Solidarity Economies in Argentina and Japan

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Resumen
La economía solidaria, cuyo origen remonta a las cooperativas de la Revolución Industrial en el siglo XIX, ha reaparecido al final del siglo XX y principios del siglo XXI como una forma de ayudar a aquellas personas que han sido excluidas del mercado y de la sociedad por la imposición de políticas neoliberales. Esto puede ser visto tanto en Argentina como en Japón donde organizaciones cooperativas a nivel local están ayudando a la gente a reintegrarse a la economía a través de su esfuerzo colectivo. Estas iniciativas centradas en la solidaridad priorizan al trabajo sobre el lucro y promueven las relaciones sociales sobre la competencia. Dada su corta historia, hace falta ver si estas organizaciones, que poseen una racionalidad socio-económica diferente del capitalismo, son factibles en el tiempo. No obstante, sí cuestionan la viabilidad del modelo económico neoliberal demostrando que otra economía es posible.

Keywords: Solidarity economy, neoliberalism, cartoneros, homeless.

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Starting in the mid 1970s, against a background of structural crisis as a result of the relative and absolute decline of the post World War II Argentine economy, a series of neoliberal policies started to be introduced in Argentina. These policies were introduced in order to modify the economic system which had deteriorated as a result of economical factors (such as the inconsistencies of the import substitute industrialization), institutional factors (such as the Peronist paradigm), and other intrinsic factors, etc (Sano [1998], chapter 3). Partly abandoned in the 1980s, they were fully reinstated in a more thorough program in the decade of 1990s, under the government of Carlos Menem (1989-1999). In the context of the Washington Consensus, a list of reforms, such as fiscal discipline, tax reform, trade liberalization, privatization, deregulation, etc was adopted and carried out. As the State retreated from the economy, these reforms brought substantial economic growth, but they came with a high social cost, reflected in the double digit unemployment and growing social disparities. The increasing socioeconomic volatility, created in the context of Neoliberal Cycles (Alcorta [2007]), expelled a great number of people from the economy. Being cast out and receiving little or no help from an increasingly absent State, a growing number of people had to resort to new forms of economic organization in order to survive. These new forms of economic organization are part of what has come to be known as the solidarity economy. The solidarity economy, not belonging to the State sector and being distinct from profit-oriented organizations, comprises new ways of work, production,
organization, exchange and consumption. Examples of solidarity economy in Argentina include local currencies used in barter clubs, workers taking over businesses from their owners and managing them, *cartonero* recycling cooperatives and *piquetero* or road blocker initiatives.

In Japan, with the implementation of comparable neoliberal reforms which started in the 1980s and were accelerated under the government of Jun’ichiro Koizumi (2001-2006), similar problems to the ones in Argentina started to appear, such as growing unemployment, precarious working conditions and a growing income gap. As in Argentina, Japan has also been witness to cases of solidarity economies, such as local currencies used to revive shopping districts and certain cases of collective initiatives by homeless people.

This paper will seek to study the appearance and development of solidarity economies in Argentina and Japan as a consequence of the imposition of neoliberal policies. Special consideration will be given to the cases of *cartoneros* in Argentina and homeless people in Japan. A tentative comparison will be made between the activities of *cartoneros* and the homeless in their struggle for survival. In particular, attention will be given to the formation of cooperatives or cooperative efforts by *cartoneros* and the homeless. The main idea of this paper is that by forming cooperatives, homeless people in Japan can profit from their conjoined efforts and improve their condition as some *cartoneros* have done in Argentina.

This paper is structured as follows: in section 1, definitions of solidarity economy will be given, illustrated by an historical example. In section 2, cases of solidarity economy in both Argentina and Japan will be described. In section 3, a particular comparison will be made with Argentina’s *cartoneros* and Japan’s homeless, along with some policy suggestions. Next follows the conclusion.

1. **What is a solidarity economy? : definitions and some historical examples.**

The solidarity economy is an increasingly important part of the reality of many countries in the world, representing an alternative option to the market fundamentalism espoused by neoliberalism. The term, also known as social economy or the third sector (Harribey [2002] p.42), implies the need to introduce solidarity in the economy, that is to say, to incorporate solidarity in the theory and practice of economics. This means using solidarity in every process of the economy: production, circulation, consumption and accumulation¹.

The ideas espoused by social thinkers, leading to the creation of collective organizations and enterprises, in different forms and under different designations, have contributed to the development of a
more humane economy and society. The solidarity economy is part of a ‘new’ social economy movement that has emerged in the last thirty years, in the fields of community economic development, worker and consumer cooperatives, and community organizations, differing from the former or ‘old’ social economy which originated in the 19th century, consisting of financial cooperatives, mutual benefit societies and large producer cooperatives, especially in agriculture. The solidarity economy is part of a movement set to create a different kind of economy, structured around a democratic, equalitarian and communitarian form of economic organization, seeking to establish itself as an alternative model to neoliberalism (Neamtan [2002] pp.3 & 12). The solidarity economy represents ways to create alternative solutions to the crisis of employment and the welfare state, by acting as an intermediary between the state and civil society, fostering relations between local communities and their development, acting as a link between the economical and the social. In this way, the solidarity economy can be seen as the third sector of the economy together with the capitalist and public sectors. Organizations in this third sector engage in market, non-market and volunteer activities. While rooted in the social sphere, they also rely on market and state intervention (Nyssens [1997] pp.181 & 187). The solidarity economy can also be perceived as an alternative way of production set to replace capitalism. The solidarity economy, still in its formative stages, may be considered as a tentative system opposite to capitalism (Singer [2001] pp.48 & 58). With this thinking, the concept of solidarity should reach all spheres of economic activity and not be considered as an escape valve to the problems of social exclusion engendered by capitalism (Harribey [2002] p.49). Labor has a central importance in the solidarity economy. Whereas today’s economy is centered on capitalist relations, the solidarity economy revolves around the centrality of labor. Labor is the main category in firms of the solidarity economy where relations of cooperation and reciprocity are dominant. This is because many, if not most, projects developed in the context of the solidarity economy are carried out within the realm of poverty. The subsequent lack of financial means makes labor the main contributing factor invested and managed in these firms (Razeto [1993] pp.1 & 5 and Nyssens [1997] p.188). Undertakings in the solidarity economy cover many different forms of economic organization (cooperatives, associations, production groups, etc) and are based on the free association of workers, self-management, cooperation, democracy, participation, efficiency, viability, etc. Companies in this setting present alternative economic forms, different from the capitalist market logic. Their main objective is to satisfy the basic needs of its members as well as provide for the pursuit of non-monetary aspirations: autonomy, intensification of social links, personal growth, etc. These companies are characterized by variable forms of collective agreements on the ownership of the means of production, on the work process and of
management, reducing wage relations to a minimum. But can they survive alongside capitalist firms? There is some potential for this, these organizations have proved very sturdy in the face of a hostile environment and in the face of strong resource limitations. What competitive advantage do they have? Solidarity economy organizations can establish themselves in niches where they might be able to combine advantages of cost and differentiation. As a movement, these organizations develop themselves better through clusters than branches. This form of development is more suited to a niche strategy than one of domination in a sector, which takes a longer time to achieve (Gaiger [2004] pp.229-241, Malo [2001] p.22 and Nyssens [1997] p.191).

