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This special issue of the Review is dedicated to Latin America with its research and studies on cooperatives and the cooperative movement. It includes eight selected, peer-reviewed, original research papers stemming from the IX Meeting of Latin American researchers on Cooperatives in Quito, Ecuador, 2016. In addition, three contributions by the editors discuss Latin American networks, theoretical and methodological approaches, latest research trends, as well as university courses and Masters, including Brazil.

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Research on Cooperatives in Latin America

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Preface: Special Issue for Latin America

Special Issue on Latin America

Sonja Novkovic

The International Review of Cooperation is in its fifth year as a renewed effort of the Alliance Committee on Cooperative Research.

It is my great pleasure to introduce this particular issue focused on cooperative research in Latin America. Cooperative research and practice in Latin America is pushing the boundaries of cooperativism and solidarity economy that is often “lost in translation” in other parts of the world. It is therefore exciting to dedicate this volume of *The Review* to views from the region that may shed light on developments and alternative points of view as to what cooperativism represents as a socio-economic movement. Guest editors Claudia Sanchez Bajo, Mirta Vuotto and Ana Maria Sarria Icaza, introduce us to the diverse cooperative world in the region, and although the authors can only scratch the surface in this limited edition, I hope we will learn a great deal from their experiences.

While some parts of the world have veered away from cooperation as a model of economic development, policy frameworks and new-cooperativist efforts in Latin America pave the way to an alternative economy.

With this brief introduction, I leave the reader to explore the wealth of ideas brought forward in this issue of the *Review*.

Chair, Committee on Cooperative Research

Research on Cooperatives in Latin America, an Overview of the State of the Art and Contributions

Claudia Sanchez Bajo

Abstract

This contribution provides an overview to this Special Issue and situates Latin American research in this field within a wider perspective. Research on cooperatives in Latin America has been diverse and fertile in both Spanish and Portuguese languages since the start of the 20th century, but many of these works are not translated into other languages, and people outside the region may not have access to them. This Issue is thus dedicated to the work done by Latin American academics and policy makers on the subject, by publishing a peer-reviewed selection of recent academic papers, aiming at promoting inter-continental and inter-cultural dialogues, and a broader understanding of cooperatives world-wide. After a brief explanation about the origin of the initiative and the process of selection of the material, the second sub-section offers an overview of the following chapters, while the third sub-section explores common elements and differences not only among the contributions to this issue but also what may be inferred in relation to other region-wide research on cooperatives. This dialogue is not only desirable for any researcher and reader, but for all those with an interest in cooperative movements, since the *cooperativismo*, the Spanish word for the movement striving towards cooperative values and principles, has historically evolved through international and continental visits, learning from each other.

Origins and Methodology of the Initiative

The origin of the invitation comes from a presentation on the state of cooperative research in Latin America I did in November 2015 at the Conference on the *Future of Work and Cooperatives*, jointly organised by the ILO and the ICA in Antalya, Turkey, which included the contribution of Mirta Vuotto. Given the existence of a long-standing Latin American network that will convene its 10th bi-annual meeting in 2018 in Buenos Aires, which has already had about 600 academic papers presented and discussed throughout its history, a proposal came up to have a publication in English of a

selection of Latin American works, as a special issue of the ICA CCR Journal. It was decided to have a selection based on papers that would be presented at the 9th Meeting of the Network in Quito, Ecuador, in October 2016. This meeting already had a call for papers, with an emphasis on public policies, but open to all other areas of interest if its object of study was cooperatives. The opportunity to publish in this Issue was announced at the opening of the congress. After the Quito congress, those participants wishing to publish their paper in this Issue sent their work for a double peer review with professors in Spain, Germany, Brazil, USA, as well as academics in Latin America. In the end, eight selected papers remained, which are representative as a sample of the current efforts of researchers in Latin America. Some works that were only information on or proposals of public policies were left aside for the purposes of this publication. As will be seen, a number of valid inferences emerge even if the conformation of the sample has been random in its three stages (participation in the Congress, decision to be evaluated, and accepted on the basis of two academic reviewers) and cannot be considered as fully representative of the entire region. As an additional note, cooperative language has an impact on the ontology of cooperative being, in the assumptions and the way in which one conceives oneself as a cooperative being. Spanish and Portuguese languages use different words when talking about cooperatives and being cooperative compared to other types of organisation and enterprise, such as *cooperativista*, *cooperativa*, and *cooperativismo* (the latter meaning cooperative movement, but also cooperative trend, values and process).

After all, there is the question as to the meaning of cooperative, as Chapter 2 will discuss. There is, firstly, the significance of the unit of study both

as an association of free human beings and as an enterprise of these same people, its position with regards to providing solutions to their needs as a development function; and second, a meaning beyond any individual pursuit as part of a commons.

