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# From exit strategies to social justice: a focus on the Covid-19 crisis

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## Abstract

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While the global society is coping with the harshest consequences of the Covid-19 pandemic, there is a not-negligible risk that the ongoing crisis will radicalize the individual propensity to elaborating exit strategies in response to societal challenges. If this is the case, distance losses, intended as the costs charged on individuals due to their being distant from an ideal-type or an expected performance, may be key explanatory variables of unobserved opportunistic behaviours, apparent (but not real) lack of commitment to a common strategy, and episodes of over- and under- resource exploitation. Consequently, due to their proximity to people's social attitudes and needs, the Social and Solidarity economy may play a crucial role in identifying social and territorial distances and in assessing the related monetary and non-monetary costs charged on individuals.

**Keywords:** Social and territorial distances, Distance costs, Social and Solidarity economy, Covid-19.

## Expanded abstract

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While the global society is coping with the harshest consequences of the Covid-19 pandemic at all scales, there is a not-negligible risk that the ongoing crisis will radicalize the individual propensity to elaborating exit strategies in response to societal challenges. Within this scenario, the public sector should be fully entrusted of its redistributive function, but the existence of financial constraints and the risk of overlooking latent individual needs call for subsidiary action at individual level. Saying it differently, while unobserved societal needs trigger non-linear dynamics, individuals can operate some redistribution informally, while fostering solidarity-based and cooperative interactions anchored by the Social and Solidarity Economy (SSE). Specifically, researchers and citizens can cooperate directly, or through the mediation of the Social and Solidarity Economy, in the co-construction of collective memories and in the implementation of commoning practices, also contributing to the design and implementation of public policies addressing the needs of those kept behind, while eradicating



epistemic injustices.

This process, however, is characterised by the rise of a multitude of social dilemmas concerning social interactions between a variety of stakeholders and valueholders. The well-known prisoner's dilemma is a case in point, and numerous social dilemmas are also illustrated in Ostrom's seminal contribution on governing the commons. To overcome distorted incentives that may reward selfish behaviour, it is necessary to restore feelings of altruism, solidarity and cooperation among people and institutions. That may also help to trigger bottom-up and effective development processes.

While the Social and Solidarity Economy can contribute to rising at individual level an intrinsic motivation to advocate redistributive instances instead of pursuing narrow self-interest, universities can contribute to the recognition within the so-called neoclassical theories (especially in the field of economics) of issues that are often overlooked (as unobserved qualitative mismatches, latent social dilemmas, unaccounted distance losses), providing an important contribution to the eradication of the existing epistemic injustices.

Lying on these considerations, this research supports the thesis that, especially in the long run, sharing an ethic of the common good and pursuing a common sustainable future implies a credible involvement in solidarity-based and cooperative practices generating mutual benefits, as ethical beliefs concerning environmental sustainability and redistributive justice may eventually foster an adjustment of negative social and economic payoffs through a more effective redistribution of benefits and losses.

If this is the case, distance losses, intended as the costs charged on individuals due to their being distant from an ideal-type or an expected performance, can be key explanatory variables of unobserved opportunistic behaviours, apparent (but not real) lack of commitment to a common strategy, and episodes of over- and under- resource exploitation. Consequently, due to their proximity to people's social attitudes and needs, the Social and Solidarity economy can play a crucial role in identifying social and territorial distances and in assessing the related monetary and non-monetary costs charged on individuals. That may significantly reduce the risk of basing a common development strategy on biased evaluations, and unbiased impact measurements may in turn foster a wider participation to the implementation of mutually agreed goals.



# From exit strategies to social justice: a focus on the Covid-19 crisis

## 1. From exit strategies to social justice

Global crises contribute to increasing the degree of financialization of national economies (Epstein, 2005, Sawyer, 2014), and the overall dependence on digital technologies (Gkeredakis, Lifshitz-Assaf, Barrett, 2021). But, most of all, global crises have dramatic and disruptive effects on people and societies, and those, in turn, increase the level of socioeconomic uncertainty (UN-TFSSE, 2020). This is true also for the ongoing Covid-19 Crisis, and while people and institutions are still coping with its harshest consequences, there is a not-negligible risk that the fragmentation of social relations and the asymmetric impacts of the related socioeconomic shocks will radicalize the individual propensity to elaborating exit strategies in response to societal challenges.

In fact, the ongoing pandemic, beside its short run consequences on public health and on production processes, is determining a structural change towards increased and persistent inequalities of social and territorial nature. In the end, the absence of concerns for collective and common interests will put at risk also the private interests of the innovators and of those who successfully resisted to the fragmentation of the socioeconomic relations. In times of crisis, the public sector should be fully entrusted of its redistributive function, but binding constraints on public finances and the existence of unobservable needs that trigger non-linear dynamics (i.e., situations in which public policies may backfire, increasing, instead of mitigating, the negative impact of Covid-19) also call for the enabling and subsidiary action of the organizations and enterprises of the social and solidarity economy (SSEEOs). Specifically, to address local and contingent needs and to narrow the social divides, individuals are called to participating on voluntary basis in commoning and cooperative practices anchored by SSEEOs, while operating some redistribution informally.