The solidarity economy has its roots in the Industrial Revolution, at the beginning of the 19th century, at a time when capitalism was rapidly developing, transforming a significant part of the working rural population into a salaried proletarian and increasingly pauperized mass, at a time when capitalism was going through its first economic crises and workers’ revolts. The evils of the capitalistic system made social thinkers think of an alternative better system of economy, visualizing an ideal form of society based on cooperation and mutual help instead of competition and exploitation of man by man. The idea of a social or solidarity economy can be associated to many great thinkers and reformers of the 19th century even if the expression itself is not mentioned outright. Robert Owen (1771-1858), promoter of factory legislation, founder of the British cooperative movement and of British socialism, and creator of ‘villages of cooperation’, considered that ‘association’ was the key to creating a new environment for the solution of social problems. The first kibbutzim in Israel were based on the ideas of Owen (Singer [2001] p.48). Charles Fourier (1772-1837), known as an associationist, preached for the reorganization of society by establishing autonomous communities known as phalanstères in order to achieve social harmony. After Fourier’s death, many phalanstères communities were started, mostly in the United States. The most famous is the Brook Farm Phalanx near Boston in 1841. Louis Blanc (1812-1882), classified as an associationist and a utopian, believed that competition was the source of all economic evils. In order to repair the wrongdoings of competition, a new economic regime should be founded based on its opposite, that is to say, association. For this, Blanc proposed the creation of worker controlled state funded social workshops in every major branch of production. His ideas were put into practice after the great proletarian revolution of 1848 in France but soon failed (Gide and Rist [1913] pp.275-308 & 339-375 and Ferguson [1950] pp.204-212).

In 1956, in the Basque country the Mondragón Corporación Cooperativa (MCC) started as a production cooperative founded by Father José María Arizmendiárrieta initially manufacturing paraffin stoves and heaters, transforming itself into a self-managed enterprise, expanding and strengthening its bonds of
cooperation, solidarity and self-management. Among worker cooperatives, none have become as developed as the cooperative industrial complex of Mondragón. The success of Mondragón is due to the fact that it has been able to transform itself into a genuine regional cooperative economy, whose network helped its member cooperatives to survive and expand. MCC is widely thought of as the flagship of the worker co-op movement. Although in a different context, it is one of the models in which the movement of retaken factories in Argentina has based itself (Arévalo and Calello [2003] pp.8-9). Cooperatives in MCC reunite in one person the functions of worker, manager and owner which capitalism assigns to three separate persons. The function of the capitalist disappears since workers can hire capital or capitalize a cooperative with their own labor (through a 10% self-tax) (Bowman and Stone [2005] pp.2, 5 & 12). The record of business creation is remarkable. In the first thirty years of operation, it founded 103 cooperatives from which only 3 closed. This is impressive given the deep recession which Spain suffered from 1975 to 1985. In this period, while the Basque region lost over 100,000 jobs, Mondragón cooperatives added workers. This was done by retraining workers and transferring them from depressed cooperatives to expanding ones (Huet [2001]). Presently, the Complex has a presence in 18 countries, is formed by 264 cooperatives and other entities in finances, industry and distribution, employs almost 80,000 workers, and even has its own university, the Mondragon Unibertsitatea. MCC has become a significant factor of the Basque economy, accounting for 3.7 percent of its GDP and employing 3.8 percent of the working population. It is one of the world's largest workers cooperative (MCC [2006] pp.28, 32 & 46). The experience of MCC is a case to be studied, whose failures and successes can provide valuable lessons to the present solidarity economy movement.

Economic activities in the present solidarity economy movement take place in many different forms in all the regions of the world. Some examples are responsible consumption, corporate social responsibility (CSR) in production and distribution, share-holder activism, Fair Trade, Ethical Banking, Microfinance, etc. (Asian Forum for Solidarity Economy [2006-2007]).

2. Different cases of solidarity economies in Argentina and Japan

2.1 Solidarity economies Argentina

Cooperatives, introduced by European immigrants at the end of the 19th century are the earliest forms of solidarity or ‘old’ social economies in Argentina. The first cooperatives, founded in the mid 1880s, consisted of consumer and producer cooperatives and were created in order to face up to monopolies and
other forms of economic concentrations, and can be considered in many cases as an important factor in the regulation of prices (Mateu Gordon [2005] pp.86-7 and Schujman [1984] pp.125-127). Today, the biggest number of cooperatives corresponds to worker cooperatives (53%), housing cooperative (14%), agriculture cooperatives (11%), retailer cooperatives (10%), and public services cooperatives (8%) (INAES [2007a]). Since 1996, the National Institute of Associativism and Social Economy (INAES) is the main organ in the promotion of cooperativism and mutualism in Argentina (Boletín Oficial [1996]).

The ‘new’ social economies, part of the contemporary solidarity economy movement, have appeared as a result of the increasing poverty, which has propagated itself throughout the whole region of Latin America in the last few decades, especially in Argentina. This expansion of poverty has its roots in the neoliberal policies that were implemented by successive governments in many countries of the region. These policies resulted in the retreat of the role of the welfare state and the subsequent reduction in its capacity to offer solutions to social problems and by the greater emphasis placed on the role of the market in the allocation of resources and the distribution of income. Marginalized from the mainstream economy, many people and social groups found themselves with a very serious problem of subsistence. They have had to come up with strategies to ensure their survival, performing any type of economic activity in order to obtain the necessary income to satisfy their basic necessities. This reality led to a process of economic activation and mobilization of the most impoverished sectors of society which consisted in the creation of cooperative societies to foster self-employment, self-sufficiency in goods and services, to provide public services that the state was unable to fulfill and carry out those activities that the private sector was unwilling to do. In Argentina, since the 2001 crisis, this nonprofit sector has gone through important changes as the government has become more involved in the economy with more social and pro-work policies. The important rise in the number of cooperatives after 2002 (as seen in figures 1 and 2) is probably a reflection of the appearance of cooperatives in the context of the solidarity economy (such as retaken factories and cartonero and piquetero cooperatives and initiatives).
2.1.1 Retaken factories

During the 1990s, in the context of deindustrialization and disintegration of the productive apparatus caused by the implementation of neoliberal policies, the first cases of retaken factories start to appear. They are businesses that went bankrupt or were abandoned by their owners and taken over and operated by their workers. They belong to various sectors: metallurgy, meat industry, textiles, medical clinics, private education institutes, etc. Most of these businesses were reorganized into worker cooperatives and managed to retain a significant portion of workers in their posts. From the mid 1990s to 2003, 157 businesses were retaken by workers, preserving approximately 10,000 jobs (Saavedra [2003] p.33).

The reclaiming of businesses comes as a consequence of the prevailing crisis stems basically from the efforts and ambitions of its workers, whose number one priority is to keep their jobs, independently of who is managing the business. This reflects the fact that if workers were to lose their jobs, given the tight labor situation, finding another job would prove to be extremely difficult. In some cases, the reclaiming of businesses was done peacefully and in accordance with its owners. In other cases, it was done through several means of pressure – occupation of the business premises, posting people as guards at the entrance of the business to prevent the stripping of its assets by the owner, demonstrations, piquetero protests, etc. Most cases of retaken businesses were met with the support of neighborhood assemblies, students, professionals, and local neighbors who assisted with food, capital, raw materials and other types of assistance. It is this climate of solidarity that enabled workers to go through the first steps of organization and management of the businesses. Some universities, unions and other social actors have brought support and technical assistance to many of these enterprises (Arévalo and Calello [2003] pp.5-6).

Two of the most pressing issues for reclaimed businesses are: their undefined legal situation (relating to the private property rights of the business owner and creditors vis-à-vis the right of workers to keep their jobs) and the need for economic resources (working capital, access to formal credit, raw materials). The state assists these businesses on various levels (city, provincial and national), seeking to regularize on their legal situation as well as providing subsidies and training. Since this official assistance is done through multiple and uncoordinated channels, sometimes overlapping efforts, it makes the use of human and economic resources for such assistance inefficient (Caputo and Saavedra [2003] p.24). Nonetheless, as the economic performance of Argentina keeps on improving, reclaimed businesses seek strategies to become more viable and depend less on subsidies given by the government (Morosi [2007] p.4). Some retaken businesses have become profitable and have started exporting part of their production (Urien [2007] p.12).
Are such businesses, centered on a rationality which is not only economic but mainly social, viable in time? In today’s globalized world with its logic of accumulation and competition, it seems unlikely. Nonetheless, there are many cases which defy this rule, such as the businesses of the ‘economy of communion’ proposed by Chiara Lubich, founder of the Focolare Movement, which are based on a ‘culture of giving’ and number 764 in 34 countries (Gold [2004] pp.636-7). The movement of reclaimed businesses is part of a larger context that puts into question the viability of the neoliberal economic model.