Overview of Contributions

First, the two other co-editors have each contributed a briefing on the state of the art in the subject area of cooperatives in Latin America. Vuotto, as founder of the Latin American research network on cooperatives, delivers an insightful analysis of research undertaken in the last 20 years. Sarria Icaza explains the sheer volume and historical evolution of research in Brazil, on the solidarity economy including cooperatives in recent decades.

From the eight papers selected through a double peer-review, three are from Ecuador, two from Costa Rica, and one each from Cuba, Colombia, and Paraguay. Three main research strands are observed: three chapters discuss cooperatives' internal evolution and needs through the lenses of education, participation, and innovation; three deal with cooperatives in wider public policy frameworks, such as a crisis context of natural catastrophes, food sovereignty, and bureaucratic oversight; and the last two study the contribution of cooperatives to social and economic development. Only one is largely theoretical, most dealing with local (mainly rural areas) and/or national processes.

Jara Solenar reviews theoretical perspectives on cooperative members' participation to reflect upon the experiences that constitute participation in the various methods of organising work in a cooperative. On this basis, she

speaks of levels of cooperation, pointing to leadership practices and governability in cooperative organisations.

Barrios Fretes considers cooperative education within six cooperatives in Paraguay, by categorising methodology, content, and impact. Cooperative education is one of the cooperative principles and is vital to maintain the cooperative identity and vision. His analysis supports a more informed dialogue as to what cooperative education means and how to improve it.

Álvarez discusses the learning processes of nine long-standing cooperatives in Colombia to identify their strengths and weaknesses, as well as their relying on cooperative values, in view of what makes them sustainable and maintains their impact on local development.

Lanas Medina and Espinoza Santeli review the national policy framework and capabilities to confront catastrophes and engage in reconstruction, following the devastating earthquake in Manabi, Ecuador, on 16 April 2016, and make a proposal on how to manage risk and the role cooperatives may have in the process.

Maya Delgado's analysis delivers a contrast between the highest aspirations written into Ecuador's Constitution in 2008, which mentions the solidarity and popular economy that now includes all cooperatives, and public policy efforts in promoting the latter.

Contreras Díaz' contribution on cooperative agreements of organic producers in Tungurahua, Ecuador, shows how coproduction of norms, practices and institutions can further food sovereignty and resilience, while providing a healthy environment, with strong gender and inter-generational components. Cooperation appears as a key to opening the door towards socio-economic development.

Salazar Arguedas presents the new evaluation methodology by Costa Rica's National Institute of Cooperative Promotion to assess the contributions of cooperatives in community development. The cooperative model provides more economic benefits for people and communities due to both their own model and social capital, making it an important tool against poverty and inequality.

Finally, Segura Castro and Céspedes Oreamuno's work presents the results of their research between 2014 and 2015 on cooperatives and their development impact in Costa Rica. Their efforts go beyond macro data and indicators, with a clearer categorisation of cooperatives' interrelation with society in local communities.

Situating Latin American Research On Cooperatives In A Wider Perspective

Researchers offer an echo to the current debates on cooperatives and development needs in Latin America as well as a critical consideration of responses to societal demands. First, there is great attention to public policies centred in the relation with the nation-state from a perspective of sustainable local development and of inclusion and resilience. There is attention to a quest for modernity and the aspiration of building a strong and dynamic civil society, not only in the economic sphere, but also in its capacity for social cohesion, representation of interests understood as needs and aspirations (not as political parties), namely, a search for recognition by the nation-state as essential subjects which have something important to say. In the case of the Andean countries, the activation of endogenous ancestral knowledge becomes notable.

Second, there is attention to the sustainability of the cooperative organisation, highlighting both the importance of this topic and the need to pay even more attention to it. Some of the work explores cooperative practices and the potential for stimulation and enablement of some cooperative principles, such as education (see Barrios Fretes) and participation (see Jara Solenar). There is innovation observed in the practice of the principle of inter-cooperation, such as the case of organic networks in Ecuador, and efforts to systematise cooperative praxis. Some authors call for second and third level cooperatives, for more cooperative networks, and more support for cooperative development. In one case, better cooperative representation would benefit this process: Costa Rica, Paraguay, Cuba, and Colombia have umbrella national representative organisations of cooperatives, not so Ecuador.

In a couple of contributions, cooperatives appear in a second phase after a process of community participation of parts of the population. There is no focus on leaders or leadership from either within or without cooperative initiatives, leaving an open question of why and when does leadership arise. Cooperatives appear after communities begin taking part, to some degree, in the process of building their own citizenship, their own inclusion into a process of co-construction of norms and practices (see Contreras), raising the question of whether cooperatives are a result of increased consciousness regarding common needs as well as newly discovered capacities — in this sense carried on the shoulders of social movements.

