

A propositive contribution to the mitigation of the credit problem on Brazilian solidarity economy enterprises

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Abstract

The biggest impediment to the viability of Solidarity Economy Enterprises (SEE) is the credit issue, which due to lack of guarantees means that they cannot access credit through traditional banking channels and end up failing. In view of this unfavorable scenario, the objective of this work is to make a propositive contribution, evidencing elements that are useful to enterprises of solidarity economy in relation to obtaining credit. To do so, it relied on bibliographic research to link these factors, highlighting those that can be controlled by the SEE, as well as those external so that the credit assignment occurs, which resulted in the elaboration of a propositive instrument, with elements that facilitate the assignment of credits both in the user's view and in the institutional view. Its usefulness could be verified with a field research, conducted with 25 solidarity economy enterprises, which answered a questionnaire informing whether the existence of such an instrument would help in reducing the difficulties of obtaining credit, as well as being

able to contribute with eventual adjustments.

Keywords: Solidary Economy; Entrepreneurship of Solidary Economy; Credit.

1. Introduction

In the modern competitive world, where the search for capital and its influence generates substantial increases in unemployment and social marginalization, a new organization, not only social, but also labor, has emerged and remains in vogue: the solidarity economy.

Gaiger and Laville (2009: 14), state that the term Solidarity Economy (SE) is used to conceptualize ideas that “revolve around the idea of solidarity, in opposition to the utilitarian individualism that characterizes the prevailing economic behavior in market societies”.

Singer (2001) explains that the solidarity economy involves various categories of companies, voluntary associations and workers' clubs that, guided by the solidarity premises, practice self-management, with democratic participation of all members, and they have the right to vote, division of the net revenue among cooperative members, in addition to promoting the possession of the means of production by those who use them to produce, which means, the extinction of the role of the manager / boss.

Lisboa (2005) mentions other examples of enterprises that apply solidarity economy, in addition to the traditional cooperatives:

Family farming, MST (Landless Workers' Movement) settlements, industrial or rural companies recovered by self-management, networks of collectors and recyclers, national and international fair-trade networks, business incubators, in addition to the 3, such as exchange clubs and indigenous and quilombos economies. (Lisboa, 2005, p.1)

Therefore, based on the exposed definitions, it is possible to state that SE is a counterpart to the capitalist form of production, which aims to promote solidarity, integration, and synergy among its participants, who are owners and workers at the same time, of these enterprises.

To understand the dimension of SE in Brazil, the Second National Mapping of the Solidarity Economy of Brazil (2013), carried out by the Ministry of Labor through the Solidarity Economy Information System (SENAES, 2013) shows that Brazil had, at that time, 19,708 Solidarity Economy Enterprises (SEE), in which 40.8% were in the northeast, 16.7% in the south, 16.4% in the southeast, 15.9% in the north and 10.3% in the Midwest.

However, even though the solidarity economy is a good alternative way to promote inclusion, a sense of belonging, and help in a local income-generating cycle, there are still severe difficulties faced by the SEE.

The National Mapping (2013) carried out by the National Secretariat for Solidarity Economy (SENAES), on the other hand, shows that the most recurrent problem and the one that most motivated bankruptcies was the difficulty of obtaining credit. According to França Filho, Silva Júnior and Rigo (2012), the solidarity economy suffers from commercial banks due to bureaucratic obstacles and the requirement of guarantees such as: bureaucracy of financial agents (27.5%); lack of support to develop a project (15.7%);

high interest rate (12%); lack of specific credit line (11.9%); and inadequate grace periods (6.9%).

According to the studies conducted by Kuyven and Kappes (2013) regarding the Second National Mapping, in the Brazilian south states, a region known for encouraging cooperative and associative movements, 55% of the SEE plea to have necessity for financing and obtaining credit, 7% of these claim that they do not even have money to pay the bills, which means, they are in deficit; 31% are in a neutral position, they are able to pay their bills, but there are almost no surpluses.

Valentin and Serra (2012) mentions, in another approach, still prior to the Second National Mapping (2013), not restricted only to the South Region, that 27.8% of the enterprises believed that the credit lines were very scarce, 22.9 % of enterprises did not access credit due to lack of documentation, 16.8% could not elaborate an adequate financing project, 15% considered interest rate as abusive, 13.5% did not have the necessary guarantees that commercial banks demanded and 4% they did not see the deadlines as adequate.