2.1.2 Piqueteros

In 1996-97, a new form of social protest called piqueteros emerged, composed of unemployed men and women whose modus operandi consisted of piquetes or road blockades on main national roads or important highways. The appearance of piqueteros is due to the collapse of regional economies and to the accelerated program of privatization of public enterprises, such as YPF, carried out in the 1990s. In other parts of the country, such as the metropolitan area of Buenos Aires and adjacent areas, piquetero protests are mainly done by those in the popular and lower middle classes whose standard of living has been deteriorating since the mid 1970s (Svampa and Pereyra [2004] p.424). The men and women of the piquetero movement barricade themselves behind burning tires preventing the free flow of traffic (except for emergency vehicles), goods and people, in demand of social assistance from the government in the form of temporary jobs, special subsidies, and food assistance. Sacrificed by the prevailing neoliberal model and shunned by the media, through these protests the piqueteros have sought to acquire some form of visibility. Piquetes have been carried out all over the country, but gradually they concentrated upon the national capital. Successive governments have dealt in many ways with the piquetero movement, from some sort of repression to inclusion in the government (Massetti [2006] p.29 & footnote 2).

One of the ways in which the government has assisted the piquetero movement is through the National Plan for Local Development and Economic Solidarity ‘Manos a la Obra’, launched in August 2003, directed towards individuals and families living in poverty, unemployed and/or socially vulnerable willing to engage in productive and/or communitarian projects. Up to 2006, this plan together with local, regional and provincial institutions and organizations has helped 400,000 entrepreneurs (piqueteros and non-piqueteros) (Massetti [2006] p.34 and MSD [2006] pp.3-4). Piqueteros also engage in cooperative activities through their own initiative, such as community vegetable gardens, canteens for children, etc. Some of these activities are financed by the government through workfare programs (such as the plan Jefas y Jefes de Hogar (PJH))
while others through what they can earn in specific activities, such as makeshift bakeries (Clarín [2002]).

2.1.3 Local currencies

In May 1995, the Global Barter Network (Red Global de Trueque), a local currency movement which began in Quilmes, province of Buenos Aires, started to provide a lifeline to sections of the marginal population composed of the ‘new poor’, the long term (structural) unemployed and other marginalized sections of the population. After the economic crisis in December 2001, the number of people trading in barter clubs, known as *nodos*, grew exponentially. By the middle of 2002, it is estimated that between 1 and 2.5 million people were trading occasionally or on a regular basis (some newspapers ballooning the figure to 6,000,000) in some 5000 *nodos* (Pearson [2003] p.214 & Hintze, Sabaté and Coraggio [2003] pp.74-6). Bartering had become a ‘survival strategy’ for wide sections of the population in Argentina due the failures of the neoliberal market economy. This became more evident after the *corralito*, a banking restriction on the withdrawal of money to prevent bank runs, was imposed following the financial crisis at the end of 2001.

Members of the *nodos* are known as *prosumers*, and as their name suggests, they are engaged in the production of goods and services which they offer, while in turn demanding (or consuming) other goods and services from other prosumers, all within the *nodo*. Goods traded include vegetables and fruit, new and used clothing, baked goods, garden supplies, handicrafts, etc, while services include those rendered by doctors, lawyers, massagers, plumbers, carpenters, dentists, etc.

Initially, when *nodos* and members were few, a book entry system was used to control transactions. As the numbers of *nodos* and transactions grew, credits were introduced to facilitate trading. In general, local currencies perform only some of the functions of money, such as being a medium of exchange and a unit of account, but they do not and cannot act as a store of value or a standard of deferred payment (which involves charging interest). This definition restricts the extent to which these currencies can replace the official currency for transactions beyond immediate exchange (Pearson [2003] p.229). In order to prevent hoarding and stimulate spending, certain ideas by the German economist Silvio Gesell were put into practice, namely the rusting of money (Gesell [1916] part 2.1). For example, in the *nodo* of Venado Tuerto (province of Santa Fe), the local currency called *punto* expires every 4 months. On the expiration date, when acquiring new *puntos*, a discount of 5% is applied. After 15 days, the discount goes up to 20%, after a month it is 50%, and if two months go by, the old *puntos* are not accepted anymore (Ilari [2003] p.151).

In early 2002, the fixed exchange rate system in place since 1991, making one peso equal to one
dollar, was abandoned. The ensuing devaluation led to an export-led economic recovery improving the labor market situation to some degree. This in turn led to the beginning of a reversal in the number of participants in the *nodos* who rejoined the labor market. Another factor contributing to their declining membership is due to the loss of value of local currencies caused in part by inflation as a result of the devaluation of the peso. This devaluation made some of the materials which are bought in the formal market but are used to make products exchanged in the *nodos*, more expensive. Speculative practices and counterfeiting were also a factor. By the beginning of 2003, membership had gone down to 100,000 and the number of *nodos* stood at 400 (Sano [2003a]). Today, even though the economic crisis has gone by, many people are still exchanging products at local barter clubs (Río Negro [2007] p.27). Also new *nodos* are still being created (RGT [2007]).

2.1.4 *Cartoneros*

A very visible social phenomenon stemming from the 2001 economic crisis is the appearance of *cartoneros* in the city of Buenos Aires and other urban areas. *Cartoneros* (from the Spanish word *cartón*: cardboard) are poor and unemployed people whose lives depend on the garbage they collect daily from the streets. They earn a living by collecting cardboard paper and other recyclable materials and selling them to recyclers. Most *cartoneros* work in small units with members of their families while others have united to form cooperatives. The collecting and recycling activities that *cartoneros* do is not a recent phenomenon, but their explosive growth at the end of the 20th/early 21st century is. A more thorough analysis is provided below.

2.2 Solidarity economies in Japan

‘Old’ social economy cooperatives in Japan date back many years. During the Edo period (1603-1867) groups made of less economically powerful individuals got together and formed mutual assistance associations (Fujitani [1992] p.375). The modern history of cooperatives begins during the Meiji Era (1868-1912). At that time, the most active cooperatives were in silk and tea retail. Their main purpose was to improve quality and increase exports. Other types of cooperatives included rural purchasing cooperatives. Before World War II, the government put substantial effort into the development of agricultural cooperatives. These cooperatives had four main functions, which can still be seen today: credit, marketing, purchasing, and management. After the defeat, the land reform and the establishment of the Agricultural Cooperative Law significantly influenced the operation of cooperatives. As the Japanese economy grew in the 1960s, a number of cooperatives experienced rapid growth. However, after the 1973 oil shock, as the growth
rate of the economy has declined, so have cooperatives grown slower (Klinedinst & Sato [1994] pp.510-511).

