



**THE POPULAR AND SOLIDARY ECONOMY POSSIBLE OPTION OF
THE LATIN AMERICAN COUNTRIES TO ERADICATE POVERTY. AN
ECUADORIAN CASE**

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Abstract:

Social creativity and almost impossible to avoid different government unemployment have given way to the emergence of the social economy in response to the need for peoples to their families the necessary for their subsistence. The transition to a new economic regime, oriented to the dignity of all, life seems not viable without accumulation and adequate investment of the surplus, which stresses the strategic objectives of overcoming a ruinous extractive system not only for the ecosystem but for future generations. All of which indicates the need to articulate different social, political and cultural times in the process of restoration of economic processes. This is precisely the importance of research in the popular and solidary economy. Supported in techniques such as the interview and the survey will be carried out the organization of the data, using a questionnaire as an instrument for measurement.

Keywords: Poverty; Marginalization; Unemployment and Cooperativism.

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1. Introduction

In Western countries, the cooperative movement undertook in the economy a century ago, however the ancient cultures already used this method of production grounded in solidarity relations and reciprocity in areas dedicated to agriculture. The environment and nature were considered as an essential place and part of the life of its members where agricultural practices were conservative ways to maintain their survival.

Appearing colonialism broke the stage dramatically nature, nowadays the development and modernization in rural areas has devastated all kinds of relationship, because man has become more unconscious and fighting for his livelihood without caring about the care of the environment and nature, but despite all this production methods community have survived.

From the moment in which the excluded sectors of the labour market created their own work is popular and solidary economy in several processes also create their own marketing enclosures such as fairs, squares, or informal commerce. Is present in all countries of the world participate in it almost all or most of it, so it is linked to the global market economy? Connection points are many, both at the level of production and consumption.

Integration goes from an independent person to the collective; If and when you make a creative and productive activity on their own. Employees may be independently or under a dependency relation is recognized or not, regardless of the sector to which belongs already to be public or private. Worse, it is good to recognize that the vast majority belonging to this sector workers receive help of funding by the State entities, but this does not mean to be workers of the State, and therefore, are still workers of the popular economy.

2. Characterization of the Popular and Solidary Economy

The popular economy and solidarity (EPS) is the form of economic organization in which members whether they are personal or collectively undertake, establish and develop production methods, trade exchange and consumption of goods and services where the aim It is essential your needs and generate revenue.

"Esta form of organization is based on relationships of solidarity, cooperation and reciprocity, privileging the work and the human being as a subject and aim of its activity, good-oriented live, in harmony with the nature, above the appropriation, the profit and the accumulation of capital"(Superintendency of 2017 people and solidarity, economy)

Social and solidarity economy can be seen as a "movement of ideas", and recognized as a new entrepreneur sector part of the economy, has grown so much in Latin America for its great industriousness and diligence.

In these times where people have had to face to face poverty and economic imbalances the EPS is has one of the most active movements within the World Social Forum that relies on the theme "Another economy if possible". This has contributed to that productive, Trade Union, Church and social organizations have joined in search of alternatives to the "hegemonic" changes. Where the auto management, community development, food sovereignty, ecological practices, responsible consumption and fair trade have become the goal of all to support the movement, using international regional national networks.

"Solidarity economy re-emerges today as rescue of the historical struggle of the workers, as a defense against the exploitation of human labour and as an alternative to the capitalist mode of organizing social relations of human beings among themselves and these with the" nature". (Government of Brazil, 2017)

Can be determined by simple appreciation that the EPS can be considered as an alternative to the capitalist development in the countries of Latin America in countries such as Argentina, Bolivia, Brazil, Mexico, Peru and Uruguay networks integrate only as actors of society civil, although in some cases the political issue occupies or transcends space, instead countries such as Colombia

and Venezuela, as well as the majority of the Central American countries, present several organizations for the promotion of solidarity-based economies although they have not built even a single coordination.