Paraphrasing Bailey et al. (2018), people can join solidarity-based and cooperative activities, independently from the position achieved, to manifest their dissent to gain benefits from unequal relations based on an unlevelled playing field, implicitly recognizing in social justice a value itself. This bottom-up radicalism contributes to the enforcement of human rights at all scales and triggers long-standing cooperative relations based on a shared ethic of the common good. In turn, the latter create the basis for an inclusive development by contributing to the implementation of democratic stances. It is worth noting how, while the reaction to the



financial crisis of 2008 pursued a higher degree of resistance and resilience to the social and territorial imbalances caused by the financial turmoil, the reaction to the Covid-19 crisis is explicitly pursuing a transformative process toward a more equitable and inclusive society. Furthermore, during the past decade, higher education institutions (HEI) have been explicitly entrusted of a civic role, as it emerges, for example, by the shift from the triple to the quadruple helix model of innovation, also including the civil society (EESC, 2015). Specifically, quoting Goddard (2009, p.5), «[t]he engaged civic university provides opportunities for the society of which it forms part», and is able to bring back «lessons and insights from societal interactions» improving teaching and research (Goddard et al., 2016).

Lying on these considerations, it becomes manifest how researchers and citizens can cooperate directly, or through the mediation of engaged civic universities and social and solidarity institutions, in the co-development of more equitable social relations, in the implementation of commoning practices, and in the co-construction of inclusive collective memories, also contributing to the design and implementation of public policies addressing the needs of those kept behind, while eradicating epistemic injustices. Conversely, the lessons learnt on the field contribute to the effectiveness of academic research, to the inclusiveness of teaching activities, and to the efficiency of administrative activities, reconnecting the so called third mission activities with HEI's core-activities.

Consequently, while SSEEOs may contribute to rising at individual level an intrinsic motivation to advocate redistributive instances instead of pursuing narrow self-interest, universities may concentrate their efforts on the recognition of issues that are often overlooked (as unobserved qualitative mismatches, latent social dilemmas, unaccounted distance losses, and a revised notion of merit) within the so-called mainstream theories (especially in the field of economics), providing a vital contribution to the eradication of the epistemic injustices of theoretical nature that still affect social sciences and humanities, and that are, often involuntarily, transferred in social practices and everyday life. The following section provides a brief overview of four overlooked issues that may cause the disruption of socioeconomic relations.

## **2. Identifying the root causes of epistemic injustices**

Qualitative mismatches, social dilemmas, socioeconomic and territorial inequalities, and epistemic injustices undermine democratic processes, disincentivize cooperative social



interactions, increase the number of kept behind, and determine the deterioration of the socio-economic system.

Qualitative mismatches have been analyzed, as an example, in the field of labour economics, where they have been addressed, at social level, as major causes of inequalities and job polarization (Sattinger, 2012). Specifically, «[q]ualitative mismatches arise when the qualifications or skills of workers [...] are different from the qualifications or skills required for their jobs» (Sattinger, 2012, p.3). They can have both a vertical dimension, when the mismatch depends on the quantity of schooling received, and a horizontal dimension, when the mismatch is due to the type of schooling received (Montt, 2017). Moreover, skills mismatches have been addressed as major causes of earnings inequality (Slonimczyk, 2013). Also, qualitative mismatches affect the efficiency of goods and services markets by determining persistent excess supply and demand, and by creating ways of evading regulatory requirements (see, as an example, Spence, 1975; De Fraja, Iozzi, 2013). More generally, they affect the rules and social norms regulating everyday life and the functioning of the economic systems, contributing to unduly transferring risks or costs on minorities and underrepresented social groups or by identifying patterns of development without the support of a democratic consensus. Consequently, qualitative mismatches call for solidarity and social actions, as for example, the empowerment of workers cooperatives, the enabling and subsidiary action of the social and solidarity economy in the fulfilment of basic and welfare needs of marginalized social groups, and the advocacy of civil society organizations committed to bridge qualitative gaps, expand the public sphere, and pursue democratic principles and accountability at political level (Salustri, Viganò, 2019).