Presently, there are cooperatives in many sectors: agriculture, insurance, food distribution, medicine, banking, etc. The strongest and most diverse cooperatives are the agricultural cooperatives or nokyas (mostly organized into the JA group), which by the mid 1990s controlled 95 percent of Japan’s rice crop and 90 percent of the fertilizer market (Klinedinst & Sato [1994] p.512). The JA Group had 9.1 million regular and associate members engaged in 840 multifunctional agricultural cooperatives with total transactions of its different business operations equal to 5,611.6 billion yen (Zennō [2006] pp.10 & 31). Other important cooperatives include consumer cooperatives, classified into purchase, service, mutual, medical, social welfare, housing and cultural cooperatives. In 2005, there were 1097 consumer cooperatives active in Japan with 60,323,892 members (MLHW [2007a]). In particular, the Japanese Consumers’ Co-operative Union, which by March 2007 numbered 621 cooperatives, had 24,190,000 members, and a total annual turnover of 3,368 billion yen (NSKKR [2007] p.1). Additional cooperatives include forestry cooperatives, fisheries cooperatives, and workers’ cooperatives (such as the Japan Workers’ Cooperative Union (JWCU), workers’ collectives, and other groups).

Initiatives and undertakings of the solidarity economy in Japan in the present neoliberal context have appeared as a consequence of worsening socioeconomic indicators. Two cases of solidarity economies in Japan are local currencies and homeless collective initiatives. They address issues caused by growing regional and social differences, increasingly perceptible since the 1990s. These two initiatives represent a small effort being taken at the grassroots level in order to deal with the growing problems caused by the neoliberal liberalization, deregulation and opening of the economy.

### 2.2.1 Local currencies

Recent instances of solidarity economies in Japan are local currencies which began to be used in the middle of the 1990s. As of January 2005, 519 local currencies have been promoted in local communities around Japan by local government towns and/or NPOs in order to revitalize community economies, develop community businesses or promote welfare services for its inhabitants (Araki [2005] p.318 & Ishizuka [2002] p.263). The use of local currencies was especially used to revive local shopping districts or shōtengai where small ‘mom and pop’ stores are located. These shops play an important role in the support and development of their communities. This is why their decline greatly affect the communities they are connected to (OFSKK [2004] p.22). In the 1990s, the main reason for their decline was due to the easing of regulations in the
Daitenhō or Big Store Law and subsequent abolition and replacement by another law as a part of the ongoing neoliberal reforms, which permitted the access and proliferation of large-scale retail stores, mostly supermarkets as well as shopping centers, and international big retail stores into the Japanese market of (Yahagi [2005] pp.2-10). The entrance of these big stores brought increasing competition to the shōtengai. Recently, although this factor still weighs as one of the reasons for the decline of the mom and pop shops, more important reasons include the aging of their owners and the unwillingness of their children and other successors to continue into the business, the waning appeal of shōtengai, etc (ZSFKR [2006] p.50).

The use of local currencies was at first introduced and later popularized by the mass media. One famous case is the ‘Peanut’ used in the city of Chiba since February 1999 and named after the region’s local specialty. By the end of 2002, it had almost 600 users (542 individual users, 51 shopkeepers and farmers and 2 institutions). First begun as a check system, it changed to a book entry system in September of that year. As a reference, one Peanut was made equal to one yen and one hour of work was worth 1,000 Peanuts. Saving in Peanuts did not yield any interest. In order to use it, a member registration was necessary to the Chiba Urban Planning BORN Center (NPO). At the time of purchase, an entry would be made in the debit column. When selling, an entry would be made in the credit column. To confirm the transaction, the signatures of both parties would be needed. Following that, buyer and seller would say to each other ‘¡amigo!’ (friend in Spanish). After three months, the entry book would be sent to the center head office where a 1% charge would be deducted (applying the same principle of the rusting of money by Gesell) for every month of positive balance and a new entry book would be issued. This deduction was done to prevent hoarding and stimulate spending, much in the same way as the RGT of Argentina. For negative balances, a new entry book with the same balance would be issued. Anything that could be thought of was offered under this system: vegetable farming, babysitting, conversation partners, computer lessons, language lessons, massages, natural produce, teaching how to make kimchi, etc (Yamada [2002] pp.16-17 and Chiiki Kasseika Sentā [2004] p.41).

2.2.2 Homeless people

An issue which has brought increasing public concern is the presence of homeless people which started to appear in great numbers in the city streets of Japan in the 1990s as the Heisei recession was starting to take its toll on the Japanese economy. From the beginning, homeless people received help mainly from Christian organizations such as the Salvation Army. The waste created by Japan’s cities has kept them going and this is one of the reasons for the absence of mendicancy (Pons [1999] pp.239 & 241). Although late, the
government, with the passage of the Special Law on Temporary Measures to Support Self Reliance of Homeless People (or Special Measures Law) in August 2002, has provided for the building of shelters for homeless people as well as promoting the housing and employment of homeless people. This law has helped some homeless get jobs and move into apartments, but a big part of them still remain in the streets. Also, this law does not seem to be helping a new kind of homeless composed of young people who work as freeters and temporary workers and are forced to spend their nights in internet cafés or other establishments open around the clock. One way to help homeless people get off the streets could be to promote the establishment of social enterprises or cooperatives as some cartoneros have done in Argentina. A further analysis is provided below.

3. A comparison of Argentina’s cartoneros and Japan’s homeless.

3.1 Origins and present situation

3.1.1 Cartoneros

Scavenging activities have a long history since the establishment of the city of Buenos Aires in the 16th century. The people who have engaged in these activities are called cirujas. A ciruja is a person who survives from what he finds when scavenging in garbage. Since December 2001, in the middle of the economic crisis, the media started using the term cartoneros to describe these same people. Since then ciruja and cartonero are used indistinguishably (Paiva [2006a] p.189 footnote *).

Cartoneros are part of Buenos Aires’ poorest citizens, collecting cardboard and other recyclables to make a living. Some of the elements which contributed to the growth in their numbers are (1) the absence of measures and the stifling attitude taken by the State towards recycling; (2) the growth of unemployment and poverty which started to increase after 1995; and (3) the bustling activity of the recycling business after the devaluation of the peso and the increase in price of imports which skyrocketed the price of paper and other materials (causing a type of import substitution) (Paiva [2006a] p.195). Before they started scavenging, most cartoneros were engaged in other activities, 29% even had jobs as employees (UNICEF and OIM [2005] p.30). The crisis of 2001 hit them especially hard. With an unemployment rate of 21.5% in 2002, and without any social security, rummaging garbage is the only way they found to survive: no previous knowledge or skills are necessary, just the ability to walk and collect materials. Also, there are no capital requirements (except for carts) and no connections are needed to start the job.
There are no official statistics on the numbers of cartoneros, in Buenos Aires numbers go from a minimum of 8,762⁹ (UNICEF and OIM [2005] p.9) to an estimated 25,000 to 40,000 people (Paiva [2006a] p.195). In the whole of Argentina, in the last quarter of 2004 the estimated number of cartoneros (classified together with street vendors by INDEC, the national statistics office (INDEC [2001] p.39)) accounted for 6% of self-employed workers, or approximately 165,000 people (Lepore and Schleser [2006] p.198 footnote 8).

The materials recollected by cartoneros, recycled and used by various industries, are part of an economic circuit with positive ecological consequences. Without these activities, garbage and waste material would usually end up as landfill. In early 2003, a law went into effect in the city of Buenos Aires recognizing cartoneros as important actors in the Hygiene Services of the city, permitting them the recovery of all recyclable matter¹⁰ (BOCBA [2002]). As a part of this law, cartoneros, cooperatives and small and medium businesses related to recycling were entered into a registry¹¹. Cartoneros would receive gloves, an ID badge, and training (for the activities they perform and for the formation of cooperatives and enterprises).

Cartoneros come into Buenos Aires every night from the metropolitan area of Buenos Aires, by truck, horse wagon or train, such as the Tren Blanco (White Train), a night train provided by the government, stripped of its seats so that cartoneros can put in their carts, and without heating and air-conditioning. The train leaves after midnight and returns before dawn. There is a monthly fee of 18 pesos (+/- 6 dollars) but few pay it and Trenes de Buenos Aires (TBA), the company which offers the service, has rarely enforced payment. This service is to be eliminated and replaced by a truck system provided by TBA (Reina [2007]).

