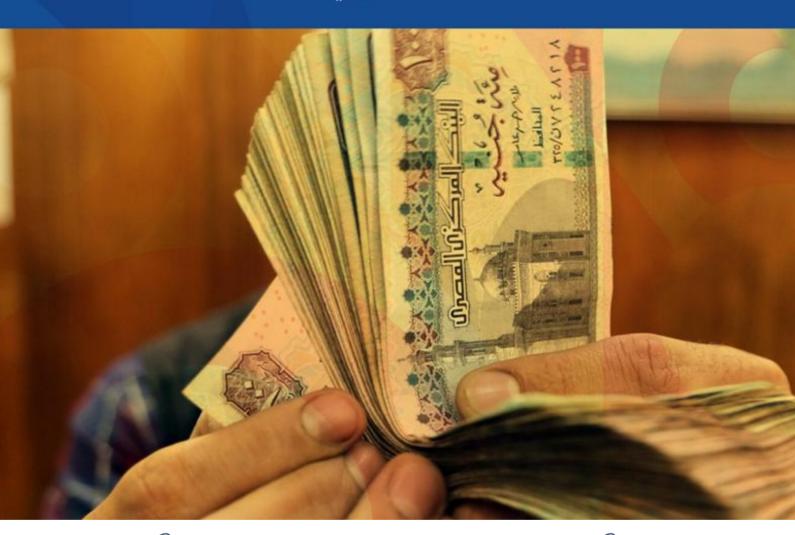
تجارب الاقتصاد البديل في المنطقة العربية

الإشكاليات والفرص

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Alternative Economy Experiences in the Arab Region: Challenges and Opportunities

Summary of the Analysis Paper



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Arab forum for alternatives AFA

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Summary

The alternative economy—often referred to as the solidarity or cooperative economy—prioritizes citizens' needs and serves local communities above all. It is rooted in grassroots, locally driven initiatives, where decision-making follows a bottom-up approach. Relying on small-scale production units, this model promotes self-management, efficiency, and justice.

The alternative economy is built on principles of fair exchange between states and communities, democratic participation, sustainable resource use, and the fulfillment of basic human needs. While export is not its main goal, it does not reject international trade, provided it is based on fair exchange and an equitable division of labor.

This model stands in contrast to the prevailing global economic system, which is characterized by exploitation, monopolies, unfair exchange, unsustainable growth, and the transfer of value from the Global South to the Global North through free capital flows, commodification, and environmental degradation. In essence, the alternative economy represents a liberatory and emancipatory path that confronts structural inequalities.

This paper examines five countries—Sudan, Morocco, Tunisia, Lebanon, and Egypt—as part of the "Alternative Economy in the Arab Region" project conducted by the Arab Forum for Alternatives. The study identified 46 legal and organizational entities representing the alternative economy across these countries. Focusing in-depth on one of these entities as a case study, the analysis draws broader insights into the region's cooperative and solidarity-based economic initiatives.

Despite differing national contexts, several shared characteristics emerged among these initiatives. Common challenges include difficulties in marketing, limited access to finance, competition with dominant market actors, and the absence of clear legal frameworks. On the other hand, opportunities are evident—especially in strengthening cooperation, building networks, and engaging youth in the cooperative economy as a response to current social and economic crises.

These initiatives span various sectors including agriculture, handicrafts, and services. They demonstrate strong potential but also face considerable obstacles, particularly financial sustainability. A key challenge lies in the limited support from the state, which often plays a controlling rather than an enabling role. This has led many alternative entities to depend on external funding, which can undermine their autonomy and long-term viability.

The environmental dimension is also crucial. In the face of escalating climate change, alternative economic entities are well-positioned to promote sustainable use of natural resources and explore innovative, eco-friendly approaches. Agricultural cooperatives, in particular, must transition to models that preserve natural ecosystems and reduce environmental harm. Moreover, these entities can broaden their alliances to engage in climate action and resilience-building efforts.

However, political instability and ongoing conflicts in the region pose serious challenges to the growth and sustainability of alternative economic initiatives.

Recommendations:

- Raise awareness and build the capacities of local communities regarding the role of the alternative economy in development and political stability. Strengthen civil society's role in promoting grassroots democratic values in cooperatives.
- Strengthen networking and coordination among actors in the alternative economy to better respond to shared challenges.
- Promote dialogue among all stakeholders to develop shared visions and practical steps for implementation.
- Enhance cooperation with local businesses and municipalities to reduce reliance on globalized corporations and embed alternative practices in the national economy.
- Increase municipal involvement by integrating cooperatives into local development programs tailored to regional characteristics, supporting decentralization.
- Foster partnerships between cooperatives operating within the same sector to consolidate efforts and scale impact.
- Develop skills through comprehensive training programs covering business management, marketing, and relevant technologies.
- Facilitate access to markets by supporting local and regional platforms for cooperative products.
- Encourage collaboration between governments, private sector actors, and civil society to implement projects that advance the alternative economy.
- Promote knowledge exchange among researchers and practitioners working in this field to deepen expertise and innovation.



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