 1976; Laidler, 1968; Freeman, 2000).

In their periods of liberal leadership, New York, Wisconsin, Minnesota, Oregon, Hawaii, California, and other states have established policies comparable to the achievements of European social democracy. For example, the New York State Constitution guarantees the right to welfare. Oregon mandates safety committees in many employers. Hawaii and Massachusetts have attempted to guarantee universal health insurance. New England has nurtured a substantial constituency of environmentally-oriented businesses.

## **Solidarity Constrained**

The mobility of business and the decisive power of the corporate right have long constrained states' progressive experimentation. The Chamber of Commerce, well organized in fifty states, consistently warns that states may damage the climate for business by over-regulation. Firms like Grant-Thornton and Development Councilors that rank states on business climate and have usually rated states with effective environmental and labor regulation poorly. The 'Federalist Society' functions as a party within the judiciary and has sought to whittle down the commerce clause of the Constitution so as to undermine social controls on business (Landay, 2000).

Joshua Freeman's (2000) *Working Class New York* reveals the substantial gains labor made in New York City and illuminates the backlash from conservative business interests. On the gains, Freeman writes:

the New York labor movement led the city toward a social democratic polity unique in the country in its ambition and achievements [following World War II]. New York became a laboratory for a social urbanism committed to an expansive welfare state, racial equality, and popular access to culture and education. (Freeman, 2000)

Freeman argues that the proportion of workers organized in New York City (between a quarter and a third) played a critical role in shaping the politics of the city. With union involvement, Democrats, liberal Republicans, and third party leaders fashioned vast systems of health care and higher education in order to expand public access. Unions and cooperatives developed housing to serve those with low and moderate incomes. The result was a political economy resembling Labor Britain or the Swedish 'Third Way' rather than 'Main Street.'

Then came the backlash. New York's mid-1970s fiscal crisis led to a confrontation between the values implicit in the city's budget and the politics of the Ford administration. Secretary of the Treasury William Simon testified before Congress and asserted that the terms for federal aid to New York should be "so punitive, the overall experience so painful, that no city, no political subdivision would ever be tempted to go down the same road." Some observers construed this move as an effort to reverse liberal social spending in the city, not merely to forestall default (Freeman, 2000).

## From the Local to the Global

Given the decisive power of corporate interests at the United States federal level and widespread insecurity about the process of globalization, the possibilities and limitations of local and regional reform are worthy of examination. The nation-state is not necessarily the most appropriate target for activism.

Local experimentation is, in fact, a global phenomenon, and solidaristic initiatives may bind local communities across the globe. International trade unionism is an obvious example. Global Exchange ([www.globalexchange.org](http://www.globalexchange.org)) and the Mennonite enterprise Ten Thousand Villages are two organizations that connect international networks of 'fair trade' producers. The 'Social Forum' movement is, of course, a special interest of *ephemera* readers. Solidarity is a multi-layered phenomenon, which connects individuals and groups in concentric circles of overlapping identity and affiliation of varying intensity. The starting point, however, is usually found close to home, in the workplace, village, county, and region, as Rorty and Giddings would suggest, and in experiments such as the ones examined in this special issue.

This Special Issue of *ephemera* incorporates a diverse set of case studies: Luhman's study of the potential of worker cooperatives as a tool for social change, Marens' account of labor's pension fund strategies, Poonamallee's consideration of an Indian town's struggles to avoid the perils of globalization, and Whalen's analysis of labor

friendly economic development efforts in Western New York State. All are experiments in 'local solidarity,' solidaristic initiatives in pursuit of shared economic security in an environment dominated by large, hierarchical, profit-maximizing corporations. All depend upon intertwined conceptions of enterprise and community.

Luhman explores the proposition that worker-ownership may be an effective instrument for solidarity and social change given social commitment and vision among the members. Marens analyzes shareholder activism as a social movement and examines labor activists' strategy of seeking to coalesce with other investors on the basis of a shared 'master frame' of producerist values. Poonamallee finds the relationship between an emerging model of locally sustainable economic development in India and historic anti-colonial struggles. Whalen explores economic development initiatives driven by labor union leaders in the western region of New York and considers the shifting boundaries of solidarity.

In each case, the practice of solidarity is unstable and subject to setback. Union pension fund managers are susceptible to the appeal of wealth-maximizing at the expense of social justice. Worker cooperatives often lose their democratic character and become more like traditional business. A civic reformer of the sort profiled by Poonamallee may ultimately choose private profit over the travails of social activism. Labor and management partnerships seldom endure multiple rounds of economic crisis.

Taken together, the authors and I believe that solidarity, rather than the widely cited notion of 'corporate social responsibility,' helps explain these experiments in social innovation. A common humanity and an inclusive community potentially trump traditional economic roles. Managers, workers, and neighbors may be rendered civic equals, at least for an historic moment. We submit these essays for the consideration of scholars within business schools and activists in the communities. We quite deliberately propose the language of solidarity to unite these varied efforts to construct just social and economic arrangements.

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