Cartoneros collect paper, cardboard, aluminum cans, metal (specially copper), plastic, electrical appliances – anything they can sell to recycling companies. Some cartoneros don’t have a fixed route while others demarcate a territory for their activities. At the end of the day, each cartonero (sometimes accompanied by his/her children) covers approximately 90 blocks hauling their carts with their collection of the day. After, when they get home, they classify the different types of refuse collected. According to a study by CEAMSE and FIUBA [2006], in 2001 before the crisis, 600 tonnes of paper were generated a day in the city of Buenos
Aires. This represents the amount collected by waste management companies (at that time cartoneros were not yet as visible as they are today). After the devaluation and the rise in price of paper cartoneros made headway into the recollection of paper. In 2006, waste management companies collected 450 to 500 tonnes of paper a day while 250 to 300 were collected by cartoneros. In total, approximately 11% of the residential solid refuse produced in Buenos Aires is handled by cartoneros (CEAMSE and FIUBA [2006] pp.165-6)\textsuperscript{12}.

Sometimes, cartoneros are harassed by the police and are forced to pay bribes. Working conditions are full of hazards as many are pricked by syringes or cut by glass. The weekly average earnings of a family unit is 58.4 pesos (+/- 19 dollars). According to UNICEF and OIM [2005], 51% of cartoneros are recipients of the PJH workfare program. In this way, the average monthly intake can vary between 350 and 400 pesos (+/- 113-129 dollars). Children (especially teenagers) also contribute to the family income. 38.2% of heads of household simultaneously perform other activities in construction, peddling, domestic service and odd jobs such as mowing lawns, doing deliveries, etc. to complement the family income. Without these extra activities it would be difficult to cover the cost of the basic monthly food basket. In December of 2005, a family made up of five members (two adults and three children) living in the Greater Buenos Aires Area needed 418.62 pesos (+/- 135 dollars) to afford the basic monthly food basket and cover its nutritional needs (INDEC [2006] p.4). The family structure of cartoneros is very diverse, under one roof cousins, uncles and other family members may cohabit, sometimes grandmothers look over small children as their (single) mothers go out to scavenge, families sometimes share a home and collect garbage together, etc.

3.1.2 Homeless in Japan

As the economy deteriorated in the 1990s, an increasing number of homeless people have appeared on Japan’s city streets. Their rise in numbers is a consequence of the burst of the economic bubble, the reduction of public works in the context of neoliberal reforms carried out by the government (Shima [1998] p.590), as well as the economic volatility brought about by the coming and going of government policy into the economy leading to the creation of Neoliberal Cycles in Japan (Alcorta [2007] pp.182-183).

Homeless people are not new to the streets of Japan’s cities. As day laborers, they have had a constant presence in yoseba (urban day labor markets), where they end up sleeping on the streets when they fail to get day jobs for prolonged periods of time. During the era of high speed growth, there was a massive influx of construction day laborers towards cities which became engaged in city renovations and improvement of industrial infrastructure in preparations for the Tokyo Olympics in 1964 and the Osaka Expo
of 1970. Later on, with the rationalization of industry and because of economic fluctuations, those unable to cope were thrown on the streets. Day labor is a consequence of the need by industry of the fluidization of the labor force, i.e. the creation of a low wage labor force without employment security. The characteristics which differentiate the homeless problem of the 1990s are: (a) their explosive growth in numbers, (b) their expansion beyond the *yoseba*, (c) their persistence as homeless, (d) their emergence from other industries beside construction, such as services and from small and medium enterprises, (e) their advanced age, and (f) their spontaneous union into groups of solidarity (Kasai [1995] pp.6-8).

In the hierarchical Japanese labor market, day laborers are situated at the very bottom. According to Isogai et al [2000], the Japanese socio-economic system can be described by the ‘hierarchical market-firm nexus’ hypothesis which seeks to explain the structures of the labor market and inter-firm relations between big companies and small or medium-sized enterprises (SME) (the latter subcontracted by the former). Big companies in Japan are said to offer job security in exchange for active commitment of workers to their company. In order to ensure efficiency, firms reduce the number of core workers eligible for lifetime employment and promote multi-skilling in order to enhance productivity. There are costs for mid-career job changes, labeled ‘institutionalized job-loss costs’, which entail the downward mobility towards a firm of lower rank in the context of a hierarchically segmented labor market. This downward mobility presents substantial differences in terms of lifetime incomes and other employment conditions. In this way, the ‘institutionalized job-loss costs’ play a crucial role in stimulating the work efforts of regular employees at large companies. Job security of regular workers in big companies is further guaranteed by the flexibility of non-regular workers. In times of recession, big companies cut back on hiring or lay off part-time employees. Also, SME act as a ‘sponge’ of employment of these employees as well as accepting the transfer of workers from a parent company. In these small firms, there are regular and non-regular employees, but the smaller a firm is, the higher the proportion of part-time workers. During the 1990s, the increase in overall unemployment has affected all industries, most noticeably big firms. Following the restructuring of big firms, dismissed employees have been partially reabsorbed by SME. Nonetheless, SME experienced a sharp decrease in employment at the end of the 1990s. Job security in big firms, although somewhat undermined by an increased fluidization, has not been discarded. The preservation of long-term employment of regular workers has been made possible by the increasing hiring of part-time workers whose jobs are very sensitive to economic fluctuations. Big Japanese construction companies, such as Kajima Construction and Shimizu Construction are a classic example of the hierarchical socioeconomic structure associated with Japanese
management methods. They maintain the smallest possible permanent, salaried work force, and supplement it when necessary with subcontractors. Day laborers are never employed directly by such companies. Rather, they are employed by small companies at the very bottom of the line of subcontractors (Gill [2001] p.33).

According to Aoki [2003], the increase in the 1990s of the number of homeless people is due to deyosebisation, i.e. the gradual disappearance of day laborers from yoseba (figure 4), and the disemployment of casually employed unskilled workers in the general labor market, both phenomena brought about by globalization (whose effects in Japan are characterized by a shift from manufacturing industry to services in the industrial structure and the intensification of intercorporate competition). For Kasai [1995], their increase in numbers is due to chronic structural unemployment and their exclusion from the housing market due to insufficient low-cost housing after the bubble collapse. Their massive appearance on the streets became a barometer for labor destruction in Japan. According to the 2007 nationwide survey on homeless people (MHLW [2007c]), 31.4% of respondents became homeless due to a decline in job offers, 26.6% because of company bankruptcy, and 21% due to illness and old age. Evidently, job loss, whose scale is enormous when compared to previous recessions, is the main factor leading a person into homelessness.

According to estimates from the Ministry of Health, Labor and Welfare (MHLW [2007c]), there were 18,564 homeless in 2007 found in all 47 prefectures of Japan. This represents a 26.6% decrease from the survey carried out in 2003 which informed of 25,296 homeless people (figure 5). This decline is attributed to the economic recovery which has lowered unemployment and to the work and welfare assistance provided by the Special Measures Law. Nonetheless, the true figures are most likely higher since homeless people are counted on sight, tents in parks are counted individually without confirming how many homeless people are actually inside, and since the survey was done during the day, it did not consider those homeless which take refuge in libraries during the day and later sleep on the streets at night (Kitagawa [2007]).

The definition of homeless in Japan, according to the Special Measures Law, refers exclusively to ‘rough sleepers’, which is “one of the most extreme manifestations of homelessness” (Third [2000] p.448).
The Japanese definition of homeless (unlike European and US definitions) does not include those people who have unstable housing conditions and live in **hanba** (temporary living quarters allotted to laborers), in **doya** (cheap lodging houses) or people who are dependent on friends and relatives to get a place to sleep. One reason why the definition is so narrow is due to the fact that only the immediate visible form of rough sleeping is regarded as being important socially and politically. The other forms of homelessness, not taken into consideration by the government, are not yet a concern of public policy, and no measures seem to be taken to prevent the situation from getting worse (Aoki [2003] pp.363-4 & Kakita [2004] pp.7-8).