In one case, cooperatives are placed under the social and solidarity economy, understood as a third sector apart from the state and private enterprise. It may correspond to the people's desire

to build another type of economy, with democratic, participative and accountable characteristics, mutuality, and extended solidarity. But as observed, this third sector can also be misunderstood by policy makers or bureaucrats as a kind of black economy, allocating public resources to state control and punishment instead of dialogue and development promotion (see Maya). But for researchers and *cooperativists* (from Spanish *cooperativistas*, namely, the cooperative participants as member-owner-controllers of a common shared project) there is no doubt; for cooperatives are not state or public sector but part of the civil society and private initiative at variance from the egoistic for-profit only shareholder interest, better understood as a "commons" economy.

As is well-known, state institutions are vectors of values and ideology, and officials may not be knowledgeable of the matter they rule or may carry values that are in contradiction with the mission they have been entrusted with. Bureaucrats displaying strong ideological views may be among the last to consider alternatives. There is therefore a double effort on the part of cooperatives, in terms of constructing their worldview, and in building their own capability to engage and build a dialogue with public authorities.

Research initiatives are limited to the national framework, partly due to the nature of cooperatives as enterprises embedded in the local communities and composed of local member-owners, partly due to researchers' focal attention to state policies and policy-making with relative indifference to either international or globalisation processes. Not that authors are unaware of theoretical developments, of globalisation and of cooperative movements abroad; it seems rather that it is most vital for them to deal with

the national state and government, as well as with the national bureaucracy. In this regard, it is modernity they are looking for, as well as being about the use and distribution of available resources. But researchers also point out that people are not just looking to cover their basic needs but are striving to an expanded social and natural reproduction by transforming their view of the world they are in at the same time. Cooperatives are spaces where people's high expectations of a better life traverse and are expressed by their members. Initiatives strive to transform social life, to live in another way, dealing with social representations they endear, as incipient as they may be.

There has been a reaction to processes of structural reforms and neoliberal policies and discourses, with an increased sense of urgency, both social and economic, reinforced by natural disasters and patterns of inequality. On the positive side, the countries covered in this Issue made significant strides in the 2015 UNDP Human Development Index. For a rapid view, two developed countries Germany and Japan ranked 6th and 20th respectively in 2014, while Costa Rica and Cuba ranked 69th and 67th each, Colombia and Ecuador ranked 97th and 88th each, and Paraguay ranked 112th in 2014.¹

Authors are interested in the process of expansion of human capabilities, of human socio-economic roles and capacity of discerning or *entendimiento*² that may portend a higher degree of autonomy. Expressions about wellbeing based on capabilities include *Buen Vivir and Sumak Kawsay, which is a non-anthropocentric world view, centering on interconnectedness and based on holistic subjectivity. Sumak Kawsay refers to the Andean buen vivir (Good Living), where "being" not only refers to human but includes humans, plants, animals and land in a community that is interrelated,*

reciprocal, and dynamic, where one and the other, the inner and the outer, that which is above and that which is below, represents a spatial ensemble assumed as the Mother. In economic terms, this presupposes three transformations: in terms of development model, in terms of the relationship between work and capital, and in the relationship between nature and humankind (see Lanas and Espinoza Santeli's contribution). This logic is reproductive, not just productive. The tension observed in several of the contributions between the existing frameworks and the local and regional aspirations express a noetic tension between collective consciousness and law.

The following papers take seriously the underlying cooperative values and principles, as a point of departure to compare a set of case studies, or to place them under the 'big picture' of state policy, food sovereignty, human development. It appears that cooperatives in these studies respond to either or both market and government failures. But their efforts are striving beyond the individualist rational-utilitarian logic, towards a constructivist logic.

This logic is played out in three ways: a) in the research strategies, b) in the solutions proposed, and c) in the conceptualisation of grand concepts such as market and development.

a) Research strategies: if not explicit, most contributions seem to aim at building grounded theory, with inductive approaches based on direct observations and first hand data. They are building on what is observed, observing social, economic, political structures as historically contextualised. Research methodologies are close to constructivism as they study the meaning of experiences constructed by individuals and communities, assuming

that people construct the realities in which they exist (Charmaz, 2000, 2006).

b) Solutions proposed: researchers take direct observations and data, but keep a detached role. They propose solutions that are intended as practical and feasible steps, or raise practical questions while being critical of what is observed. We may term this approach as action-oriented research, interested in improving the life of local communities and/or the country at large. The aim is to enable transformation through social action based on democratic parameters.

c) Conceptualisations: in most contributions, cooperatives appear as constructing markets, taking steps to open markets, based on values of alterity, mutuality, solidarity, transparency, and openness, for a mix of social, economic, and environmental goals. Some initiatives, such as those in the Andes region, carry strong gender empowerment connotations.