Valentin and Serra (2012) discuss the administrative discouragement that the lack of credit generates:

Without credit, associations, cooperatives, and informal self-employed workers in the sector are unable to make investments, have difficulties in acquiring raw materials and inputs, are unable to delivery production and, consequently, end up increasingly limiting their possibilities of generating employment and income, growth, and expansion of enterprises. (Valentin and Serra, 2012, p. 3).

Considering that the biggest problem shown by the references is credit the objective of this work is to make a purposeful contribution, highlighting elements that are guiding and useful to solidarity economy enterprises regarding credit obtainment.

The present work is developed from a bibliographic research, defined by periodicals and classic books of the themes, but mainly in official documents and references obtained in reliable and relevant collections such as Academic Google and Scielo, guided by keywords such as solidarity economy, enterprise, and credit.

For the analysis of the elements identified in the research, a categorization was established regarding the view of the actors involved: the institutional view, which means, external factors, that are not under the company' control, and therefore cannot be controlled, but must necessarily be observed; and the user's view, with elements that can be controlled and improved within the solidarity economy enterprises.

Having defined the categorization about the actors involved, the next step was to identify the elements that define their interest in the process of obtaining credit in the solidarity economy. This characterization allowed that a single theme - obtaining credit - could be analyzed from two different angles, but of equal importance for its realization.

Finally, a questionnaire with open and closed questions was applied, with the support of the Brazilian Association of Researchers in Solidarity Economics, to verify whether the propositional contribution, evidencing guiding and useful elements for solidary economy enterprises regarding obtaining credit proposed in this work are possible and if new important elements in this scenario arise from the questionnaires' answers.

Data collection was attended by 25 solidarity economy enterprises from different states and regions of Brazil and from the most varied purposes, such as production, consumption or collective use of goods, commercialization, provision of services, exchange of products or financial institutions solidarity, and others.

2. Brazil's Solidarity Economy Landscape

The landscape for the solidarity economy in Brazil, fourteen years after the creation of the National Secretariat for Solidarity Economy (SENAES), seems to be favorable. This argument is made in view of the perspective shown by Silva and Carneiro (2014) that out of the existing SEE, 65.1% were created from 2000, 27.3% in the 1990s, 5.9% in the 1980s, and less than 2% in previous decades.

The Rede Brasil Atual (2014) demonstrates that SE already represents an amount greater than 8% of all Brazilian GDP, which means, the sum of wealth produced in the national territory, this percentage being primarily formed by family farming associations, companies recovered and managed by workers, cooperatives for the collection of recyclable material and sewing, whose main goals are clean production, organic agriculture, and materials of excellent quality, preferably of cooperative origin.

In terms of structural matters, the Second Mapping, divided the SEEs regarding respect to their economic activities, focusing on six different classifications: a) exchange, b) production, c) commercialization, d) provision of services, e) credits or finances and f) collective consumption/use. The results are shown in table 1:

Table 1. Solidarity enterprises by main economic activity

Activities	Total	%
Production or production and marketing	11.081	56,2
Consumption, collective use of goods and services by partners	3.945	20,1
Marketing or marketing organization	2.628	13,3
Provision of service or work to third parties	1.296	6,6
Exchange of products or services	430	2,2
Savings, credit and/or solidarity finance	328	1,7
Total	19,708	100

Source: (SENAES, 2013).

It is interesting to notice that, although the theory initially preached a certain predilection for the exchange between services and goods, today there are few solidarity initiatives that effectively subsist in an exchange system. The solidary principle of economic efficiency, which is, the prerogative of having an administration and management capable of generating surpluses to share among the associates is much stronger in this sense.

The predominance of these SEEs is also more common in rural areas. According to SENAES (2013), 54.8% of the enterprises are in rural areas, 34.8% in urban areas and 10.4% in both. From the ones located

in rural areas there is a greater predominance of responses saying that their economic activities are linked to exchanges (65% of the total) and 85% of the total responses to consumption.

