

Reflexive Modernisation and the Social Economy

——— *Mike Aiken*

In this article I want to explore the theoretical idea of ‘reflexive modernisation’ as elaborated by Ulrich Beck to see how it may illuminate our understanding of certain activities in the social economy. Reflexive modernisation as discussed by Beck and others is a theoretical attempt to make sense of some of the broad currents of social change affecting Western societies. The ‘social economy’ is a broad and not uncontested concept which seeks to capture the essence of a sector that is engaged in economic activity outside the straightforward governmental or commercial sectors. It refers, in some usages, to organisations which seek to improve the lives of people by creating accountable, self sufficient, independent organisations which do not distribute profits,¹ organisations intent, in short, on ‘trading for a social purpose’.² These organisations provide, I believe, a fertile site for exploring the idea of reflexive modernisation. For theoreticians it may be of interest to see how far a particular social development can be amplified or clarified by the idea of reflexive modernisation. For practitioners the discussion may be useful in attempting to place their work in a broader theoretical context of societal change.

Beck, for those unfamiliar with his work, is a German sociologist influenced by the Green movement and by thinkers such as Habermas and Giddens. He is a populariser and writes regularly in the German press in addition to his academic work.³ He is perhaps best known for *Risk Society* (1986), however, in this piece I will draw more from his later work, *The Reinvention of Politics*

¹ M. Ward and SpaleWatson, *Here to Stay*, p. 2.

² J. Pearce, *At the Heart of the Community Economy*, p. 23.

³ See S. Lash and B. Wynne in their Introduction to U. Beck’s, *Risk Society*, p. 1.

(1997) and *Reflexive Modernisation* (1994), the last a collaborative work with Scott Lash and Anthony Giddens. Beck, while not the originator of the term 'reflexive modernisation', has used it extensively in his writings and been one of the leading exponents of its use.

This article is structured in the following way. The first part describes the idea of reflexive modernisation as espoused by Beck and suggests some broad areas where the theory may illuminate activities in the social economy. The second part describes the idea of the social economy and examines some specific examples. The third section looks at some ways they can be viewed through the theoretical lens of reflexive modernisation and offers some critical thoughts.

I

The idea of reflexive modernisation describes, at its simplest, the notion that we are moving into a third stage of social development within modernity. Beck has subtitled his influential *Risk Society* 'towards a new modernity'. Lash and Wynne, in their introduction to *Risk Society* suggest there was 'first pre-modernity, then simple modernity and finally reflexive modernity'.⁴ In other words, traditional society was first supplanted by the industrial society which might be called simple modernity. This period saw the emergence of classes, wealth accumulation, rapid scientific advance and the arrival of industrial and capitalist society.

We are now, it is suggested, in the grip of the consequences of a shift from that second phase of simple modernity to a third phase, which for Beck, is the period of reflexive modernity. A characteristic of this period is the apparent continuity of industrial society through the change. The underlying nature of this new industrial society is, however, very different from the old. It is now faced not with the problem of harnessing or controlling nature for the benefit of humankind but 'essentially with problems resulting from techno-economic development itself'.⁵ It is in this sense that Beck says

⁴ Ibid. p. 3.

⁵ Ibid. p. 19.

modernity becomes reflexive, ‘a theme and a problem for itself’.⁶ This new modernity has to solve the human-constructed problems which arise from the development of industrial society; to tackle how the risks produced as a consequence of modernity can be ‘prevented, minimised, dramatised, or channelled’.⁷

Before proceeding I should first clarify a possible confusion inherent in the term ‘reflexive modernisation’. We should think of ‘reflexive’ more in the sense of ‘reflex’ than ‘reflection’. In other words the notion is about social development arising as a reflex to previous decisions or activities which may give rise to unintended or even surprising consequences. A speedy assimilation of the term might place ‘reflection’ as central to the theory — especially as Beck places a high value on the importance of social actors affecting social change — however this is not the dominant meaning within the term itself as Beck makes clear:

Let us call the autonomous, undesired, and unseen, transition from industrial to risk society *reflexivity* (to differentiate it from and contrast it with *reflection*). Then ‘reflexive modernisation’ means self-confrontation with the effects of risk society that cannot be dealt with and assimilated in the system of industrial society.⁸

The idea of a movement to a third epochal phase has, of course, been widely heralded, not least by the postmodernist movement. Bauman, for example, locates this as a change which took shape ‘in the second half of the twentieth century in the affluent countries of Europe’, and sees the fall of communism as a defining moment for ‘the end of modernity.’⁹ Beck agrees with the thrust of this suggestion and even commences his essay in *Reflexive Modernisation*

⁶ U. Beck, ‘The Reinvention of Politics: Towards a Theory of Reflexive Modernization’, p. 8.

⁷ *Risk Society: Towards a New Modernity*, p. 19.

⁸ U. Beck, ‘The Reinvention of Politics: Towards a Theory of Reflexive Modernization’, p. 6.

⁹ Z. Bauman, *Intimations of Postmodernity*, p.187 and p. 222.

with the fall of the Berlin Wall.

A clear-cut periodisation of social epochs is, of course, inherently simplistic. Indeed Beck on this matter cites Lyotard who has suggested we might be better to imagine a sense of overlapping periods and uneven development.¹⁰ However I believe the notion of phases of social development presents a helpful way of framing the kinds of changes now taking place and can throw some light on the emergence of some social economy initiatives. Arguably Beck leans sometimes to Marxism and sometimes to postmodernism in his exposition, both of which have strong items of epochal change installed as part of their theoretical furniture.

Does this mean for Beck that the transition taking place in society ‘undesired, unseen and compulsively in the wake of the autonomised dynamism of modernization’¹¹ is merely, a reflex to past and current developments — implying a simple deterministic future? More specifically is it being suggested that society progresses to a future determined by the twin forces of the market and scientific/technological progress in a linear direction, unchallenged by the actions of citizens, organised protest or government? Beck clearly rejects such an idea: we do have choices. Indeed, Beck makes it clear that while there is often a fatalistic tendency to conceive that there ‘is only one shape of modernity’ he contends that ‘many modernities are possible’.¹²

Here we come to the first issue of particular relevance to the social economy sector. Beck suggests that while we are subjected to change processes which flow autonomously from previous actions, we then have options, choices and decisions. We need to recognise however that the sites for these decisions may be different from previously. This is an important illumination for the activities of

¹⁰ U. Beck, *The Reinvention of Politics: Rethinking Modernity in the Global Social Order*, p. 37.

¹¹ ‘The Reinvention of Politics: Towards a Theory of Reflexive Modernization’, p. 5.

¹² *Ibid.* p. 24.

social economy organisations which can be seen as examples of such alternative sites.

The notion of reflexive modernisation as exemplified by Beck can certainly be seen as expressing a more optimistic alternative to the postmodern theses, with the importance of human agency figuring strongly. This is a second area of importance for those active in social economy activities. It is highlighted by McMylor who comments that throughout Beck's work there is an increasing tendency for the 'freeing of agency from structure' and a multiplying process of 'individuation' which offers hope for a changed future 'of alternative modernities'. He goes on to describe Beck's work as representing, in sociological terms, 'the return of repressed agency after decades of domination by structural determinism in both functionalist and Marxist forms'.¹³ The mechanism for this influence is the operation of sub-politics, to be discussed below, and it is in this sense that there is a reinstatement of the importance of the activist in social change.

Beck suggests that as a result of the increasing power of technological and economic forces, governance structures are changing rapidly which brings us to a third area of importance for examining social economy organisations. Towards the end of *Risk Society* Beck talks of an 'unbinding of politics' in the new modernity.¹⁴ He describes how the forces of industry, technology and business interpenetrate the mechanisms of parliament, parties and government in such a way as to leave the latter following belatedly behind changes that have already moved into place. In this scenario decisions are not taken by government 'revolution under the cloak of normality occurs' and is then justified post-hoc by regulatory frameworks. The apparent policy makers are bounced along in the wake of technological and industrial progress. It is in this way that politics and decision making shifts to new sites.