Many challenges are mounting up at the start of the 21st century: unemployment and precarious work, lack of access to affordable and good quality food, housing, health, and education, the transformation of consumers into prosumers, segmented identities, high debt ratios and crises of various types: humanitarian, ecological and financial. We also observe increasing inequality, rapid technological change, and emergent doubts about international institutions that have coordinated and/or ruled the international system in the past century, along a global restructuring through capital flows, relocation and supply chains. Which type of journey will be ours? If civil society builds a world-view that strives onto another path, we may hope for a more sustainable, inclusive, democratic, and peaceful future.

So, how do these works compare with other publications on cooperatives in Latin America?

And In The Context Of Other Latin America Region-Wide Research On Cooperatives

There have been some continent-wide research publications on cooperatives in Latin America, some by United Nations agencies and some by academic researchers. While the former works speak of heterogeneity in Latin America as far as cooperatives are concerned, they describe national situations in depth, with economic sectors photograph-like, against national legal frameworks, together with, sometimes, a few success stories.³ Not all countries are covered and, in some cases, no general conclusion is provided (for example ECLAC, 1989). Researchers' publications present a different view depending on whether researchers are from Latin America or from Europe, mainly from Spain. Coque Martinez provides a list of 12 studies on cooperatives in Latin America from the 1970s to 2001 (Coque Martinez, 2002, p. 149) by ECLAC, ILO, FAO, the then existing Organization of Cooperatives of America, and by the cooperative movement through the International Cooperative Alliance. He argues mostly about heterogeneity among countries as the result of history and origins of the cooperative movements, whereby exogenous variables have had a negative impact, such as the structural adjustment policies of the 1980s and 1990s. However, cooperatives remain important and a general Latin American law for cooperatives would be advisable. Perhaps we could say the same of Europe and the European Union.

We may rather consider these studies as a first-generation phase, compiling descriptive studies of national cooperative movements.

In the 21st century, more recent studies represent a second-generation phase and are more in depth. Again, we find studies by UN organisations such as ECLAC and the ILO on the one hand, and by academic

congresses on the other. The former point to heterogeneity while still looking for a Latin American legal framework, but already recognise the long history of cooperatives and credit unions in the continent.

The ILO Office for the Andes published a 2012 study following ILO guidelines established in 2007. They look to issues such as governance, social dialogue, human rights, public policy and environment, and the role of cooperatives in their regard. Only five countries are covered (Bolivia, Costa Rica, Guatemala, Paraguay, Peru) but there are two chapters on Latin America as such, and three pages of General Conclusions. Four remarks stand out: first, that cooperatives appear and develop as the state rolls back its presence and/or is unable to respond to social and economic problems (ILO, Oficina de la OIT para los Países Andinos, 2012, p. 395). After being hard hit by structural reform packages that led to increased inequality, marginalisation and precariousness, cooperatives came back strongly because people had to avail themselves of them. Second, and against the evidence showing the importance of cooperatives to fight against poverty and provide jobs and inclusion, national governments have not fully acknowledged cooperatives' role in development, leading to a dearth of studies on cooperatives in the region with the exception of Brazil and Argentina (Idem). This assertion points out the lack of governmental support and funding for research and statistics. Third, cooperatives in Latin America may be weaker because they have not formed cooperative groups such as consortia (ILO, Oficina de la OIT para los Países Andinos, 2012, p. 78) and when they lack national umbrellas organisations that could give them a stronger voice (Idem, p. 397). Second, the poor communication and valorisation of cooperatives' work by the movement itself, which refers to the 5th cooperative principle of education, training, and information. This task,

according to this study, is a call for both cooperatives and states to work together. Members' participation is another fundamental aspect to work on.

This present Issue responds to the ILO 2012 study with more in-depth analysis of cooperatives' practices in terms of education and training, of members' participation and motivations, of cooperatives' roles and impact on development and, since states are not monolithic, where are the obstructions and impasses in terms of policy making and implementation. Besides, it embeds cooperatives' origins and evolution in larger debates and civil society strategies and networks.

ECLAC also produced a more recent study (Luz et al., 2011) on social innovation and local economic development, sharing several characteristics with the contributions here presented. It includes cooperative cases that show similar traits: the importance of building local opportunities, markets, and value chains through public-private dialogue leading to the co-production of norms, certifications, and policies. Initiatives take a long time to mature and consolidate, and cooperatives have a role in this regard. In general, there is a call for integrated policy, from social to economic promotion, that encourages collective action, recognising that local or regional authorities are not fully developed in these countries.

On the academic congresses side, two volumes with articles from the Joint Congress of the Association of Latin American Historians — ADHILAC — and the Cultural Centre of Cooperation "Floreal Gorini" — CCC — were published in 2015. This special effort, undertaken during the United Nations International Year of Cooperatives in 2012, was supported by the Argentinean national institute for the social economy INAES and by the national umbrella organisation for all cooperatives COOPERAR. Three chapters are of special

interest to this present Issue, those by Camino, by Collin Harguindeguy and by García Müller.