The Director of the Labour Organization (ILO) said that the social and solidarity economy "provides security and creates employment opportunities within a sustainable framework" and that some countries, including Ecuador, "taken by improvements in the legal framework of this kind of" economies". According to the new Constitution of the country, since October 2008, is established that the economic system will be made up of public, private, mixed, popular and solidarity-based economic organization profiles. It was in April 2011, the Assembly adopted the Popular and solidary economy and from February 2012 organic law is in force the regulations under this law. The most significant part of this process is the recognition of organizations linked to the EPS, as established by article 1 of the law "where its members, individually or collectively, organise and develop production processes, Exchange," marketing, financing, and consumption of goods, to satisfy needs and generate revenue, based on relationships of solidarity, cooperation and reciprocity, giving priority to work and the human being as subject and purpose of its activities, aimed at the good living ", in harmony with the nature, above the appropriation, profit and capital accumulation".

Despite the fact that the EPS contributes to the evolution of the national production is deserved considering that its most representative essence is nearly 5 000 000 jobs, despite the fact that it is very difficult to recognize the exact number of entities linked to the EPS or recognize them c OMO such. This economic movement, there are institutions such as the (popular and solidary economy Institute) IEPS in which its fundamental mission is training, organize and execute the above measures, the National Corporation of finance popular (CFN) responsible for the financing of appropriations and the Superintendency of popular and solidary economy who is in charge of the control.

The EPS is the third economic sector made up of grass-roots organizations seeking to achieve profits, both individually (micro) and societies (cooperatives, associations), these entities have proved to be a good way to get out of the poverty, redistribution of income and wealth.

"Las micro-enterprises are micro or personal endeavors. These popular economic units are located in the areas of production, trade and service. They are around 2' 000.000 entrepreneurs and employees of these. The solidarity economy has two segments. The non financial composed mainly by cooperatives of production, transportation, housing, services, etc. as well as well as by associations of production mainly in the farming and ranching area. The cooperatives of savings and credit, credit unions and community banks are in the financial segment. It is estimated that the solidarity economy generates employment at 3' 000.000 personas" (El Telégrafo, 2016)

The new Constitution, ART 283 establishes the recognition of the different forms of organisations of economic production, public, private or mixed companies, family, domestic, autonomous and community, associative and cooperative. The latest 3 integrate popular and solidary economy and the rest of the popular economy. (Ecuador, Government 2017)

Similarly, the National Plan for good living "reconoce forms of solidarity-based popular economy and announces the creation of mechanisms for participation for the definition of public policies. So far it has not advanced therein last substantially, which shows the strength of previous institutions (State bureaucracy, culture policy of social organizations and the general public)."

The law of Popular and solidary economy is considered the instrument of legal institutionalization of social and solidarity economy most developed in the region, since it is established that organizations linked to the EPS has as its main objective "needs and generate income, based on relationships of solidarity, cooperation and reciprocity, privileging the work and the human being as a subject and aim of its activity, good-oriented live, in harmony with the nature, above the appropriation, the profit and capital accumulation. "In search of good living.

The law determines that the people's economy (UEP) units are: "which are dedicated to the economy of care, sole proprietorships, family, domestic enterprises, retailers and craft workshops; that he carried out economic activities of production, marketing of goods and services which will be promoted by encouraging partnership and solidarity."

The law generates new institutions that guarantee the inflow of funds to the system of solidarity finance as well as liquidity and deposit insurance funds, making it an effective competitor in the banking system in capturing savings and gives rise to an e space of regulation of the proliferation of initiatives of micro-credit in the country.

Demonstrations that accompany the processes of definition of these changes show that the institutionalization of new forms of solidarity-based economy is facing and should overcome forces and powerful interests, which requires a project not only social but politically than It requires the involvement of specifically political organizations. The Ecuadorian Constitution sends very significant changes in the relations of the economy with nature: establishing not only a rational use of "natural resources" but that its ownership rules are changed (the water can not be privatized) and is they incorporate the rights of nature for the first time in the legislative history that we know.