One way to imagine this is to consider significant changes in society

¹³ P. McMylor, 'Goods and Bads', p. 53.

¹⁴ *Risk Society: Towards a New Modernity* p. 185.

occurring which are not led by government legislation or reform but by action in a wide range of different locations. This might be in individual choices at the supermarket checkout; in decisions between patient and doctor around fertility issues, or in the boardroom, laboratory, or home; at the motorway construction protest; or, I would argue, in the creation of new forms of social wealth characteristic of social economy endeavour. In summary, as Beck points out in *Reflexive Modernisation* 'we look for politics on the wrong pages of our newspapers'.¹⁵

Beck is not arguing against the importance of government in the manner of, say, the New Right, but pointing to how this role is changing in an era where the pace of development is rapid. What is being asserted is that 'High speed industrial dynamism is sliding into a new society without the primeval explosion of a revolution, bypassing political debates and decisions of parliaments and governments'.¹⁶ He goes on to point to the puzzle this creates for our democracies as well as how it undermines traditional ideas like class conflict born in an earlier modernity.

The idea that the transition from one social epoch to another could take place unintended and unpolitically, bypassing all the forums for political decisions, the lines of conflict and the partisan controversies, contradicts the democratic self-understanding of this society.¹⁷

This brings us to a fourth area of importance for the social economy. Beck sees sub-politics is one of the new sites for effecting social transformation which has, he suggests, in many cases, taken over the role of what was previously undertaken by central agencies including the state. Sub-politics, the 'shaping of society from below' covers activities which take place outside the apparent political

¹⁵ 'The Reinvention of Politics: Towards a Theory of Reflexive Modernization', p. 18.

¹⁶ Ibid. pp. 2-3.

¹⁷ *The Reinvention of Politics: Rethinking Modernity in the Global Social Order*, p. 17.

structure.¹⁸ In this connection he cites the example of an escalating conflict between demonstrators and the nuclear industry at the intended reprocessing plant at Wackersdorf which ended when the company simply decided to move the plant on financial grounds to France thus ending the protest.¹⁹ The point here is that the crisis barely touched the official political process.

In this new era sub-politics begins to exert its influence on the change process. Beck elaborates this concept as when ‘agents *outside* the political or corporatist system are allowed to appear on the stage of social design’.²⁰ Such groups include a wide range of professional and organised groupings inside research institutes, organisations and industrial plants as well as citizen action groups, individuals and collectives.

Beck goes on to point how the dominant themes of the current political agenda have arisen from sub-politics.

The themes of the future ... have not originated from the farsightedness of the rulers or from the struggle in parliament — and certainly not from the cathedrals of power in business, science and the state. They have been put on the social agenda ... by entangled, moralising groups and splinter groups ... Sub-politics has won a quite improbable thematic victory.²¹

Sub-politics does not represent simply the ‘good’ — it is also open to forces of extreme nationalism and racism. What Beck is reinforcing here is that the sites of power and action have changed in this new modernity opening up new channels for confrontation for both ‘progressive’ and ‘repressive’ forces. ‘Sub-politics is, or

¹⁸ ‘The Reinvention of Politics: Towards a Theory of Reflexive Modernization’, p. 23.

¹⁹ *The Reinvention of Politics: Rethinking Modernity in the Global Social Order* p. 105.

²⁰ ‘The Reinvention of Politics: Towards a Theory of Reflexive Modernization’, p. 22.

²¹ *Ibid.* p. 19.

more cautiously, could become (among several other possibilities), the civil society that takes its concerns into its own hands in all areas and fields of action of society.²² I will argue that the endeavours of social economy organisations can be viewed in this way.

In summary the theory of reflexive modernisation outlines a picture of a complex society which changes partly by some autonomous processes that flow from past consequences of industrial, technological and economic change. The results of these forces sometimes by-pass the traditional decision making and policy making apparatus that has arisen in simple modernity. Social change is also steered by a range of new actors who enter the realm of the political as a result of the increasing complexity these forces create. This often happens ahead of any planned governmental activity. The theory suggests that new sites for political activity arise through these processes and this is described as the influence of sub-politics.