The latter (García Müller, 2015) introduces the most important legal contribution of Latin America to the cooperative movement, the '*cooperative act*' or *acto cooperativo*, which forms the basis for a Latin American legal framework and is centred on mutuality and reciprocity. Though not discussed in this Issue, it is worth noting that this concept is common to the law in all countries covered by this Issue except for Cuba. After all, there is a common basis to a Latin American legal framework on cooperatives!

Camino discusses what was or is cooperative in Latin American native cultures and the evidence for it, both archaeological and in current practice, as a cooperative logic through reciprocity, exchange and redistribution (Camino, 2015). This debate links up with some of the contributions in this Issue, in particular those on Ecuador.

Collin Harguindeguy takes up this discussion further, by following Polanyi's work (Polanyi, 1957). In this chapter, we find the key authors that have inspired researchers throughout Latin America, as they seek a new economic and social logic, ecologically and socially sustainable, plural, inclusive, and democratic. Authors that are at the true origins of the concept of the solidarity economy: Razeto from Chile, Illich in Mexico, Hinkelammert in Costa Rica, and Arruda from Brazil, or the concept of economy of work by Coraggio, through whom younger Latin American generations have linked up with European authors such as Auge, Bauman, Castells, Coriat, Morin, and Touraine (Collin Harguindeguy, 2015). To these, we must add Paul Singer from Brazil as one of the most distinguished thinkers and public policy makers of the Solidarity Economy, including his role in the development of university incubators throughout Brazil and their networks.⁴

Conclusions

These authors from Latin America are decidedly looking for substantive, pragmatic answers based on a different world view, or philosophy of daily life. We can say that the contributions in the present Issue, in different forms, are another step in this direction. We thank all those who participated in the 9th Meeting of the Latin American Network of Cooperative Researchers in Quito, 2016, and especially those who wanted to participate in this Issue, as well as those who were selected and authorised the publication of their work as a contribution to this area of studies.

We also thank all those who contributed to the double peer evaluation, whose names appear below. We hope that this Issue will motivate new research, initiatives, and debates that deepen the knowledge and reflections on the reality of cooperatives, and inspire an open and fruitful dialogue in contact with the reality of cooperatives in other parts of the world.

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Notes

1. Human Development Index 1980–2014 (UNDP 2015) The HDI is based on Amartya Sen's capability approach, beyond economic growth indicators. The HDI represents the average achievement in key dimensions focusing on healthy life, being knowledgeable, and decent standard of living.
2. The faculty to distinguish and grasp how parts are related among themselves, to see the question as a totality or holistically, achieved through awareness and discernment, sense, reasoning, and thought, from Latin 'intelligere', intellect, comprehension.
3. ECLAC 1989 offers a general introduction followed by national chapters on Argentina, Brazil and Colombia, Chile, Ecuador, Paraguay, Uruguay, and Central American credit and savings unions.
4. See for example An Interview with Paul Singer by Gustavo Taniguti, available at <http://isa-global-dialogue.net/the-solidarity-economy-an-interview-with-paul-singer/>

Content and Scope of Research on Cooperatives: the Performance of the Latin American Network of Researchers on Cooperatives

Mirta Vuotto

Abstract

This paper analyses research on cooperatives arising from the meetings held in the context of the Latin American Network of Researchers on Cooperatives in the period running from 2000 to 2016. A systematic review of papers published in congress proceedings is made, in order to describe their main orientations, themes and questions, as well as to identify the main challenges of the research on which they are based.

The paper is structured in three sections. After an introduction that summarises the history of the network, we address cooperatives as a study object. In the second section, we describe the multiple dimensions of cooperatives as a social reality. The third section examines the specific nature of the research that is referenced in papers, and mentions some of the main challenges that have been identified. In the conclusion, we enumerate the most significant contributions of the network throughout its history.

Introduction

The creation of the Latin American Network of Researchers on Cooperatives was promoted in early 2000 to offer a regional forum to exchange, widen and consolidate knowledge on cooperatives. It was during the Regional Assembly called “Río Cooperativo 2000” that the Latin American network was established with the aim of sharing knowledge derived from research on cooperatives and reflecting on the plurality of perspectives that underlies it. The goal was for the network to help Latin American researchers and the institutions that they represent coordinate their efforts and collaborate.

The creation of the network was encouraged by Roger Spear — then incumbent Chair of the Committee on Cooperative Research (ICACCR) — upon recognising the importance of initiatives to develop knowledge on cooperatives in the region. After the meeting in which the network was established, an agenda was prepared with the aim of improving the contents and

methodologies of studies on cooperatives, and foundations were laid to create a specific forum for the joint action of researchers and cooperators.