SEE, in addition to providing a high sense of sociability and including - naturally - people who would often be marginalized, also demonstrates that it can be an excellent form of inclusion for women in leadership positions. SENAES (2013) reports that there were 86,040 women who occupied coordination/leadership roles at the time, against 66,696 men. The most notable thing is that women are still a (substantial) minority in absolute numbers in these enterprises (803,373 men, 620,258 women).

When addressing the issue of employability, since a severe economic crisis hit Brazil (in 2015), the solidarity economy has been debated as a viable possibility for unemployment. Aquino (2017) even shows that this theme has been taken up by state governments (the report specifically is about the Bahia State) and that the benefits would be several: removal of people from economic inactivity; increased sense of belonging; generation of community and local income, which would ensure improvements in conditions in specific places and with immediate return to people.

An important study by Kuyven and Kappes (2013), conducted by the methodology proposed by Gaiger (2007) revealed that from the first, carried out in 2007, to the second mapping of solidarity economy, the one that survived in the following six years, were primarily those that had a better solidarity index, instead of greater entrepreneurship, as this motivated better job stability for members.

The authors also show that some factors that helped the survival of these enterprises were: transparent management, higher quality, ability to obtain credit and investment, remuneration and regular association with workers, investment in human resources training, broad market penetration, and vacation and/or weekly rest for members working at the SEE.

Silva and Carneiro (2014) demonstrate that the main motivations for the composition of some SEE are financial. Based on SENAES (2013), in its tabulation it is possible to notice that 48.8% of the total sought to be a complementary source of income; 46.2% for being an alternative to unemployment; 43.1% higher gains in associative enterprises.

Also, the returns seem to exist, since, according to the authors, 43.2% of the SEE had surpluses after the payment of their expenses, showing that the economic side in solidarity economy is where its most creative and interesting aspect is presented. It is in the restrictions they suffer from the conventional banking system for obtaining credit that solidarity economy enterprises create methods, also solidary, of financing. The next topic will address what was created.

3. Solidary finance and economic sustainability in the solidary economy

The distortion that represents the greatest impediment to the survival of Solidarity Economy Enterprises (SEE) lies in the difficulty of obtaining and maintaining credit. Because they are mostly small and often unable to offer the guarantees that the conventional financial system requires, many of these enterprises are marginalized and doomed to bankruptcy, with no resources to invest and - often - with cash difficulties.

To mitigate these problems, the solidarity system decided to find its own financing methods that encompassed the same logic of solidarity, cooperation and collective participation, thus giving rise to the

so-called solidarity finance.

The National Secretariat for Solidarity Economy (2013, n/p) describes that:

Solidary finance is distinguished from the conventional financial system by the rules of access and qualitatively differentiated operation that are defined jointly by communities or group of associates. (...) the purposes of solidarity finance initiatives are related to achieving common goals, promoting local development by stimulating consumption and production of goods and services from the community itself. Distinguishing itself, therefore, from the financial system that aims to accumulate or increase financial resources based on speculation.

According to Singer (2003), the main way of promoting solidarity finance occurs through credit granting, most commonly through microcredit. In the definition of the Central Bank (2002), microcredit represents small amounts lent to small informal entrepreneurs and microenterprises without access to the traditional financial system.

To put all these operations into practice, Singer (2003) clarifies that three pillars support this initiative: credit unions, community banks and solidarity funds. All these forms will be arranged in the subsequent subtopics.

3.1 Credit unions

The definition of the Central Bank (2018, n/p) for this cooperative modality is:

Credit cooperative is a financial institution formed by the association of people to provide financial services exclusively to its members. The cooperative members are both owners and users of the cooperative, participating in its management and enjoying its products and services. In credit unions, members have the main services offered by banks, such as checking accounts, financial investments, credit cards, loans, and financing. Members have equal voting power regardless their share in the cooperative's share capital. Cooperatives are not aimed at profits, everyone's rights and duties are equal, and membership is free and voluntary" (Central Bank, 2018, n/p).