We can anticipate that such is relevance and expected effects of replaced a project of improvement of the market economy with a construction of a system of Social and solidarity economy that actually move in that direction, can expected strong opposition actions of domestic and foreign sectors affected by this political decision. If instead you implement a policy merely compensatory dynamic failure of peripheral capitalism, to the World Bank and the Inter-American Development Bank will be willing to continue to open credit lines to fund programs "Social economy". (Ecuador, Government 2017)

The Popular and Solidary Economy in Ecuador

The Constitution of the Ecuadorian Republic in article 283 recognizes the economic system as "social and solidarity" in 2008 where it "recognizes the human being as subject and purpose; [that] it tends to a dynamic and balanced relationship between society, State and market, in harmony with nature; "and [which] aims to ensure the production and reproduction of material and immaterial conditions enabling good live" (Superintendency of 2017 people and solidarity, economy)

In correspondence to the Constitution, the law of economy of Popular and solidarity (EPS) aims to:

- Identify organizations of the popular and solidary economy as an engine for the development of the country;
- Promote the principles of cooperation, democracy, reciprocity and solidarity in economic activities that organizations of the EPS;
- Watch for permanence, solidity and perfect functioning of the organizations of the EPS;
- Mechanisms of accountability of managers towards members and members of the organizations of the popular and solidary economy;
- Promote the active participation of partners and members in the control and decision-making within their organizations, as opposed to private economic activities;
- Identify new challenges for the design of public policies that benefit, strengthen and consolidate the economic sector popular and solidary.

Strengthen the management of the organizations for the benefit of its members and the community.

Was not only until 5 June, 2012 founded the Superintendency of popular and solidary economy (SEPS) with legal personality under public law, in order to monitor and control people and solidarity economic organizations whose objective is the of Search development, stability, strength, and proper functioning of the economic sector popular and solidary. In that, day in which Hugo Jácome - Superintendent of Popular and solidary economy - took up his duties before the plenary of the National Assembly.

"Solidarity, understood since the beginnings of the Popular economy and solidarity (EPS), is a form of organization of people who seek the common good and the basis of development is based on companionship, inclusive, participative, productivity and" equitably; It is not looking for profit or individual profitability but the collective growth of a community." (Superintendency of popular and solidary economy, 2017).

During the course of the history of the struggle for labor rights they have been provided in the box of the relations of dependency, this has undergone major changes on the basis of a thorough review from the Association of pictures managements to outsourcing; on the issue of the EPS is required a conceptual different situation, since there is no dependence on the base, resulting in a vulnerable situation, incorporating new rights such as: a decent place to live, right to health, education etc.

This scenario makes that entities linked to the EPS has a larger program that perform such as:

- Live in harmony with mother nature
- Improvements the spaces of coexistence (neighborhoods, housing)
- Have the science and technology at the service of the people
- Take and defend a decent work
- Purely labor demands are similar to those of formal employees, but with some special features that speak of the sector and its priorities:
- The non-criminalization of work tends to be one of the first appearances by those who fight in the popular economy, since all branches have undergone varying degrees of persecution, either because police charged a bribe, or to defend their work had to be t Omar a factory.

Financial support from the State in order to comply with regulations requiring employers, since workers do not have capital to face large expenses of infrastructure.

Day care for their children, is essential to eradicate child labour, which often is product of the situations of exclusion, since many workers has days that exceed 8 hours and can not leave their children alone.

Complementary social wage in order to vital and mobile wage.

The partnership represents an option to build networks of solidarity, self-managed, enterprises that produce goods necessary for social life; with features of sustainability and quality that generate wellbeing through work.

The concern of the SERCOP to make a good living has made it possible to the fight against poverty is made effective through different policies as the preference to goods, works and services of Ecuadorian origin and the actors of the Popular economy and Solidarity, micro, small and medium-sized enterprises, such as enshrined in article 25 of the organic law of the national system of public contracting.

In the framework of article 283 of the Constitution of the Republic of the Ecuador, indicating "the economic system will be integrated by the forms of economic organization, public, private, mixed, people and solidarity, and others determined by the Constitution. The popular and solidary economy shall be governed in accordance with the law and will include cooperative, associative and community sectors". By forming unions of associations of Popular and solidary economy whose goal is to support associations from across the country, with a view to the creation of a National Confederation, consolidate and have benefits with greater representativity of this economic model, in the public and private market"

In the box that follows refers to a comparative analysis between the principles and characteristics that allow to establish the differences between EPS and the SFPS

Figure 1: Differences between EPS and SPSS organizations

Source: (Superintendency of popular solidarity, economy 2017)

So because she has not been resolved or considered a possible escape route for eliminating poverty and unemployment in the Ecuador popular and solidary economy?