One important point that must be considered is whether homeless people were enrolled in the national social insurance system before becoming homeless. It must be noted that day laborers and temporary and part-time employees are not covered by the social insurance system. The 2003 and 2007 nationwide surveys do not address this subject. For this we turn to a survey by Osaka Prefecture which informs on the state of the homeless in 2001 in Osaka. According to this survey, 55.7% of homeless respondents were not enrolled in any social insurance system. This clearly shows the relation between unstable labor conditions and absence of coverage by social insurance. This means that before they became homeless, homeless people already lacked access to the social insurance system (OFDSFGTFK [2002] p.102).

Homeless people do not make a living by begging, 70.4% of them have some means to earn income. However, the income received for their working activities is not enough to ensure them a decent level of life. For example, collecting cans brings in as little as 1,000 yen a day (Kakita [2004] p.11). Since 44.2% of homeless receive 30,000 yen or less per month, this classifies them as working poor whose occupations give them insufficient means to support themselves. In view of this, 29.7% don’t have enough food to eat, making this the number one problem that afflicts homeless people (MHLW [2007c]).

Before becoming homeless 47.8% of respondents had worked in the construction sector, 12.2% in manufacturing and 9.9% in services. 43.2% of respondents had been employed as regular employees, day laborers accounted for 26.2% and temporary and part-time employees represented 19.4%. These numbers need careful interpretation since many of those who declared themselves as regular employees were workers which worked almost every day but whose status would generally be categorized as day laborers or temporary and part-time employees (MHLW [2007c] & Kakita [2004] p.12).

With respect to being able to sustain themselves, 35.9% of respondents said they wanted to find proper work, 9.1% want to earn income by doing various activities such as collecting cans, while 10.8% want to do light work while receiving aid from the government. These 3 categories, which add to 55.8%, are all
related to the desire to engage in working activities for self-support. Compared to the 2003 survey, it represents a decline from 65%. Those who cannot work and desire to live on welfare have gone up from 7.5% to 10.1%. Those who are content with their homeless life increased from 13.1% to 18.4% (MHLW [2007c]). These changes reflect the inability of homeless people to find work in their struggle to escape homelessness. In consequence, their priorities are gradually replaced by simple survival. The longer the period of homelessness continues, the less homeless people look for new jobs (Tsumaki [2004] p.24). According to Kakita [2004 p.17], most homeless people want to be employed but haven’t had a chance to get a job, they don’t want to rely on public assistance as doing so is dishonorable and they don’t want to use government facilities such as shelters. As they follow the general trends of the aging of Japanese society, an increasing number of them cannot get off the streets as more work go to the strongest and youngest.

The image that society has of homeless is mostly negative as they are generally perceived as a source of discomfort, annoyance and troubles (Tsutsumi [2004] p.30). According to OSD [2000 pp.20 & 28], most citizens, based on discrimination and prejudice, believe that homeless are lazy and do not want to work, even though the 2003 and 2007 surveys on homeless state the contrary, as mentioned above.

Traditionally, measures to help the homeless become self-reliant only target those who have already lost their homes. Nowadays, there are increasing numbers of young people in their 20s and 30s who are not living in the streets but are homeless in the broad sense of the word. While sleeping at internet cafes, they work as day laborers earning 7,000 yen or so a day. These ‘net café refugees’, part of the working poor, belong to a new classification called ‘precariat’ (Amamiya [2007] pp.7 & 14). Precariat, a combination of the words ‘precarious’, which refers to the insecurity of part-time and contract work, and ‘proletariat’, entails having a botched future and the impossibility of building a life (Schreuer [2006]). How do these refugees end up living in internet cafes? Many of these young people initially live in apartments and have no savings. After they lose their jobs due to illness or other reasons, they cannot pay their rent and are forced out on the streets. Although the Special Measures Law has some measures established to prevent people from becoming homeless, it doesn’t cover these refugees since they are not considered homeless in the true sense of the word. In few cases are requests for welfare granted to people who are of working age, i.e. those aged between 15 and 64 year. Additionally, the government is under fiscal constraints and there is a growing social pressure for people to be self-responsible (Yuasa [2007] and Inaba [2007]). Initially, two surveys on net café refugees were carried out by the Metropolitan Youth Union (a labor union for workers under 30) confirming how widespread the phenomenon is in Japan. In the first survey, 9 out of 10 prefectures surveyed had net café
refugees in 76.5% of net cafés inspected (Shutoken Seinen Yunion [2007a] p.1). In the second survey, 17 out of 19 prefectures surveyed had net café refugees in 70% of net cafés inspected (Shutoken Seinen Yunion [2007b] p.1). According to a government report published after, 5,400 people were found to be sleeping in internet cafés using them as home substitutes across Japan. The report stated that 26.5% were in their twenties and 23.1% in their fifties. In Tokyo, 32.6% lost their home after quitting work and 20.1% said they left dorms and live-in housing after leaving their jobs. In Osaka, the same figures were 17.1% and 43.9 respectively. When not sleeping in net cafés or similar establishments, 29% of respondents in Tokyo and 19.5% of respondents in Osaka said they slept on the streets (MHLW [2007b]). What these surveys show is the existence of hidden forms of homelessness not considered in previous investigations, especially among younger people. If irregular jobs keep increasing and with them the new underclass of net cafés refugees, there is a possibility that these net cafés might turn into modern slums (Asahi [2007]).

3.2 Cooperatives

3.2.1 Cartoneros

There are many cartonero cooperatives operating in the city and metropolitan area of Buenos Aires. The Buenos Aires city webpage lists 12 such cooperatives (GCBA [2007b]). Among the most important ones is El Ceibo Trabajo Barrial (or just El Ceibo). El Ceibo, initially formed in 1989 as a housing cooperative, evolved in 1996 as the economic situation of the country became increasingly unstable. As many low income families and groups began to see garbage collection as a survival strategy to earn some cash, Cristina Lescano, president of El Ceibo, and other members of the cooperative saw that if they collected garbage in cooperation, they would be able to negotiate and sell it at a better price (Reynals [2002] p.10 and Sano [2003b]). Since its beginning, El Ceibo has been in contact with various organizations from civil society, the government, as well as neighbors. Local neighborhood assemblies have helped cartoneros by providing child care for parents who go out on night shifts. Most importantly, cartoneros from El Ceibo have had to establish contact with local neighbors in order to optimize the recollection of waste (Reynals [2002] pp.4 and 8). In February 2001, with the establishment of its articles of incorporation, El Ceibo became a formal cooperative engaged in supply, transformation and commercialization of recyclable material (IMFC [2001] p.1, art.1). According to article 5, the purpose of the cooperative is, among other things, to receive solid waste from residences, industry and commerce as well as from other cooperatives. It is supposed to store, classify, and compact or transform the waste it receives. It can sell the waste in the same way it has been received or
processed. The cooperative can acquire or rent by any legal means, buildings, machinery and necessary installations for storage, classification and processing of waste (IMFC [2001] p.2, art.5). In connection with this, the Buenos Aires city government has donated the use of a warehouse where workers from El Ceibo can separate and sort out the recycled waste in preparation for its sale (ONABE [2003] p.1)\(^{15}\).