To understand what motivated its creation, it is worth remembering the conditions that were imposed on workers in the second half of the 19th century. Workers lived a vicious cycle in relation to capital, which is, they did not have enough to meet the basic needs of their families, men and children worked extremely exhausting days in production without rest and always ended up resorting to loan sharks to solve their food demands or in search of better conditions. If this high level of indebtedness were not enough, they were still often forced to buy from their own bosses, as they also owned the businesses. Thus, the cycles of indebtedness and nonpayment were enormous.

In Brazil, it took some time for credit cooperatives to emerge. In fact, it was a Swiss priest, named Theodor Amstad, who brought this culture to Brazil, in the late 19th century.

It is stated in the Organization of Brazilian Cooperatives (OCB) (2017) that Amstad's ideas and willpower were the driving forces for cooperatives to expand in other Brazilian states. Currently, the oldest in Brazil and still in operation is Sicredi Pioneira, in Nova Petrópolis, from 1902.

The strength that Brazilian cooperatives have taken on is significant, being the sixth largest financial

entity in the country. The Cooperativismo de Crédito Group (2016) shows that they hold 3.57% of all Brazilian banking assets, 6.84% of deposits, 3.42% of credit operations, being ahead of large banks, such as Safra, Citibank and Banrisul.

According to the 2016 report by the World Council of Credit Unions (WCCU), the world has 68,882 credit unions that serve more than 235 million people, with 170 billion dollars in reserves, 1.7 trillion dollars in assets, 1.2 trillion in loans, and 1.4 trillion in savings.

It is possible to verify that credit cooperatives have ample conditions to show a path with greater participation in the Brazilian scenario. Its contribution is immense: in addition to promoting inclusion and more humane conditions to the financial circuit, it also provides returns to its members.

3.2 Community Development Banks

The second form of solidarity finance to be presented is the Community Development Banks (CDB).

According to Silva Júnior, Gonçalves and Calou (2007), CDBs are experiences of solidarity economy that aim to support the development of popular economies in places where there is high social vulnerability. Its main features are:

- a) Management by the community itself, regarding to service administration;
- b) Integrated system for credit, production, marketing and training;
- c) Circulation of social money currency, in parallel to the country's currency.

The relevance to the social issue of this type of solidarity financing method is mainly the social and financial inclusion provided. According to França Filho (2004), this social utility of financial investment implies the ethical application of money, through the promotion of actions that go beyond the economic purpose, but that also incorporate other values such as the fight against exclusion, the issue of environmental preservation, the appreciation of culture, aiming the local development itself. Thus, it is proposed that the initiative comes naturally from society, and not be imposed.

Banco Palmas, the most relevant case of CDB in Brazil, had a similar beginning. França Filho, Silva Júnior and Rigo (2012) report that the creation of Banco Palmas took place in Conjunto Palmeiras, a district away from Fortaleza State, in 1981, when the Conjunto Palmeiras Residents Association decided to fight against public authorities for basic conditions of existence, such as access to clean water, education and health. Once these basic infrastructure rights were achieved, the second major struggle was to reduce the economic marginalization that existed there. The Bank itself appears with the perspective that there was an enormous capital potential in that group, which, if channeled, could be turned into benefits in the community itself.

Today, Banco Palmas, which has become a correspondent for Banco do Brasil in areas without a bank, has proved to be a great success, with more than 103 branches spread across 19 states. With millions lend every year, both in Brazilian reais and in social currency (MORAES, NOGUEIRA and VIEIRA, 2015).

According to Singer (2009), the social currency started in Brazil at Banco Palmas in 2000 and was used exclusively by exchange clubs that occurred twice a month. It was a way of quantifying the exchanges that occurred, giving a symbolic value to the goods. Since the main bases of exchange were food, handicrafts, and clothes, it was easy to promote this exchange.

Its regulation is all made by the Central Bank according to the Law 12.865/13 and has been shown

to be a great success, since: a) it promotes the financial inclusion of marginalized agents; b) it has a low maintenance cost as it is a web platform; c) it has a greater level of security and transparency, in addition to adding new forms of exchange that do not exist for physical currency. Mostagi et al (2019), corroborate the idea that Banco Palmas serves to guarantee the circulation of capital in the localities of its scope.

As well as the credit cooperative apparatus, community banks have a sophisticated operating system. It is also backed by the Central Bank and is certainly the one that presents the most creative and safest ways of local development. Its social currencies create a virtuous cycle of income flow. And there seems to be enormous social support for them, given the sense of belonging and the low default rates.