General Problem

Despite the fact that the Government has tried to promote a cooperative culture and support in various ways this economic movement moves is not progressing or passes from the first step that is joining the ranks of the IEPS.

The fundamental cause the abandonment of these people of their businesses due to lack of to establish as small SMEs, bank loans as banks or financial cooperatives to assign a receivable request them as much documentation and conditions ranging from have properties to its name to guarantors with properties that have twice the value of the credit, which is almost impossible for the vast majority.

Add to that as one of the cause, the lack of awareness of the local governments that come to these vendors as a problem for them and not as a means of economic development or contribution to the productive matrix, since some people think that this type of is service offering members of IEPS pale, damaged and blackened cities by the lack of ethics in the presentation of the business and sellers.

Not to mention that the indiscriminate use of public spaces, with the minimum of sanitation bring with them the appearance of rodents, roaches among others that cause the transmission of several diseases that can cause death to consumers, since Many sellers who offer products such as vegetables, fruits, meals and even meat remain in positions in the streets throughout the week and leave at night all its products and residues, which are visited by night as the rats and other vermin.

Other causes that affect this process is the lack of hygiene of street vendors which passers-by as they dare not buy them with their ample reasons for appearance.

All these together incidents that on many occasions local governments in an effort to eliminate or resolve these problems, enable areas to these vendors concentrate on a single place to carry out its activities and find negativity on the part of them given by many issues result from the situation.

Example

- 1) the Government builds a popular market and provides spaces to vendors, but instead they are sold or rented at unbelievable prices, which sometimes exceeds the price of a Department a single local, so sold rented.
- 2) in other cases the Government situated them in spaces so far from the center of the city to which customers since neither occurs to them approach for fear of being assaulted and others for failing to take a transport.
- 3) favored entrepreneurs manage to buy the space, and then meet all permits must be ordered to remain in place as, fire, permission of health, category granted by the Ministry of industry and trade) Industry and small industry), category granted by the Ministry of industry and trade (industry and small industry), category granted by the Ministry of industry and trade (industry and small industry) among many others (see annex 1).

Then before this situation that decides the vast majority?

Because remain on the streets, not paying rent, and taxes from sales, or spend on permissions that are so boring that they take weeks to obtain them in the event that they will succeed, invest in the least as long as they have positive results and the largest cases abandon its neg Leisure and spend the high rank of the unemployed.

3. Methodology and Methods

In a sample of 300 merchants of the city of Machala, applies a poll where the following results are dumped.

Table 1: Resultado of surveys

QUESTION	RESULTADO	
	Yes	No
1. is your business of a casual nature?	190	110

2 you have requested credit for your business	210	90
2.1 - have received approval of the pig for your business	60	240
3 you have knowledge of marketing, business, or management	125	175
4 meet minimum sanitation techniques to sell consumer products	120	180
5 it has properties such as House, car, land	100	200
6.-has reached the minimum of schooling. (Colegio-Bachillerato)	180	120
7 - has more than 2 employees under its charge	220	80

Producer by: authors

In the interviews and survey process was corroborated that:



Figural: pregunta 1

Prepared by: the authors

Of the 300 businesses visited 110 remain as informal, representing a 36, 67%, the vast majority for not having sufficient capital to rent a room or pay permits who request them for opening of legal form of his undertaking being in a way formal a 63,33%.



Figure 2: Pregunta 2

Prepared by: the authors

70% of the respondents (210) indicated that they have applied for a credit in financial institutions, while 30% have not made it (90).