Members of El Ceibo don’t go out into the streets to collect from garbage bags that neighbors have put out, they go directly to homes and ask neighbors to cooperate with them. First they explain benefits of recycling and teach neighbors how to sort out organic from inorganic waste. If neighbors agree to cooperate, a member of El Ceibo will pass by their house with his/her cart on a regular basis and take the waste to the warehouse of the cooperative. At the end of 2005, 830 neighbors were cooperating with El Ceibo. In the warehouse, the waste is separated, cleaned and sold to specialized recyclers. This recycling activity generates 32,000 to 36,000 dollars a year for El Ceibo which translates into an average of 1,400 to 2,900 dollars for each of the 40 members, an amount which includes a city government subsidy (Berger and Blugerman [2006] p.27). But not all members get paid the same, since they perform other activities besides collecting waste (Fabiani [2005]). However, if this amount is representative of cartonero cooperatives in general, it is on average considerably higher to what families who are not part of cooperatives earn per month as informed by UNICEF and OIM [2005] above. Nonetheless, the 5 cooperatives that operated within the city of Buenos Aires as of 2006, employed only 110 people which represented approximately 1% of all cartoneros (L’Estrange [2006]). But, since according to GCBA [2007b], there are now at least 10 cartonero cooperatives working within the city limits, the percentage of cartoneros participating in cooperatives is probably higher.

### 3.2.2 Homeless in Japan

There are many instances of homeless cooperatives or cooperative work done by homeless people on their behalf in Japan. The Asahi Shimbun [2003] tells the case of a former homeless person who joined an agricultural training center that gave him a chance to become a farmer and get off the streets. In 2003, for the first time, the man began organic rice farming for homeless people. With help from Moyai\(^{16}\), the farmer invited Tokyo homeless people to help him plant the rice. Rather than waiting in a food line for a hand out, these people are using their own labor to grow their own rice. Jeon et al [2002] mention an important case of a cooperative effort by a homeless community settlement at Miyashita Park in Shibuya ward, Tokyo. In this community, 44 homeless persons answered questions to a survey regarding their lifestyle. 60% of respondents said they share their food due to the harsh conditions in obtaining it. 30% of them engage in day labor,
nonetheless almost half of them earn 50,000 yen or less. Because of this, in October 2001, these homeless people formed a ‘resident’s association’ for the purpose of setting up a fund where a part of their income would be contributed for the benefit of all its members. In general, homeless people don’t like companionship and prefer to live by themselves. But in Miyashita Park, approximately 80% of residents say they prefer to live in community. Reasons include, fighting loneliness, help in building a tent, companionship, etc. What they seek to build is a safety net that society itself has denied them. These people, by living in community, seek to create an environment which will permit them to live and work in better conditions. Through their own initiative and cooperative efforts, they seek to attain a joint self-reliance. The establishment of a cooperative is one step towards self-reliance for these homeless people (Jeon et al [2002], p.1145).

**Table 1**: Miyashita Park Cooperative

<table>
<thead>
<tr>
<th>Want to be a member</th>
<th>Don’t want to be a member</th>
<th>Total</th>
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<tbody>
<tr>
<td>Homeless who like to keep company with other homeless</td>
<td>30 (68.2%)</td>
<td>5 (11.4%)</td>
</tr>
<tr>
<td>Homeless who prefer being alone</td>
<td>3 (6.8%)</td>
<td>6 (13.6%)</td>
</tr>
<tr>
<td>Total</td>
<td>33 (75.0%)</td>
<td>11 (25.0%)</td>
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The homeless of Miyashita Park want institutional support from the government that will give them conditions to establish homeless communities. With this, they strictly oppose evictions and forced removals. Also, they seek access to social and economic resources that will enable them to become self-reliant. In their opinion, the government should consider the issue of ‘joint self-reliance’ by homeless communities (Jeon et al [2002], p.1146).

An association which is greatly helping homeless get off the streets is AWN (Asia Worker’s Network), located in Arakawa ward in Tokyo. It started in August 2002 as a second hand clothing recycle shop with an aim at becoming a worker’s cooperative, which entails workers managing the business together and being responsible for all the decisions taken at AWN (Yuasa [2004]). At the beginning, its objective was to provide an income of 30,000 yen a month to homeless people in exchange for work so as to secure them a minimum amount of food. This was done with the help of an organization called Food Bank which donated rice (AWN [2003] p.7). Although at first AWN paid its homeless employees with food, it later started paying 3,000 yen a day which later climbed to 6,000 yen arriving at 6,500 yen in 2007. Presently, those who are veterans in AWN and work everyday receive 150,000 yen a month. Those who work a few days a week...
receive 60,000 yen a month (Nakamura [2007], interview). Besides clothing, AWN also sells used furniture, electronics, etc. and has expanded its business to include a handyman service. It also engages in audio typing, translation (English, Korean), solving problems with deposit money when moving out of an apartment, etc. (AWN [2006] p.7). By 2006 its total earnings reached 38,372,016 yen (AWN [2007] p.6). The purpose of AWN is to engage homeless and former homeless into mutually supportive work by instilling pride into them through the product of their labor. AWN has strived to promote, within a grass roots network formed by citizens and various other groups and associations, a decent livelihood where work is valued, not made ‘disposable’ (AWN [n.d.]). AWN seeks to build human relations and in this way gets involved with the surrounding community. Some of its neighbors, besides buying at the store, go there because of the pleasant and relaxed atmosphere. Initially, many are not aware that it is staffed by homeless and once they find out are happy to contribute to their return to society by buying there (AWN [2004a] p.7). In August 2004, AWN participated in the San’ya Summer Festival for the fist time. Also that year, AWN started producing its own rice in a rented field in Tatebayashi City, in Gunma prefecture. The idea was to start eating rice produced by AWN without having to depend every month on Food Bank (AWN [2004b] pp.5-6). AWN first started with 5 employees which rose to 19 (15 men and 4 women) by September 2007. Two homeless people work in AWN and sleep in tents along the Sumida River and 13 former homeless live either in apartments or in doya (cheap hotel or flophouse) in San’ya. There is a housing allowance for the staff that depends exclusively from AWN’s profits. Most of the staff is in their 50s, although there are 3 teens and 3 people are in their 30s. One teen is a hikikomori (social recluse) living in a medium-term shelter or ‘step house’, another suffers from depression and is receiving welfare. These youngsters work 2 or 3 times a week in AWN to build self-esteem. According to Mr. Nakamura, handyman at AWN, AWN is not only for the homeless, it is for needy people in general (Nakamura [2007], interview and Yuasa [2004]).

3.2.3 Comparative analysis and some policy suggestions

The government in Japan, unlike in Argentina, does not seem to recognize the full potential of the solidarity sector to help solve some of the problems in society. The Japanese government does cooperate with NPOs, NGOs and other associations in many projects created in order to tackle the homeless problem. What it does not do very much is delegate or ‘subcontract’ these cooperative efforts. The government is not always efficient in its policies towards the homeless problem, and does not fully appreciate the experience, know-how and social capital that NPOs and other associations possess (Yamasaki [2005] pp.3-19). More
public-private partnership (PPP) projects, where the full potential of these organizations can probably be put to use, can probably help a greater number of homeless people get off the streets.

Greater heed is necessary on the initiatives of the Argentinean government towards the socially downtrodden, such as the support in the establishment of cartonero cooperatives. The Japanese government could implement a program to foster, with the help of NPOs, the establishment of cooperatives and other initiatives on the behalf of homeless people. Although it is true that a small minority of cartoneros in Argentina actually engage in their activities in cooperation (most do it in small atomized family units), there is a certain government support to form such cooperatives. This is done in part to bring the activities of the cartoneros into the formal economy and to give them better working conditions. In Japan, the Special Measures Law does not seem to be enough in getting homeless of the streets through their own initiative. Unlike El Ceibo which receives subsidies and facilities to carry out its activities AWN does not receive any support from the government. The Japanese government by further recognizing the existence of enterprises with a social mission could help and promote businesses such as AWN by giving subsidies or preferential tax treatments. Recognition of cooperative or collective efforts as seen in Miyashita Park is also an important step in helping homeless through their own means to become self-reliant.