I have suggested that there are four broad but interlinked areas that it may be productive to examine to see how reflexive modernisation may illuminate social economy activities. Firstly, reflexive modernisation suggests the notion of choice and decision making are important aspects in shaping a future modernity but the *sites* for these decisions may be different from hitherto. Flowing from this is the second area which emphasises a reinvigorated *role of social actors* in shaping these choices. Thirdly, social economy organisations provide examples of where changes have been initiated in these new sites which in turn have impacted on *governance and decision making* at local and national level. Fourthly, as an example of sub-politics in action, social economy organisations may play a role not only in decision making but in *setting the themes* for the future amid a new order of governance. The next section examines the idea of the social economy and looks at some examples to see how far the notion of reflexive

²² *The Reinvention of Politics: Rethinking Modernity in the Global Social Order*, p. 104.

modernisation can act as a useful explanatory framework.

II

The term ‘the social economy’ has been increasingly used in the UK since the 1990s to describe a realm of activities which are led neither by the state nor by private enterprise. For some, these activities are evidence of a growing world-wide movement of social change in which some economic power is clawed back for poor and marginalised people.²³ For others, the social economy is simply a convenient term to indicate the redefined role of the provider in a reorganised and contracted-out welfare state.²⁴ There is a multiplicity of views in between.

The European Union (EU) is perhaps midway in its pragmatic and empirical definition of social economy organisations as encompassing four types: co-operatives, mutuals, non-governmental/charitable organisations and associations.²⁵ This definition has been elaborated by describing the social economy as covering ‘such diverse organisations as trades unions, co-operatives, charities and voluntary organisations together with mutuals and both insurance and banking societies’.²⁶ The economic importance of the social economy has been increasingly recognised with government estimates suggesting the sector, as defined above, contributes as much as 4.5 per cent of UK GDP making it larger than agriculture.²⁷ In the UK this use of the term enables a grouping of organisations that are otherwise not easily categorised together: it is broader than ‘the voluntary sector’ and encompasses organisations that are neither straightforward charities nor community organisations. Indeed Pearce has summed up the term

²³ J.Pearce, *At the Heart of the Community Economy*, p. vii.

²⁴ P. 6, ‘Public Policy, Social Policy and the Third Sector’, p. 22.

²⁵ Eurostat, *The Co-operative, Mutual and Non-profit Sector in the European Union*, p. 7.

²⁶ Unity Trust Bank, *The Social Economy*, p. 2.

²⁷ European Commission, *Communication from the Commission on Promoting the Role of Voluntary Organisations and Foundations in Europe*, p. 8.

to mean ‘organisations that trade for a social purpose’²⁸ so as to include a continuum of organisations with social concerns.

While the EU definition can act as a broad guide, the term is not uncontested. Authors such as Perri 6 see it in analytical terms as a very temporary conceptual frame.²⁹ Others argue for the term to denote a smaller realm, a new wave radical movement for gaining economic control from below by bringing neglected people ‘out of the shadows’.³⁰ This narrower definition seeks to locate initiatives that are smaller, more radical, and newer in conception. Birkhölzer, for example, suggests the old social economy movement of co-operatives and mutuals from the nineteenth century has failed. This earlier tradition has since ‘lost more and more of its social orientation and turned into ordinary private companies, or the private objects dominated the social objects’. He goes on to say that ‘the failure of the old social economy movement led to the formation of a “new social economy movement” based on the same principles’.³¹ This newer movement involves the principles of self help, mutual aid and community orientation. For the purposes of this paper I am examining the activities of entities in this narrower range. Drawn in this way the activities of social economy organisations can, I suggest, be viewed as a variety of ‘sub politics’ as described by Beck.

One of the most conspicuous examples of social economy enterprises in the sense just described is that of the Coin Street Community Builders. Located on the South Bank in London, less than a mile from Parliament, this initiative grew from a community campaign in the 1980s to combat a vast redevelopment. In this case the threat to the locality was a building project that would have created a vast swathe of offices along the four mile water front. The initial plans were fought by a combination of tenants’ groups,

²⁸ J.Pearce, *At the Heart of the Community Economy*, p. 32.