The last of the constituent methods of the solidarity economy is the revolving funds.

3.3 Revolving funds

The last form of solidarity finance to be presented is the revolving funds.

According to Santos Filho et al (2013), solidarity revolving funds consist of financial support, flexible payments, intended for associative productive activities, which use basic principles of solidarity economy, such as shared management and solidarity.

Gonçalves (2010) explains that, these funds are actually a community savings and that part will be reinvested in the community itself, for collective benefit. The main idea behind the initiative is, according to the author, in addition to the extensive fight against hunger, the availability of resources, with reduced bureaucracy, to produce goods and services.

Singer (2009) reports that revolving funds tend to be used more in rural than urban areas and are shown to be of great importance for the acquisition of small machines, fences, cisterns for better rainwater collection and storage.

A similarity that exists between revolving funds and community development banks is that both are used as government arms to promote public credit policy and to combat poverty. Singer (2009) reports that, through Banco do Nordeste (BNB), the government supports micro-entrepreneurs in the semiarid region.

Essentially, all three proposals for solidarity finance do an enormous job of fighting marginality, social promotion, financial inclusion and breaking the cycle of poverty.

4. Elaboration of a propositional contribution to mitigate credit problems

Considering what was exposed above, so far in the context of the solidarity economy, some facts and characteristics are interesting to be observed to contribute to the achievement of this work's goal.

A first point to be considered when listing these elements, which the analysis will focus on, must necessarily be the classification of the economic activity performed by each of these enterprises. It is considered that there is a better adaptation to the proposed model, as close as the activities performed by the SEE. Throughout this work it was explored that there are six distinct categories, ranging from solidarity economy to commercialization.

Not only does the classification of the economic activity of these enterprises appear to be striking, but also the structure in which these companies are organized. In the introduction, it was exposed that family businesses tend to have problems of disassociating the equity of the partners and the company. The

risks embedded in these operations tend to be too high with this configuration.

Also indispensable for analysis, to mitigate credit problems, it appears to be the size that these enterprises have acquired and whether there are solidary supply chain networks. This has been pointed out as a very relevant factor for the survival of the components of the solidarity economy, since it makes it possible to create synergy, gain strength and plurilateral development, which means, all those involved in the association process end up winning, either in cost reduction or efficiency gains. The creation or not of value chains may prove necessary to understand the credit difficulties faced.

The financing methods used by the cooperatives should also not be neglected and the perception of each of them are an important element. A reasonably common movement among larger cooperatives and greater availability of resources is the creation of large funds or banks for their own contribution and use.

Additionally, knowing if there are solidarity finance institutions in the locality in question can also be a major factor in future decisions for those who suffer from all the restrictions already discussed throughout the introduction, the second chapter and so strongly presented by the Second National Mapping of Solidarity Economy.

Considering the main point of this research and having previously pointed out that one of the biggest problems listed in the Second National Mapping of Solidarity Economy (2013), refers to obtaining credit, it is also important to analyze whether interest rates for projects would make it possible to take or if there are specific lines of credit for such investments, if there is support for the elaboration of this type of projects and, finally, if the terms negotiated would be achievable.

State presence must also be analyzed as a driving force for the local development of enterprises. Because it is the greatest guiding force, regardless of which instance is treated, the State is the only agent capable of formulating public policies to achieve its objectives. The existence of these targeted policies can be a promoter and a facilitator in obtaining credit.

Another consideration to be made about the enterprises to be studied, is the corroboration or refutation of the information exposed during the theoretical construction, which says when comparing the first and the second national mappings, it was realized that those enterprises that presented greater levels of solidarity, considering the aspects of self-management, cooperation, economic management, and solidarity.

Finally, the last consideration to be made on the aspects of the enterprises studied refers to the problems experienced by them. It is not possible to propose any way of mitigating problems without understanding what they are.

Tables 2 and 3 show the synthesis of these concepts just demonstrated, highlighting the elements that facilitate obtaining credit and the reasons why they are important, divided into two categories: user and institutional.