Promoting active citizen participation in community activities through NPOs, cooperatives and community business enterprises in cooperation with the public and private sector is necessary to develop the solidarity economy sector. AWN and El Ceibo both have the support of their communities whose participation is essential for the running of each business. This can be seen in the classification of waste material that neighbors do for El Ceibo. In the case of AWN, this is reflected not only in the normal running of business, but also in the monetary contributions it collects from citizens as well as in the donations of goods it receives on behalf of homeless people.

<table>
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<th>Table 2: Cartoneros and Homeless organizations</th>
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<tbody>
<tr>
<td><strong>Configuration</strong></td>
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<tr>
<td>Cartoneros in Argentina</td>
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<td>Homeless in Japan</td>
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*Cartoneros* have become an important economic actor in the recycling business in Argentina, not
only in the collection of paper but most importantly, in the recycling of PET bottles (La Nación [2006] p.4). AWN seeks to develop and tap the labor that homeless people are capable of doing as a way to help them achieve self-reliance. Nowadays, handymen are in demand for just about any service (Sunday Mainichi [2007]). This can present itself as a potential source of labor for many homeless people.

**Conclusion**

In Argentina and Japan, after the implementation of reforms based on neoliberal policies, numerous socio-economic problems have appeared. As a consequence of this, in both countries there have been many efforts emanating from grassroots organizations to combat the many ills caused by neoliberalism. These organizations, formed in the context of the solidarity economy, have promoted initiatives based on a socio-economic logic not based primarily on profits valuing people per se and not as an input or tool in the process of production. The cases of retaken factories, *piqueteros*, *cartoneros*, local currencies and homeless all illustrate the predominance of the social factor over the strictly economic one in each organization.

The comparison made between homeless and *cartonero* cooperatives comes to show the advantages of the associative solidarity economy over individualistic neoliberal capitalism in promoting a healthier and more decent way of life to the benefit of a greater number of people. *Cartonero* and homeless cooperatives strive to reintegrate into society those who have been cast out by neoliberal policies. In Argentina, *cartonero* cooperatives such as El Ceibo have the support of both government and civil society. Civil society in Japan seems to support initiatives by homeless such as AWN, but more government support is necessary.

The government in Argentina with its abandonment of neoliberalism as an economic program seems to understand the need to contribute to the betterment of society through solidarity economy projects. The Japanese government, in its present neoliberal context, probably does not yet realize their importance.

**Endnote**

1 It is not very common to find the words ‘solidarity’ and ‘economy’ put together. They are mostly found in different and sometimes opposing fields. Terms associated with ‘economy’ include utility, scarcity, interest, property, competition, profit, even certain ethical values such as freedom of initiative, distributive justice, equal opportunity, and personal and collective rights. But words such as ‘solidarity’ or ‘fraternity’ are very seldom found together with ‘economy’ (Razeto [1999] p.97).
2 Despite their importance in modern economies, Kalmi [2006] explains that, “co-operatives do not receive much attention in current mainstream economics. An indication of this is the neglect of co-operatives in most popular introductory
economics textbooks”. This reflects a decline in the study of cooperatives after the Second World War. Reasons for the decline include giving more importance to top-down solutions to social and economic issues instead of more local and institutionally sensitive solutions, in this way disfavoring co-operatives. This reflects a shift in economic thought from an institutionally-oriented analysis to neoclassical economics with its stress on optimal solutions and downplay of institutional characteristics. Also, during the 20th century, the role of the government in the economy has substantially increased, further reducing interest towards privately provided solutions to social problems (Kalmi [2006] pp.16-7). The idea of cooperation is older than man himself. But cooperation, as a form of economic organization, is of recent origin. Cooperation in its economic form “is a voluntary and democratic association of human beings, based on equality (of control and opportunity) and equity (of distribution of cooperation), for the promotion of their interests”. The characteristic features on which the principles of cooperation are based are solidarity, democratic control, mutuality or self-help through mutual help, voluntarism, equality and service motive (Krishnaswami [1968] pp.587-588).

MCC tries to adhere to its founding principles, but it sometimes engages in practices which depart from the spirit of cooperativism: hiring nonmember wage labor when demand increases, using women as a reserve army of labor, and going into joint ventures and acquisitions of capitalist enterprises abroad and not cooperativizing them (Bowman and Stone [2005] p.6). Despite this, MCC shows the necessity of combining the solidarity economy into a strong national or international unit. Without this, it won’t be possible for solidarity economy organizations to compete on the same level with capitalist firms (Singer [2001] p.52).

Many towns in inner Argentina (such as Cutral-Có, Plaza Huincul, Mosconi, and Tartagal) were heavily dependent on YPF, the national oil company and also the biggest state owned company.

Such as Luis D’Elía, a piquetero leader who was the housing secretary of President Kirchner until November 2006.

’Manos a la Obra’ means ‘let’s get to work’ or ‘let’s start working’.

The Plan Jefas y Jefes de Hogar Desocupados (PJJH) or Unemployed Men and Women Heads of Household Program is a workfare program in which a handout of 150 pesos is given to unemployed heads of households in exchange for a minimum of four hours of daily work. MLESS [n.d.]

Almost half (48%) of them children (i.e. aged under 18) (UNICEF and OIM [2005] p.27).

Before the enactment of this law (number 992), waste management companies were the only ones legally entitled to collect waste found in the streets. The massive appearance of cartoneros put a dent in their profits, since they get paid by the tonne (Schamber and Suárez [2002] p.11). This system was changed in 2004, waste management companies are now paid per clean area (Fundación Metropolitana [2004] p.30).

Since October 5 2002, only 7,200 cartoneros have registered themselves in the city of Buenos Aires (GCBA [2007a).

The 11% figure is calculated from the garbage collected in 5 of the 6 zones in which private waste management companies operate in Buenos Aires (CEAMSE and FIUBA [2006] p.145). According to UNICEF and OIM [2005], the 8700 cartoneros working in the city of Buenos Aires collect between 9% and 17% of the waste produced by residents (UNICEF and OIM [2005] p.9).

According to the 2007 nationwide survey on homeless people, 84.5% of homeless people who know of shelters don’t want to use them. 76.7% of those who know of self-support centers don’t want to use them either. These numbers in the 2003 survey are 61.3% and 61.1% respectively. Only the 2003 survey gives reasons as to why homeless people refuse to use these facilities. In both facilities, approximately 25 to 35% of respondents say they don’t want to be bothered by their fellow roommates. 20.3% say there are no job prospects in the self-support centers (MHLW [2003]). One reason why homeless people may refuse to use the facilities extended to them by the authorities is due to substandard living conditions given by the public welfare system (Kakita[2004] p.18). The effectiveness of support measures implemented in self-support centers is being questioned due to the fact that they do little to help people who are 50 or older get jobs. Since those who are 50 or more represent about 85% of all homeless, these measures clearly show the limits of the traditional support systems (Inaba [2007]).

As long as they are strong and in good health, and if economic conditions are good, day laborers can easily make a living. In 1994, an unskilled day laborer earned between 10,000 and 13,000 yen a day. If he was qualified, his pay could reach 20,000 yen (Pons [1999] p.197 footnote 1).

I am grateful to Professor Makoto Sano of Niigata University for providing me with IMFC [2001] and ONABE [2003].

Moyai, which means mooring (i.e., to fix in place, secure), is an NPO which assists needy people who are aiming to become self-reliant and start a new life by providing them with guarantors when renting apartments, offering counsel, by helping them build ties with the community, etc (Moyai [n.d.]).

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