²⁹ P. 6, ‘Conclusion: will anyone talk about the Third Sector in 10 Years Time?’, p. 404.

³⁰ K. Birkhölzer, ‘Social Economy, Community Economy’, p. 42.

³¹ *Ibid.* p. 42.

squatters and trade unionists through two public enquiries. A revised plan of futuristic luxury flats and offices was described by local people as “a new Berlin Wall cutting us off from the bright lights of the West End”.³² Through a mixture of tenacity on the part of the campaign, a supportive Conservative minister, and the actions of the Labour GLC (the then local authority for London), the Coin Street Community Builders acquired the land for mixed use development for community benefit. They took out a £1 million loan and began to develop the site.

Today the area contains low-cost housing for local people, a pub, a temporary area of cafés and small shops, gardens and a riverside walk. In addition the OXO Tower Wharf has now been refurbished and plays host to ‘78 co-operative low-cost flats, 33 designer workshops and galleries, 12 shops and a 400-seat popular food hall’.³³ While the form and style of community involvement will never be unproblematic³⁴ there is ample evidence of valuing the role of local people in driving forward this initiative. The spirit and scope of the activity is well captured by Pearce:

As you enter their street, called the Upper Ground, a huge banner dominates the sky proclaiming: “There is another way. That way is for the local people to have control, to lead development, to own the development.”³⁵

Coin Street is one of the biggest of over 140 such organisations known as ‘development trusts’ which describe themselves as ‘an important part of the jigsaw which comprises the social economy’.³⁶

A second example from the same movement is North Kensington Amenity Trust (NKAT) in west London which grew from a campaign against the dereliction a new motorway was set to cause.

³² N. Jeffrey, ‘Coin Street Yields a High Return’, p. 33.

³³ M. Ward and S. Watson, *Here to Stay*, p. 16.

³⁴ N. Jeffrey, ‘Coin Street Yields a High Return’, p. 33.

³⁵ J. Pearce, ‘Community Enterprises in Scotland’, p. 154.

³⁶ Development Trusts Association, *Introductory Leaflet 1998*, p. 1.

It can now claim over 700 jobs existing on the site it has developed under the Westway motorway. It has assets of over £8 million and is financially self sufficient for core income. In addition to running sports and community activities in purpose designed buildings, it undertakes community development work, encourages small firms and charities and has distributed over £90,000 in grants to local organisations.³⁷ A local activist reflected on the thinking that led to the current organisational shape in this way:

There were no models. People basically knew they wanted the land developed but they were not sure how it would work out The best outcome is a strong independent Amenity Trust not beholden to the local authority with an income and a future of its own.³⁸

Both examples give an indication, I suggest, of the importance of social actors within such organisations for creating alternative sites for taking economic action in disadvantaged areas. It should be stressed that in any singular initiative a deeper analysis of the interplay between the state, the market and the organisation could be undertaken to see whether the espoused rhetoric is congruent with the activity. Indeed other authors have looked at cases where, for example, much independence has been lost to the state.³⁹ Such analysis is, of course, of vital importance but that is not my main aim here. For my purpose in this paper I need to assert that at least some initiatives do behave in ways like those claimed by Pearce and Birkhölzer. My intention in the next section, then, is to examine whether such successful projects can be better situated, and hence understood, by employing Beck's idea of reflexive modernisation.

III

The first and most obvious feature to highlight from these brief sketches is the importance of social actors. The struggle to find 'a model' at NKAT demonstrates the active development process at

³⁷ North Kensington Amenity Trust, *Annual Report 1998*, p. 6.

³⁸ A. Duncan, *Taking on the Motorway*, p. 73.

³⁹ C. Collins, "The Dialogics of "Community"", p. 91-93.

local level. What is particularly noteworthy here is that while the force of the global economy has often been seen as all-powerful, these initiatives have attempted to take back some economic control over their neighbourhoods, against what seem incredible odds.