The elements for the users are those that can be controlled and improved within the solidarity economy enterprises themselves, while in the institutional category are external factors, which are outside the company's control, and therefore cannot be controlled, but must necessarily be observed.

Table 2. Elements that facilitate credit obtaining - user view

Element	Reason for being important in obtaining credit
Economic activity classification	It is clear throughout the conceptual exposition that those projects closer to productive activities are easier to obtain credit. Analyzing the classification of economic activity may help to substantiate the applicant's situation with bank agents.
Enterprise structure	Throughout the theoretical constructions, it was noticed that overly familiarized, unprofessional enterprises tend to have more difficulty obtaining credit, where the partners' assets are confused with those of the company; thus, a critical element to the risk factors and consequent increase in credit.
Presence of solidarity supply chain	The presence of a supportive supply chain creates a virtuous cycle between enterprises. This income stream, besides being able to leverage business, can also result in collective financing, if it favors the chain as a whole.
Presence of solidarity finance institutions	Solidary finance institutions are not conditioned by conventional market logic and are not driven by assets. That is why they present less bureaucratic requirements, more humane treatment, and greater capillarity to micro enterprises.
Support in project development	15.7% of the enterprises listed in the Second National Mapping indicated that a severe impediment to obtaining credit is the difficulty and/or lack of support in the elaboration of their projects. Because they are small and often unprofessional, the difficulty of presenting a coherent project ends up becoming an impossibility before financial institutions.
Scale of solidarity	In carrying out the two National Mappings of the Solidarity Economy, it was noted that primarily those with a greater level of solidarity survived and showed better robustness. The level of solidarity seems to be a good indication of the viability conditions of undertakings of this nature. Furthermore, the link between solidarity and the longevity of the enterprise is a special symbol of the issue of social and financial sustainability.

Source: Elaborated by the authors.

Table 3. Elements that facilitate the credit grant - institutional view

Element	Reason for being important in obtaining credit
Financing methods used	The financing methods used by the success cases studied here are relevant to the understanding of credit viability, since it allows plans to be drawn up for projects that come to be situated on what possibilities they can claim so that they can provide access to capital.
Interest rate applied to projects	Interest rates were also pointed out in the latest National Mapping of Solidarity Economy as being a big problem. Because of the need for guarantees that these enterprises often cannot offer, banks tend to embed these risks in interest rates.
Existence of local Public Policies	As can be seen when analyzing community development bank initiatives, the government has a significant role in encouraging the reduction of poverty and disparities. There are very virtuous local examples, such as the city of Maricá (Rio de Janeiro), in which the government led a series of public policies to strengthen the local solidarity economy.
Specific line of credit	Not only in solidarity finance institutions, but also in government banks, there are specific lines of credit for some types of acquisitions, such as machinery. In 2012, 11.9% of these institutions pointed out that the lack of a specific line was one of the reasons that impeded their financial viability.
Grace periods	7% pointed out that the terms stipulated by the financial agents were of little interest to the viability of their financing. So, it seems clear that such enterprises, in order to be able to honor these investments, need adequate terms so that there is no disruption of their working capital and cash.

Source: Elaborated by the authors.

The tables created contemplate the objectives outlined for this work in full, which means, they are two propositional contributions that help solidarity economy enterprises to reduce the difficulties of obtaining credit through relevant elements from the user and institutional point of view.

The use of this instrument also serves as a decision support tool for companies that may use it. Assuming, for example, that there is a cooperative with plans to obtain credit for an expansion of the production, knowing that the bank guarantees are serious, surely this company will pay attention to the

highlighted institutional and user elements.

It will check, for example, if the business has a full distinction between the capital of the members and the cooperative, if it has the capacity to develop a project acceptable to banking institutions, if there are solidarity banking institutions (community development banks or credit unions) because they tend to have more accessible financing conditions and whether it would be possible to create synergy with other cooperatives for mutual benefit.

Having all these factors aligned and well defined, it is a good time to verify the conditions related to the credit claim. In the past, which institutions apply for this credit? What interest rates are applied by banks? Is any improvement possible, either through public policy or via a specific credit line? What is the deadline for payment?

The compilation of these data will serve as a guiding point for the company's decision making and internal rearrangement of any weaknesses that hinder credit grant to the solidarity economy enterprise that uses it.