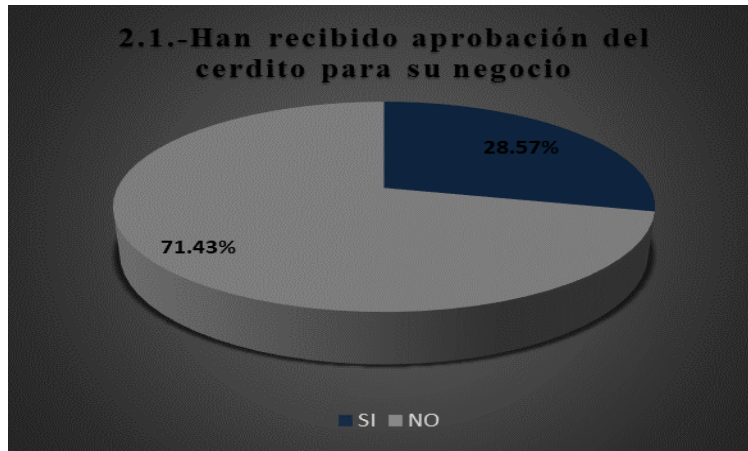


Figure 3: Pregunta 2.1

Prepared by: the authors

While 210 sought credit for your business only 60 of them approved for them, which reflects a 28.57%, since mostly none of them owns properties in its favor that serve them guarantee the value of applied credit not to mention that it is very difficult to find any known that possess properties and want to serve as a guarantor.



Figure 4: Pregunta 3

Prepared by: the authors

According to the graph 41,67% of respondents are not aware of Marketing, business, or management. The survival of your business is also relative to taking into account that their knowledge to the great extent on management, marketing or business is empirical, because none of the 300 have been or studied in a school to end where to receive knowledge business basics.

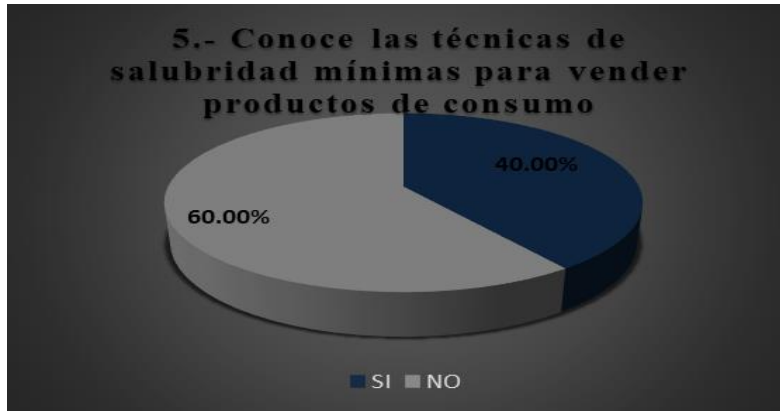


Figure 5: Pregunta 4

Prepared by: the authors

300 visited business give us is that while many are preparing food, few are those who possess basic knowledge of food handling or technical health (120) which represents 40% of them to be more accurate, given by so-called because they do not possess the academic level medium.

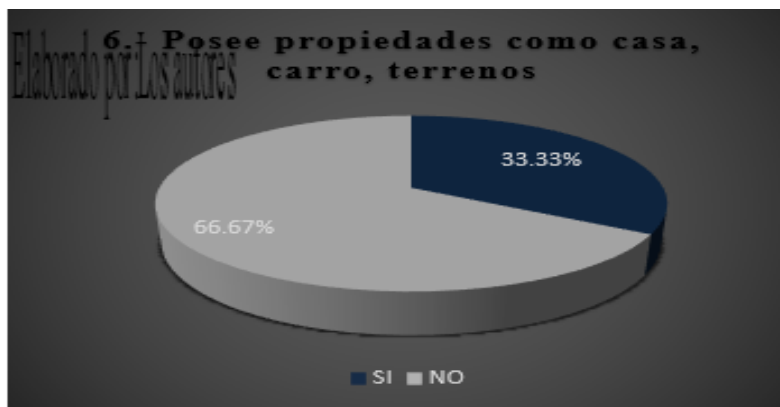


Figure 6: Pregunta 5

Prepared by: the authors

33.33% of the respondents expressed that they have properties such as House, car, land, which are usually requested by financial institutions as requirements for access to credit.