Helen Norberg-Hodge has suggested that in the face of the challenges poor people face ‘government and businesses offer us, at best, a tattered, decaying safety net’ but the hopeful message is that ‘the security we need can be found in our communities by developing our local economies’.⁴⁰ While such talk may sound utopian it is an indication of how far some activists have begun to move in their thinking. What is being expressed here is exasperation with the deterministic model of government programmes or the market economy being the sole mechanism to provide economic well-being for poor people.

A second area to note is how new sites for political and economic action have been opened up. The work at Coin Street, for example, is in no sense a rival to the local state in that part of London and yet it has had considerable influence in creating jobs, improving the environment and developing local prosperity and housing. Many of these might previously have been considered the creative prerogative of the local state or market forces. This is not to argue that such organisations bypass conventional structures nor is it to suggest that, for example, fighting factory closures or campaigning for better local services should not be done. It is to point out the possibility of new sites of action and activity to confound the centralised controls of economic power.

With organisations of the social economy mixing commercial and social activities, we are witnessing, I would contend, the opening of such additional sites of influence. Indeed these initiatives begin to challenge the traditional boundaries between private, public and voluntary sectors. Pearce, for example, describes community enterprise as ‘a mechanism for undertaking a range of local tasks, mixing the commercial with the social, the profitable with the non-

⁴⁰ See Helen Norberg-Hodge’s introduction to Douthwaite’s *Short Circuit*, p. vii.

profitable but operating always within the framework of the market'.⁴¹ Elsewhere he succinctly describes the values and ideals of this movement:

[A]ction, self help, mutual help and common ownership have re-emerged in the past twenty years in Britain, Europe and around the world as the basis of a modern generation of community enterprises: enterprises that seek to integrate social and economic development, that engage in business not as an end in itself but in order to achieve a social purpose.⁴²

Such a description points up the notion of community-based trading organisations engaging in the process of social renewal. It also illustrates the way values are of central importance in the purpose of such trading activities.

A third area of interest is the questions such initiatives raise around issues of local governance. Projects such as Coin Street provide opportunities for involvement in their design and operation, describing themselves as 'community owned'. While we would be wrong to imagine them as mini-statelets they do begin to become significant players in the local economy. An organisation like North Kensington Amenity Trust — a self-sufficient charitable organisation in a relatively poor area — can have a significant effect on its local neighbourhood through control over some local resources whether in leisure, amenity, or employment.

The fourth point I would make concerns what Beck would describe as 'thematic'. The initiatives described have emerged not from state led intention but from a 'working out' from below. Their particular style of tackling economic and environmental disadvantage arose from the actions of local activists and interest groups. Initially the organisational shape and beliefs emerged, as indicated at NKAT, painfully slowly. In order for these to be successful there was often

⁴¹ J.Pearce, *At the Heart of the Community Economy*, p. 89.

⁴² J.Pearce, 'Community Enterprises in Scotland', p. 149.

crucial support at different times from either local or national government — clearly no initiative is hermetically sealed — but nevertheless these projects were developed outside the conventional policy making framework.

It has only been in more recent years that official policy has looked with renewed interest at such projects. Thake, an informed commentator on urban development in the UK, reflected on exactly this point in his analysis of the work of community based regeneration initiatives in tackling poverty. ‘What is surprising, perhaps, is that so many organisations have survived or emerged when the policy frameworks have not been supportive.’⁴³

More recently we can spot signs of state recognition emerging. In 1998 the DETR acknowledged over eight varieties of community-based regeneration which correspond with Birkhölzer and Pearce’s conception of the new social economy movement, including credit unions, micro-credit initiatives, community loan funds, Local Exchange and Trading Systems (LETS), community enterprises, development trusts, managed workspaces and community shops and pubs; in short, initiatives that have been:

brought about by a community in order to meet social, environmental, or economic needs it has identified. The community might set up and run this initiative, persuade other bodies to undertake the work for them, or get involved in local partnerships which attract support from government mainstream regeneration programmes.⁴⁴

What I believe we are seeing here is the state beginning to examine and make sense of activities in the social economy.

