



SOLIDARITY ECONOMY CENTER

ORGANIZATIONAL DEVELOPMENT FOR SOLIDARITY ECONOMY ORGANIZATIONS IN THE SOLIDARITY ECONOMY NETWORK, HUNGARY



Responding to an initiative by the Solidarity Economy Center, in 2018 about twenty cooperatives and social enterprises from across Hungary met in Budapest, and decided to build a common network in order to foster the development of solidarity economy in Hungary. The foundation of the Solidarity Economy Network (SEN) was motivated by their shared understanding that in order to solve the multiple crises of the current economic system, and to avoid the threat of the climate crisis, we need to build alternatives, and that these alternatives need to be based on concrete experimental practices like the ones they are engaged in.

An important aim of SEN has been to foster economic collaborations between members, so as to build solidarity economy ecosystems beyond the individual activity of members. However, members soon realized that their existing organizations are too small and too few to create significant economic collaborations among themselves. They also found that the network does not have enough capacity to help the foundation of new organizations, or to help existing organizations develop to next levels. This lacking capacity was identified as key to building a viable solidarity economy ecosystem.

In winter 2020, Solidarity Economy Center organized two interconnected forums where members of SEN and invited experts in organizational development discussed the development needs of solidarity economy organizations in Hungary, and what type of organizational development capacity could address them. Based on SEN's earlier meetings and these two forums, we set up the following problem diagnosis and project for *Solidarity Organizational Development Training*. We plan to kick off the project in autumn 2021, and are currently engaged in its preparation.

Problem diagnosis

To start and to develop solidarity economy organizations today in Hungary is a challenge in multiple respects. For SEN members, daily organizational struggle takes all their capacity, and it is hard to engage in processes that prepare next steps of organizational development. In the lack of long-term, well-developed cooperative models operative in their environment, it is hard to assess which organizational stages are the ones that mostly require such efforts. Services of organizational development that exist on the market are too expensive for solidarity economy enterprises, even if their advice on financing, business planning or legal issues would be essential for organizations. Moreover, existing organizational development services are focused on profit-based organizational models, and are less sensitive to problems specific to organizations practicing economic democracy – like the issue of horizontal decision-making, the democratic distribution of resources, community and individual development.

For people planning to found new solidarity economy organizations, or for existing organizations that plan to transform themselves according to solidarity economy principles, there is no available information or supporting service that could help them to

- set their vision and strategy,

- set up democratic organizational processes for decision-making, labor distribution and the distribution of resources,
- define the conditions for individual and community welfare that they want to meet,
- access the financing necessary for starting their economic activity, and
- build legal and business planning capacities.

Democratic functioning can be more time- and energy-consuming than direct hierarchical ones, especially in the early, planning stage. Transforming to a democratic operation often conflicts with the external market logic, according to which most organizational development services are built. Therefore, there is very little expertise on the issues that solidarity economy organizations meet. While some successful models of democratic economic functioning exist in Hungary, transferring knowledge between organizations requires specific capacities that are not given at the moment.

Building economic collaborations between existing organizations also meets the capacity limit. Besides business planning, building such collaborations according to the principles of solidarity economy also involves capacities to democratically coordinate between different organizations' visions, as well as of collective planning, collective operation, and collective redesign of the collaboration. SEN members also noted that the network as a whole should be able to transfer its knowledge and operational culture to newly forming organizations – but there is no capacity to do this at present.

Finally, there is no forum today in Hungary for organizational development professionals who work on horizontal organizations. There are few organizational developers who have experience with horizontal organizations, even less with organizations that practice economic democracy. There is no unified educational program that would synthesize existing experience in this regard.

Solidarity Organizational Development Training

AIMS

Long term aims:

We aim to create a supporting system for cooperatives, social enterprises and other organizations working according to solidarity economy principles, which can provide them expert organizational development assistance in their organizational problems, from the moment of foundation to various new steps in their development, including the building of inter-organizational collaborations.

This will help strengthen the resilience of SEN members, help the foundation of new ones, strengthen the network, and contribute to its aim of building solidarity economy ecosystems.

Short term, concrete aims:

1. PREPARATION WORKS

We set up a coordination team consisting of SEN members interested to learn organizational development, organizational development experts interested in horizontal organizations, and members of the Solidarity Economy Center. This team prepares a training program that reacts to the needs listed above. This program will be based on a preceding research on organizational needs (carried out by a SEN member organization), and the results of a participatory needs assessment done by participating SEN members (see below).

2. NEEDS ASSESSMENT

The coordinating team carries out a needs assessment within participating organizations and other members of SEN, so that the training can be closely tailored to the needs of the SEN ecosystem.

3. TRAINING

With the results of the needs assessment in view, the coordinating team, the representatives of SEN members, and international expert partner organizations will build a curriculum, which will teach development methodologies to be used in addressing the needs that had been identified. Participants of the training will go through this curriculum, and carry out an internship training, during which they will plan and carry out an organizational development process in one of the participant organizations. Experts will act as mentors in the process, so it will both serve as a learning opportunity for training participants and as a free organizational development for participant organizations.

4. IMPACT MEASUREMENT

Already in the preparation of the project, we define the conditions of success together with SEN members, trainers, training participants, and a professional impact measurement organization partner. The latter will do impact monitoring during and at the end of the training, as well as half a year after the training. After the last impact measurement, it will summarize its conclusion in a written study.

5. CREATING A SOLIDARITY DEVELOPMENT KNOWLEDGE BASE

After the first cycle of the training, participants and experts will prepare a knowledge base that will provide the material for next training cycles. Organizing its main elements in a simplified form, we will also create a public knowledge base that provides useful information for everyone who is considering to found a solidarity economy business, or who looks for answers for questions that arise during operating one.

The knowledge base will include the lessons of preparatory research, all case studies of organizational development processes carried out during the training, and participants' personal experience during the training.

6. INSTITUTIONALIZATION

At the end of the first training cycle, we will have formed a capacity to develop horizontal organizations, which can later help SEN members as well as the formation of new solidarity economy organizations.

Training participants and trainers will give this capacity an institutional form by founding the Solidarity Organizational Development Hub.

The Hub will organize next training cycles, forums for sharing expertise on developing horizontal organizations, and it will represent the stances, interests and needs of horizontal organizational developers towards political decision makers and the broader public.

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