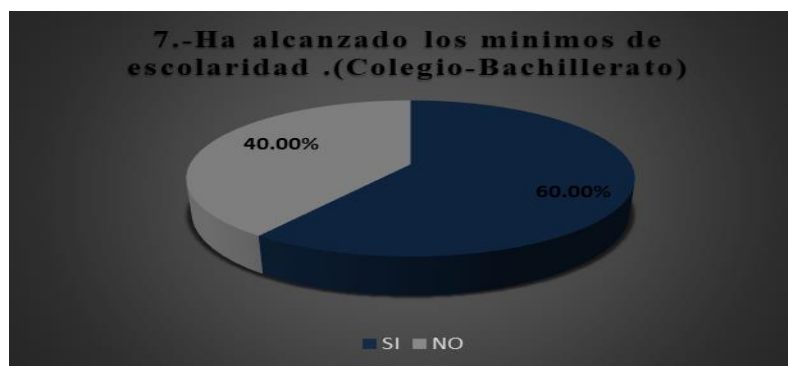


Figure 7: Pregunta 6

Prepared by: the authors

Of the 300 respondents, 180 people have reached the minimum of schooling, which means 60% of the sample.

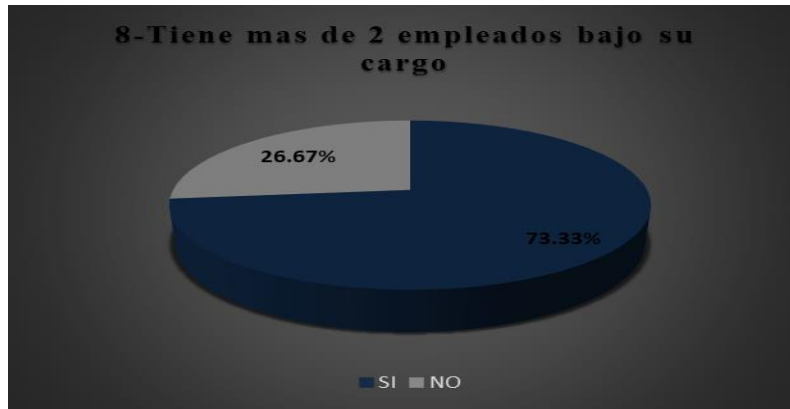


Figure 8: Pregunta 7

Prepared by: the authors

Likewise, 73,33% of respondents indicated that more than 2 employees have under his charge, while 26.67% manifestaon than not.

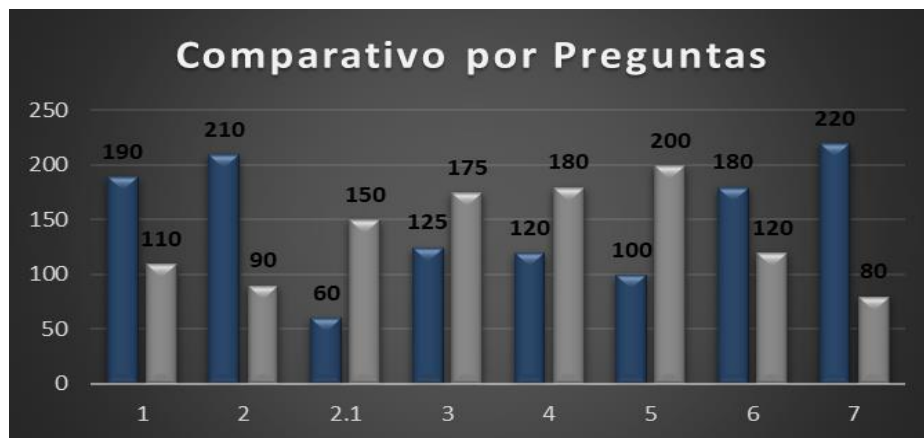


Figure 9: comparative Cuadro

Prepared by: the authors

Shows data regarding responses by question whereas 300 respondents, it should be noted that in question 2, 1 considered people who if asked for credit (210).