These kinds of projects — not unique to the UK — have in small ways, I suggest, begun to contribute to setting the ‘themes for the future’. Even the World Bank is now looking at ideas of micro-

⁴³ Thake, *Staying the Course*, p. 66.

⁴⁴ DETR, *Community Based Regeneration Initiatives: a Working Paper*, p. 3.

credit pioneered by many social economy activists as a way of increasing economic prosperity in developing countries.⁴⁵ The idea that such small scale groups have confronted the human constructed problems of unemployment and disadvantage and created in small ways some viable alternatives lends additional credence to Beck's suggestion of how sub-politics outstrips the pace of intentional government policy.

Taking these points together I would argue that certain social economy activities can be seen as a variety of sub-politics in action. I would contend that through the lens of reflexive modernisation we may be seeing examples of small scale initiatives which find their ways round the increasingly complex fractures in modern society and arrive with both novel structures and solutions — ahead of policy makers. We are seeing local actors creating alternative structures to meet their needs within the framework of the existing society. The market economy is not overthrown but made use of, recreated and in some ways subverted. Some social economy organisations, for example, describing themselves as 'small and medium sized enterprises'⁴⁶ are entering the business world, but with a very different ethos and aim. Social economy activities contain a strong ethical component with a sometimes latent, sometimes explicit, political manifestation. This may be realised in economic, environmental or social terms but means that values are inserted into the heart of social and economic activity. This may also in time represent a 'thematic victory' for a future political agenda.

It would be unsurprising if these initiatives could not be critiqued through the eyepiece of what Beck might call simple modernity. Such an argument might suggest that such organisations operate on the fringe of the market and the state and endanger neither. As long as this state of affairs remains true they will be tolerated and

⁴⁵ See the World Bank initiative 'Sustainable Banking with the Poor' which has published numerous case studies on micro-finance initiatives: ccuevas@worldbank.org

⁴⁶ BASSAC, *Case Studies in the Social Economy*, p. 27.

when it does not they will be subsumed or co-opted into either the state or the market. They may have engaged, it might be argued, in some useful experiments in the design of organisations and funding to combat some social disadvantage, and have developed some forms of local accountability, and even a measure of financial independence. Additionally, entrepreneurial activity within the realms of the not-for-profit sector could be seen as the final victory of a free market hegemony penetrating the realm of social action and further weakening the idea of a universalist welfare state. Overall, this argument would run, social economy organisations play no role in a broader picture of social transformation.

It would be right to retain a critical stance towards social economy initiatives for those intent on a progressive political agenda. They may become appropriated by the state (and there is evidence of this happening in some places).⁴⁷ In choosing to place themselves in the market they escape some of the strictures of local or national funding regimes but become subject to the demands of the commercial world. There is always a danger that they may become like the ‘old social economy’ movement, merely resembling other operators in the market economy and not operating in the way they claim.

Examining such initiatives through the lens of reflexive modernisation does give us another way to assess such questions. Reflexive modernisation would expect us to witness the arrival of initiatives which aim to gain economic/political control but in non-traditional ways, and in new and unusual sites. We can view such activities as a variety of sub-politics which offers new arenas of economic and political power. In that sense, such initiatives may form part of a new, more pluralistic, institutional framework for governance. Few of these organisations would ever claim, in the bold terms of simple modernity, to be ‘revolutionary’. They can, however, play a part alongside many other actors in the social economy in the transformation of their neighbourhoods and communities in ways that sometimes confound both state and

⁴⁷ C. Collins, ‘The Dialogics of “Community”’, p. 91-93.

market belief. Viewed in this way they may represent, in an admittedly small way, and alongside many other differing initiatives, a reassertion of the position that social actors can affect some change over blind and deterministic economic forces. Perhaps most importantly they may be playing a part in creating 'themes for the future'. If so, reflexive modernisation may offer not just a more hopeful vision, but a theoretical position to assist in understanding, critiquing and developing their activities.

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