Starting in 2000, nine meetings were held, sponsored by different universities and cooperatives. They were attended by a large number of academics and professionals.¹

Meetings	Institutions
1 Cooperative identity for the new millennium	ACI Américas, Asamblea Regional <i>Río Cooperativo</i> 2000, Río de Janeiro, Brasil, 2000
2 Innovative behaviour or organisational inertia?	Universidad de Buenos Aires, Argentina, Organización de los Estados Americanos (OEA), 2001
3 Challenges in the light of the new regional scenario	Universidade do Vale do Rio dos Sinos, UNISINOS, Porto Alegre, Brazil, 2003
4 A comprehensive vision of economic and social aspects	Universidad Nacional de Rosario, Argentina, 2006
5 Cooperative movement, transnationalisation and cooperative identity in Latin America	Universidade de São Paulo, Brazil, 2008
6 Diversity and quality of cooperative experiences	Universidad Nacional de Asunción, Paraguay, 2010
7 Social innovation and cooperative development	Universidad de Santiago de Chile. Centro Internacional de Economía Social y Cooperativas
8 Building peace, citizenship and territorial development	Universidad Católica de Colombia, Uniminuto, Fund. Univ. Luis Amigó, Ciec, Bogotá 2014
9 The contribution of cooperatives to sustainable development	Universidad Andina Simón Bolívar, Pontificia Universidad Católica de Colombia, Quito Ecuador, 2016

Table 1: Meetings and sponsor institutions 2000-2016

The presentation of research results and the debate promoted in all nine meetings made it possible to describe scenarios, processes, structures, memberships and cultural and symbolic constructs related to Latin American cooperatives. Studies were mostly prepared by researchers from public and private universities, some of which facilitated the development of transfer and outreach activities. Other studies were produced by the cooperatives themselves.

1. Cooperatives as a Study Object

In the tradition of Latin American aboriginal peoples, several forms of cooperation coexisted and even merged with the models brought by the conquerors and the migration waves from the late nineteenth and early twentieth centuries. This tradition caused cooperatives to become an integral part of the present-day reality of Latin American countries

(Drimer & Drimer, 1983, p. 235-239), in which cooperatives foster participation as a true school for democracy (Romero, 2003, p. 37-38), are an important source of jobs and contribute significantly to the economic and social development of each country (Mogrovejo et al., 2012, p. 45-52). The percentage of the population that is directly or indirectly related to the cooperative sector shows that cooperatives are part of the economic and social culture of most of these countries and operate under a business model that has outstanding economic and social outcomes.

During the last decades of the twentieth century, the visibility of the cooperative movement and its achievements aroused renewed interest in researchers, challenging, in part, pessimistic forecasts on the effectiveness and economic performance of cooperatives. As a result, a field of study that found several justifications to choose cooperatives as their study object became gradually consolidated.

Empirical justifications have to do with the place that cooperatives occupy in the domestic sphere, their performance in all economic sectors and the number of members they have. The existence of cooperatives in such diverse sectors as agriculture and cattle-breeding, utilities, work and housing provide evidence of their importance. Their contribution also stems from the added value that cooperatives generate in Latin American economies in terms of job creation and maintenance.

Political reasons may be added to empirical justifications, related, in part, to the economic and social transformation processes that Latin American countries have undergone in the last two decades, as well as reasons arising from state and market limitations to meet the actual needs of society, particularly those of vulnerable social sectors with fewer skills.

Furthermore, public policies have begun to show interest in the promotion of the cooperative movement, in the past two decades, especially in Brazil and Argentina.

As regards methodological justifications, special attention should be paid to the interest in studying the special nature of the structure of cooperatives, which expresses and combines different dimensions and realities: enterprise and association; economic ethics and business ethics; ownership and participation; associative and community aspects, etc. These dimensions pose essential challenges in relation to how cooperatives are managed and give the organisation a special nature as a productive unit, with distinctive features in comparison to other business organisations: a group becomes an organisation of members who run an enterprise based on the principles of engagement and cooperative identity. The "one person one vote" system on which cooperatives are based helps meet common instead of individual needs and constitutes an effective means of guaranteeing that persons — and not capital — are in control of the organisation (Alianza Cooperativa Internacional, 2015, p. 31-47).

Regarding theoretical justifications, there is a renewed interest in the role of the cooperative movement, in economic democratisation processes and in the analysis of the features that make up the cooperative identity by combining participatory democracy and economic solidarity. These features result in a balanced model capable of integrating its original characteristics. In a context of competition and weakening of the distinctive features of cooperatives it becomes necessary to further the development of suitable theoretical references to specifically address the management of cooperatives (Côté, 2007, p. 72-91; 2009, p. 3-40; Dávila, 1998, p. 40-55).

To conclude, the importance of the Latin American cooperative movement and the consideration of the features that make up the cooperative identity — by bringing together participatory democracy and economic solidarity — allow us to affirm that cooperatives have become a study object that motivates and encourages academia to create knowledge and to deepen or synthesise existing knowledge.