Finally, what if it is indisputable in this problem is that despite all this situation of preparation and lack of administrative knowledge, it is precisely these businesses highly generators of jobs.

4. Conclusions

Is vital that Governments turn over their faces to productive units linked to the EPS as well as all informal traders, whereas its intervention and considerable contribution to the economy of the country, not only generating income to families most disadvantaged but also in the process of much-needed jobs increased in these times.

It is the opinion of the authors that with the increase in a plan that allows the development of these merchants to become Latin American Governments mipymes won in processes of socio-economic, giving the possibility to the least benefit to win honestly their subsistence and the susu families.

Annex 1: The basic steps to legalize your business in Ecuador.

STEP 1: Obtain the RUC (the single registry of taxpayers) in SRI

- Original and copy the existing identity card color
- Original and copy of the certificate of vote
- Original and copy of any of the following documents indicating the address of the place in which the activity will be held:
 - Return of basic services (water, electricity, telephone). It must correspond to one of the three months prior to the date of registration.
 - State of mind banking or the service of pay TV, or cell phone, or credit card. It must correspond to one of the last three months prior to the date of registration. Only the banking and credit card statements must be in your name.
 - Lease (can be current or not) together with valid sales receipt issued by the lessor corresponding to one of the three months prior to the date of registration. The issuer of the voucher must be registered in the RUC rental real estate activity.
 - Property or script purchase and sale of property, duly registered in the land registry, or certificate from the Registrar of the property which is valid for 3 months from the date of issuance.
 - Board Certified parish nearest to the place of domicile, only where the venue is not catastrado.
 - Artisans: Current craft qualification issued by the competent body: National Board of the craftsman or MIPRO

Source: www.sri.gov.ec

STEP 2: Obtain the Metropolitan operating license granted by the municipality of Quito

- Unique Metropolitan operating license form
- Copy of the RUC
- A copy of the identity card of the Legal representative
- A copy of the Legal representative of voting ballot
- Land use compatibility report
- For establishments which require health checks: meat of health staff who manipulates foods
- Legal person: Copy of articles of incorporation (first time)
- Craft: Craft qualification
- Additional requirements for establishments wishing to place outdoor advertising:
 - Notarized authorization from the owner of the property (if not local own)
 - In the case of horizontal property: notarized authorization from the Assembly of co-owners or administrator as the legal representative
 - Dimensions and photograph of the facade of the local (establishments with existing advertising)
 - Dimensions and sketch how will the advertising (new)

Source: www.quito.gov.ec

STEP 3: Obtain the operating permit of the Cuerpo de Bomberos

- Inspection report
- A copy of the identity card of the representative or co-owner
- Copy of RUC
- A copy of the permission of the previous year
- A copy of the municipal patent
- For artisans
- Inspection report
- Copy of the craft certificate
- Exemption from the municipality
- A copy of the identity card of the representative or co-owner
- Copy of RUC
- A copy of the permission of the previous year

Source: Cuerpo de Bomberos de Quito

STEP 4: Obtain the autonomous craft qualification (for those who want to register as craftsmen)

- Request for defence of the craftsman National Board (purchase form)
- Affidavit
- A copy of the certificate of citizenship
- A copy of the certificate of vote
- Photo color passport size updated
- Type of blood (Ecuadorian Red Cross)
- The updated Guild

Source: Board of national defense of the craftsman Quito

STEP 5: Get the operating permit issued by the Ministry of health (for establishments which require sanitary control)

- Operating permit application
- Inspection form
- Copy of the professional title of the responsible in case of being industry and small-scale industries.
- Certificate of the professional title of the CONESUP
- List of products to develop
- Category granted by the Ministry of industry and trade (industry and small industry)
- The floor plans with the distribution of the corresponding areas
- Sketch of the location of the plant
- Document processes and manufacturing methods, in the event of industry
- Certificate of training in food handling of company
- Copy of the identity card and certificate of vote of the owner
- A copy of the occupational health certificate issued by the centres of health and the Ministry of health
- Copy of the RUC of the establishment

- Operation of the fire permit

Source: Provincial Directorate of health Pichincha

Posted by Ecuadorians in 14:1

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