5. Evaluation of the elements suggested in the propositional contribution

The present work would be sufficient in its contribution, if, through its elements, could serve as an aid to resolve the difficulties of obtaining credit. However, it is important to consult solidarity economy enterprises to find out if the elements proposed in this work are significant for obtaining credit and if other elements not highlighted, could complement the proposal. Thus, 25 solidarity economy enterprises were consulted.

The answers were obtained through a field survey, a questionnaire with 15 questions, part of which were open, partly closed and had the help of the Brazilian Association of Researchers in Solidarity Economics so the sample was heterogeneous and had a capillarity in different areas of the country.

Out of the 25 enterprises that responded to the form, there was representation from all regions of the country and, as in the Second National Mapping (SENAES, 2013), the production or commercial institutions were the majority 72%, savings, credit and solidary finances, consumption, and provision of services represented 8% each, and marketing organization 4%.

However, not only cooperatives responded, in fact, informal groups were the most representative category, with 40%, followed by associations and cooperatives, with 28% each, and commercial society with 4%. Such enterprises had the mostly mixed structure, which is familiar with some professional activities, representing 60%. The totally familiar ones represented 28% of the interviewees, and the totally professional ones 12%.

This point was considered relevant in the conception of the proposal, as it was found that those enterprises with less professionalized structures, had more difficulties in accessing credit. In the field application, it is noted that the majority of enterprises have familiar structures. It is not possible to know in detail whether there is a distinction between the assets of the partners and the enterprise, but this is understood to be one of the most difficult points of obtaining credit.

When asked about the reasons that make them participate in these enterprises, the answers were: alternative to unemployment, 28%, development of activity in which everyone owns, 20%, complementary

source of income, 16%, social, philanthropic, or religious motivation, 12%, condition required to access financing, 8%, obtaining greater gains, 4%, and others, 12%. In this categorization of "others", the answers were open and surprising: one person replied that the solidarity economy was a way out of domestic violence, another said that it was identification with the community cause, another to obtain technical advice and other wanted to reach a minimum wage.

In this question, two extremely relevant points of the solidarity economy are highlighted, which is the possibility of creating bonds, the sense of belonging and human emancipation, as it can be seen in the open answers. Also, that the financial theme, which is, earning income is the main motivator for people's participation.

However, there is a curious fact: despite this being the main reason, there were few projects that registered residuals in 2019. Around 64% of the projects claimed that there was no surplus in the last year and those that were able to obtain, the applications were the following: reserve fund for contingencies, 16%, distribution among partners to pay up capital, 8%, investment reserve fund, 4%, reserve fund to support other projects, 4%, and other types of allocation, 4%, with no register of what this other destination would be.

The absence of surplus or the application in reserve funds may help to understand the reason why, in 2019, 52% of the enterprises had not sought financing, 40% had tried but with no success and only 8% had tried and obtained.

In this sense, the situation of the enterprises seems to be alarming, there is a majority of these that cannot obtain surpluses and another significant portion trying to protect themselves from the worst, by making reserve funds. Only a minority using shareholder capital

To those who had their requests for credit denied (this question was timeless), 44.4% of the answers pointed out that it had been due to the lack of a specific credit line, 33.3% due to the lack of support in the project elaboration and 22.2% highlighted high interest rates.

However, the answers presented other features when asked which of these elements they considered important for obtaining credit which would make it more difficult (this question accepted more than one answer). In the interviewees' view, the biggest obstacle was the lack of support for project development, 52%, followed by bureaucracy from financial agents, 40%, lack of specific credit line, 32%, high interest rate, 24%, and inadequate grace periods, 12%.

These points are consonant with the theoretical construction, in the sense that everyone is seen as relevant and, in a way, directly impacting credit obtaining. It is curious to notice that the ranking of these variables has changed since the Second National Mapping (2013), at that time, the agents' bureaucracy was considered the biggest obstacle, followed by a lack of support for project design, adequate interest rates, lack of specific credit line and, finally, inadequate deadlines. In the interviews conducted by the present study, it is noted that the lack of support for project development gains greater notoriety. The lack of a specific credit line also seems to have been more highlighted in the reality of the projects.