However, the individual and institutional commitment to the common good also poses a multitude of social dilemmas, broadly intended as situations in which there is a dissonance between «what is best for the individual and what is best for the group» (Anderies, Janssen, 2016). The well-known prisoner's dilemma is the workhorse of the literature on game theory, intended as «the study of the ways in which interacting choices of [...] agents produce outcomes with respect to the preferences (or utilities) of those agents, where the outcomes in question might have been intended by none of the agents»<sup>1</sup>. Game theory has been used by Elinor Ostrom in her seminal contribution on governing the commons (1990) to illustrate how common resources may be sustained by self-organized communities. Most of Ostrom's

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<sup>1</sup> <https://plato.stanford.edu/entries/game-theory/>.



analysis is focused on institutional diversity (Ostrom, 2005), and supports the thesis that «there is no simple formula for determining the best set of rules», as «context matters, so every situation is different. Nonetheless, we can develop our understanding of how context matters to help us interpret different situations and how to address them more effectively» (Anderies, Janssen, 2016, p. VI).

It is worth noting how individuals and organizations may follow mutually agreed rules and norms or may implicitly or explicitly defect, determining individual and societal consequences (Anderies, Janssen, 2016). Within this general framework, SSEEOs play a crucial role in identifying the environmental and social externalities of individual and organizational choices, in narrowing the existing positional imbalances among the social actors, and in enforcing those norms that can contribute to leveling the playing field. Specifically, a vast set of considerations influences people's expectations on the outcome of social interactions. Consequently, beside their political and economic value, SSEEOs play a fundamental role in restoring feelings of solidarity and cooperation among people and organizations. In this way, they contribute to overcoming those incentives that may reward individual solutions to shared problems, fueling a modern tragedy of the commons (Gross, De Dreu, 2020). When just and democratic rule and norms turn into effective commoning and cooperative practices, SSEEOs also contribute to trigger bottom-up and effective development processes, creating self-reinforcing synergies.

However, justice and democracy must confront themselves with the issue of formal and substantive inequalities among individuals and the implications they have in terms of the cost of action (or inaction) and lack of opportunity. Indeed, social actors in the same position rarely share the same contour conditions. Instead, many actors must overcome social and spatial distances from their actual to their theoretical position, and this affect their choices and their behaviors. For example, consider a consumer buying food in a supermarket: how much does she earn and how far is her/his house from the supermarket? This will undoubtedly affect her budget and the time and frequency of her programmed purchases, as binding budget and time constraints shift her preferences towards cheaper and more visible goods. To correctly interpret consumer's choices, it is therefore necessary to identifying distance losses, defined as additional monetary and non-monetary costs charged on individuals' actions (or inaction) due to their being (socially or physically) distant from their ideal or expected position. Territorial distances, of course, are the easiest to understand, but, as it is well-known, socioeconomic distances can generate distance losses as well. Finally, it is worth noting how social and territorial distances can overlap, generating distance losses that, when they overcome a critical



threshold of vulnerability, fuel epistemic injustices also in formally inclusive political environments.

As an example, consider two students, student A and student B, both having the same right to realize their full human potential. They have same capabilities, but student A lives close to the faculty and can benefit of the financial support of the family. Instead, due to lack of financial means, student B lives far from the faculty where houses are cheaper (say, an hour by bus) and must find a part-time job to self-finance her studies (consider an additional time burden of four hours spent each day). It means that student B spends each day six additional hours (that are unproductive in terms of education) to enable eight hours of learning. As an effort of fourteen hours a day goes beyond her capabilities, and distance losses cannot be eliminated, student B is forced to reduce the learning effort. Therefore, in the short run her academic performances decrease, and in the midterm that may cause the loss of scholarships, grants or other incentives that student A will be able to achieve. Consequently, in the long run student B may have difficulties to find a job satisfying her high commitment and expectations. That may induce student B to make less ambitious plans, and, if it happens, persistent and self-reinforcing inequalities will contribute to keeping her behind.

This example illustrates a case in which inequalities, in the absence of effective (public or private) welfare policies, determine the insurgence of latent epistemic injustices. On the other hand, injustices can be epistemic in their nature, that is, independent from the existence of distance losses (or, that is the same, epistemic injustices can be associated to distance losses of infinite magnitude), and it happens every time that a wrong is done to someone in her or his capacity as a knower (Fricker, 2007, p.1). However, as already pointed out in the previous section, an epistemic injustice «not only wrongs a knower as a knower, but also is a wrong that a knower perpetrates as a knower and that an epistemic institution causes in its capacity as an epistemic institution» (Pohlhaus, 2017, p.14). Consequently, while being close to those in need, global crises call for a revision of theoretical constructs that may reveal obsolete or biased with respect to the actual context, and that, in case they were turned into practices by unacquainted actors, may perpetuate and eventually create new epistemic injustices.

### **3. Which role for the Social and Solidarity Economy?**

Lying on these considerations, this research supports the thesis that, especially in the long run, sharing an ethic of the common good and pursuing a common sustainable future implies a longstanding and credible involvement in solidarity-based and cooperative practices





generating mutual benefits, as ethical beliefs concerning environmental sustainability and redistributive justice can eventually foster an adjustment of negative social and economic payoffs through a more effective redistribution of benefits and losses.