2. Cooperatives as a Social Reality

In the field of social sciences, cooperatives have multiple dimensions. Sociologists define a cooperative as a sphere for collective action that is structured by activity relationships and associative relationships. The definition is based neither on normative cooperative principles nor on considerations regarding the economic efficiency of the specific structures of enterprises. It is based on the fact that cooperatives are formed by groups of persons who wish to further their common economic interests by running a business venture. The group establishes an organisation of members who run the enterprise (Desforges 1980, p. 287-314). The cooperative is also a means integrated into a community project of inter-cooperative economy, an alternative and a utopia (Desroche, 1976, p. 35-49; 1977, p. 399-405).

Economists adhering to mainstream economics define a cooperative as a place of circulation of assets where a specific type of productive combination is adjusted between labour and capital, whereas from the point of view of social and solidarity-based economics a cooperative is a type of enterprise that combines economic and social functions and has the capacity of creating wealth with economic efficiency and distributing it equitably (Chaves, 1999, p. 115-140; Olivera, 2003, p. 67-78)

without resorting to the profit motive or to governmental action.

As a place for collective memory, cooperatives are also conceived by historians as the “daughters of poverty and need”, since they were born as major associations that defended the working class, in stark opposition to the industrial revolution that took place in the early nineteenth century (Gurney, 1996, p. 111-140).

The management science views cooperatives as the place where strategies are defined according to opportunities or restrictions (Davis, 1999, p. 79-77) and explains that members believe their organisation to be of a multifaceted nature and irreducible to any one of its dimensions. On the other hand, its leaders see it in terms of strategic decisions and the challenges of governance, while the management focuses on strategic architecture and business practices, and the audit committee on the implementation of rules that require compliance.

As can be seen from the foregoing definitions, a cooperative is not merely an economic unit that produces goods and services. It creates jobs, relationships, creativity, culture, trust, protection and ways of life, and this is the reason why it should be conceived of as a complex and multifaceted whole (Fairbairn, 2003, p. 7-10). Accordingly, different analytical constructs are viable, each with its goal and its specific manner of interpreting the same reality. In sum, this approach allows us to understand cooperatives at different levels: one concerning their relationship with the social sphere (their institutional capacity) and another one concerning their internal sphere (their capacity to sustain themselves).

3. Orientations, Types and Contents of Latin American Research on Cooperatives

The research that made it possible to hold the Latin American meetings² refers, in a schematic manner, to empirical, theoretical, political and methodological justifications or reasons. Overall, it includes the above-mentioned dimensions of cooperative organisations.

Below is a description of the main orientations of the studies, sorted by type and analytical approach of their contents.

Types of research used as reference for studies

A strong preference for applied research is observed — mostly represented by original studies aimed at generating new knowledge with a specific practical objective. The approach to knowledge is based on the selection of an aspect or dimension of the reality of cooperatives as an object examined by researchers from an external perspective. Studies concentrate on validating hypotheses, clarifying assumptions, and describing and analysing facts to derive knowledge from the studied reality. Studies of a descriptive-exploratory nature are carried out with the aim of characterising cooperatives from different sectors, or focusing on internal processes, such as capitalisation or governance, or examining aspects related to membership and the relationship with stakeholders. Finally, research papers of an interpretative nature seek to discover the meaning of the realities of cooperative membership, study their representations or, more concretely, their conceptions, attitudes, values, etc.

The reduced number of theoretical studies deals mostly with the development of concepts, models and typologies. These studies are characterised by efforts to clarify concepts and bolster theoretical progress as regards conceptual clarification and integration. In some cases, studies open up

new perspectives in the search for different dimensions or innovative definitions. They may also translate into indicators to guide observations and research procedures. So far, no works have addressed the study of the theoretical origins of concepts or the elaboration of theories.

Other ways of approaching knowledge that can be found in studies include systematisation and evaluation. Systematisation seeks to rebuild and reflect upon an experience as it actually exists, and its study object is a social practice or intervention experience in which the researcher plays a leading role. These studies focus on describing the nature of processes and any actions taken, as well as on analysing the effects of intervention in cooperatives, the relationships that arise among the different actors of the process and the factors that impinge on the outcomes in order to learn from experiences and improve practice. Finally, evaluation produces information for decision-making as a means to optimise project management.

The delimitation of analyses, depending on the research concerned, reflects the importance of case studies. Although it has become necessary to carry out concrete studies without which theoretical efforts risk staying in the stage of abstract schematisation or at an extreme that may denaturalise the universe that is being explored, research is not restricted exclusively to the juxtaposition of a series of empirical procedures. Frameworks of analysis should be designed to guarantee the relevance and depth of empirical studies and to show the coherence and meaning that may be found in the orientations and practices of cooperatives throughout time.