From the presence of solidary finances, 52% of the interviewees claimed that in their localities there were no such institutions, however, in the event of existence, there was no unanimity on whether these were the ones they preferred to obtain credit. Also, 88% of respondents would prefer solidarity finance institutions, while 12% would choose public or private banks.

It is known that the institutions participating in solidarity finance have a tendency to apply lower interest rates and greater support for microcredit, the inexistence of these institutions in more than half of the locations surveyed is a good indication for the previous answers (excessive bureaucracy, high interest rate etc.).

There is also a great lack of knowledge regarding public policies that could benefit them, 56% of the enterprises were unaware of whether there were specific lines of credit or local public policies, coincidentally, this is the same percentage of those who say they do not need financing at the moment.

Being the state as one of the major credit inducers and even with large resources directed towards family farming, just to mention one of the branches in which it is most present, the lack of knowledge regarding public policies is extremely harmful to the enterprises that seek financial or credit obtaining.

When looking at the tabulated data of the answers, it is clear that the propositional contribution of this work is relevant, and is even the only unanimity throughout the research, which is, that everyone believed in the usefulness of a support instrument that listed relevant information obtaining credit.

However, despite the efforts of this field research to raise other elements that might have gone unnoticed in the theoretical construction, no other element came from the answers from enterprises, on the contrary, it served to reaffirm that the propositional contribution goes in the right direction.

6. Conclusion

The present work aimed to make a propositional contribution to the mitigation of problems in the granting of credit to solidary economy enterprises, and it did so through the elaboration of two analysis instruments, one from the user's perspective and the other from the institutional perspective, and a field research that had a wide representation of solidarity economy enterprises that were able to validate the pertinence and adequacy of the proposed elements.

The division into the two categories that constituted the propositional contribution was made so that there was a clearer measurement between what can be controlled by the cooperative, as an internal foundation, subject to corrections, and what is beyond its control, but impacts severely their activities and more, the possibility of obtaining credit.

With the conceptual theoretical basis survey, it was possible to notice that the solidarity economy plays a significant role in the lives of millions of people directly and indirectly, considering that, as highlighted throughout the research, not every solidarity economy enterprise has automatic alignment with the solidary premises, in fact, there are many of these institutions that only appear for some kind of self-improvement, such as the Coopergatos¹, for example, that end up promoting greater spoliation of workers and impoverishment of rights. These kinds of institutions must be rejected.

However, this article demonstrates that the obstacles to financial sustainability and longevity are undeniable.

A small part of this conclusion at this point should be referred to the condition of solidarity finance institutions, as their social and local relevance is greater than the simple relationship between community and bank. Especially in Community Development Banks, as the community is a constituent part and the

¹ Coopergato is a term used in Brazil to define cooperatives used to bypass worker's rights, operating with no registration.

driving force behind its creation, its relationship with the institution transcends. It is this relationship that even allows social currencies to become viable and even when they fall into disuse, the consumption of that location does not reduce. And it is exactly this relationship that prevents non-organic replicability of these institutions, not being pre-made products, but the result of a social clamor.

Regarding credit unions, they are relevant instruments for the insertion of people in the so-called “financial market”, providing, through a more humanized treatment, the possibility for people to identify themselves as citizens. Their links are even closer due to the fact that, as cooperative members, they are called to express their opinions in decisions, through assemblies and do not necessarily need this organic movement for their creation, being capable to be replicated in other locations.

The field research served to raise questions about the conditions of solidarity economy enterprises, which can be worked on in future works such as: what kind of subsistence people are managing to get from the institutions they belong? How can the familiar structures of the enterprises be a factor that prevents the adequate elaboration of a project? Are there any public initiatives to make these enterprises aware of public policies and specific lines of credit?

And yet, even with all the efforts of the so-called solidarity finance to promote a more influential access to the financial system, with lower interest rates, lower guarantees requested and longer terms, the financial difficulties are still too serious for the SEE, which still end up having their lives shortened by the lack of capital investment.

The relevance of this work and its contribution is precisely in wanting to mitigate this type of obstacles, to make sure that the enterprises have minimum conditions to react to this situation, to become more professional and with better conditions for structuring and basis for decision making.

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