Specifically, cost-benefits evaluations should account for distance losses, intended as the costs charged on individuals due to their being distant from an ideal-type or an assigned position, as they can be key explanatory variables of people's behaviour. Furthermore, the analysis of social and territorial distances contributes to revealing latent epistemic injustices, that is, situations in which, beside a formal recognition of equal capabilities, some individuals are kept behind in their substantial capability to be recognized as knowers. Consequently, due to their proximity to people's social attitudes and needs, SSEOs can play a key role in identifying social and territorial distances among individuals and institutions and eradicate epistemic injustices, while engaged civic universities can evaluate their related economic (monetary and non-monetary) and social costs, and identify epistemic injustices perpetuated by theoretically biased analytical tools. That can significantly reduce the risk of basing a common development strategy on biased evaluations of the individual and common outcomes. Also, unbiased impact measurements may foster a wider participation to the implementation of mutually agreed goals. In sum, coalitions of researchers and citizens have the potential to identifying and eradicating latent and theoretical epistemic injustices that, if unrecognized, can perpetuate inequalities among individuals and institutions at all scales, discouraging voice. Indeed, mainstream economics still hesitates (and sometimes fails) to recognize, beside its political value, the instrumental value of voice, especially in elaborating a way out of global crises. Instead, voice, here intended as participation in activities anchored by the civil society and by SSEOs, «should complement and occasionally supersede exit as a recuperation mechanism when business firms, public services, and other organizations deteriorate» (Hirschman, 1980, p.431). Again, quoting Hirschman, «[u]ncertainty is an important element of this transformation of means into ends, and of costs into benefits», and

may act at times as a discriminating monopolist as it extracts from each person [...] the full amount he would be willing to pay to have that policy; this would happen if each individual becomes convinced that his contribution makes the difference between success and failure of the movement (Hirschman, 1980, pp.433-4).



Hirschman's proposition provides support to the thesis that distance costs should be interpreted in normative rather than in positive terms. Saying it differently, in times of crisis, rather than investing in the most competitive territories and social groups to benefit of efficiency gains, it is often more convenient to narrow the social and territorial imbalances and to eradicate epistemic injustices to put the economy on a sustainable pattern of development. Moreover, while in times of economic growth the public sector plays a pivotal role in narrowing spatial inequalities by concentrating resources on the infrastructural development of peripheral areas, in times of crisis the focus must shift on civil society and SSEOs, due to their capability of triggering local development of marginalized social groups and territories (Salustri, Viganò, 2017).

Nowadays, as stated by the UN Secretary-General of the United Nations António Guterres on 19th March 2020, the Covid-19 crisis «is, above all, a human crisis that calls for solidarity»<sup>2</sup>. Furthermore, the «current crisis has increased the level of uncertainty at the economic and work level», and «this situation does not affect everyone the same way» (UN-TFSSE, 2020, p. 3). Consequently, inequalities within and across countries are deepening and differentiating their impact because of the crisis, fueling a need of resilient transformation (this is the novelty with respect to the previous crisis of 2008) toward a sustainable common future. But this, in turn, calls for a collective reflection on the root causes of the epistemic injustices that are keeping large strata of population behind.

Within this scenario, SSEOs play a crucial role. Specifically, «they have an inclusive and democratic governance structure» that can directly and indirectly foster «active and responsible citizenship [...], eliminating the need to resort to police states with the consequent regression in personal freedoms» (UN-TFSSE, 2020). However, «the full potential of the SSEOs for the recovery stage will depend on governments' willingness to co-design and co-implement public policies and recovery measures within a multi-stakeholder approach» (UN-TFSSE, 2020). Finally, it is worth noting how SSEOs are made of people, and large strata of population are facing dramatic losses along all the dimensions of human development (health, education, decent income) and among their affections. Consequently, an improved access to health care and education and income redistribution are key factors in stimulating empowerment and participation of those who are more exposed to the harshest consequences of the crisis. In sum, the Covid-19 pandemic has triggered a human crisis, and to keep no-one

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<sup>2</sup> <https://www.un.org/en/un-coronavirus-communications-team/above-all-human-crisis-calls-solidarity>



behind people and institutions should cooperate to eradicate (observed and unobserved) epistemic injustices and inequalities, and empower collective actions anchored by SSEEOs. That, in turn, calls for a revised notion on merit, to be intended as the capability of recognizing those observable and unobservable inequalities that fuel epistemic injustices, and the effort spent to eradicate them, while caring for the immediate necessities of those in need. In the current global scenario, such a renewed notion of merit may inspire alternative approaches in coping with the most dramatic effects of the ongoing crisis.



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