Overall, the case studies considered in this paper follow the logic of cooperation, which is far removed from the traditional target functions of capitalist or state-run enterprises. They also take into account political and cultural perspectives that

express the way in which cooperatives may lead paradigm shifts in their relevant societies: from a society based on growth driven by markets to societies that favour exchange and networks that stimulate the relationships among members of cooperatives and their territory, their characteristics and their needs in the creation of a plural economy.

Main analytical approaches

Studies are mostly oriented to the understanding of the performance and development of cooperatives to show their impact on the economic activity, their nature and economic and social significance. Specifically, studies consider the diversity of cooperatives, the effects of their presence in the territory, their role in the implementation of activities that favour local development, and productive and management dimensions.

Analyses related specifically to the cooperative organisation may be classified into three sets:

- The first set places cooperatives at the core of the analysis and examines their organisational dynamics and achievements. Organisational processes are probed extensively, especially those concerning cooperative management, participation and governance, business efficiency and effectiveness, competitiveness, sustainability, and innovation, without sidestepping other aspects related to conflict, communication, changes and transformations. Several studies concentrate on how cooperatives strengthen and adapt their managerial model, considering their competitiveness in the market in comparison to conventional capitalistic enterprises. These analyses underline the importance of the internal context, which modifies or influences — to some degree — the external context, and address, from different viewpoints,
- The second set of studies has as a starting point the national or regional scenarios that bring together these organisations and prioritises the study of cooperatives within economic sectors and their relationship with such processes as sectorial, regional, and local integration; the creation of partnerships and networks; socio-productive integration; public policies; and local development.
- Some referential frameworks include perspectives on “good life”, “popular economy”, “economic solidarity”, “solidarity-based economy” and “social economics”. These perspectives were particularly conspicuous in the studies presented in the Network Conferences in 2014 in Colombia and in 2016 in Ecuador. Thus, the plurality of views and experiences evidences the way in which the cooperative movement overlaps with larger socio-political

the specific features of the work that is done in a cooperative. Productive and work management experiences are analysed in cooperatives from different sectors, to highlight the importance of people as the core of the organisation and the centrality of work. Several studies (performed by researchers from Argentina and Brazil) examine the nature of the processes to recover enterprises from an institutional and political perspective, in order to explain the special nature of the cooperatives that arose from such processes. Social and cultural transformations involved in the processes are considered, as well as how cooperatives responded to demands for greater participation and inclusion of workers. These analyses also include the aspirations and achievements of cooperative membership. Few studies refer to the link between cooperatives and their workers, and the type of relationships that prevail among workers, boards, and membership.

perspectives, which sometimes coincide with the activities of cooperatives and foster their development. Analyses show that cooperatives and the cooperative movement are influenced, in different contexts and under different logics, by the challenge of preserving their identity.

- The third set of research papers includes analyses on specific topics regarding the performance of cooperatives, such as education, rules and socio-historical processes:

- a. As regards cooperative education, some studies characterise the pedagogical tools that attempt to provide an answer to the demands and restrictions arising from the context. These analyses consider how cooperative theory guides the development of educational practices that are required by the organisations and their interest groups. Emphasis is also placed on their influence and how they contribute to build citizenship.

- b. Studies on normative, administrative and accounting aspects refer to concepts and methodologies specific to the legal, accounting and tax systems of the countries concerned. Many papers address different aspects of the performance of cooperatives within the framework of internationalisation in order to unveil the inconsistencies derived from the promotion, auditing, and control policies that are applied to Latin American organisations. Descriptions also include the way in which some rules limit the objectives of public policies concerning the cooperative sector and restrict the co-building of suitable initiatives to boost associative experiences.

- c. With respect to the study of socio-historical processes, some analyses deal with the development of cooperatives in such diverse sectors as agriculture and cattle-breeding, utilities, work and housing. These studies explain how cooperatives contribute to local development processes and the creation of social bonds and socialisation opportunities for groups and persons.

The foregoing paragraphs describe, from different viewpoints and disciplines, the role of the key players in cooperative organisations: the members, the members of the Board of Administration, technical and professional staff, and workers. Likewise, the goal of cooperatives is explained in terms of the consistency of individual interests and shared objectives, the interdependence involved in the division of labour and the technical and relational complementarity within the organisation, as well as internal commitments. Emphasis is placed, in some cases, on the meaning of the autonomous creation of internal rules, the importance of establishing rules that favour loyalty and respect for commitments, and, finally, inter-cooperation, both among cooperatives of the same sector and with other non-cooperative organisations or the state.

The topics, approaches and methodologies referenced by these studies value cooperatives as organisations that enable their members to attain, with their own means and under their own responsibility, economic and social objectives including the satisfaction of their members' economic needs, the creation of productive jobs, and the promotion of social integration. Besides their usefulness to clarify the nature of cooperatives, these research works implicitly introduce criteria that may help guide political decision makers in this field and encourage, under certain

circumstances, a favourable environment for action. In some cases, research is done “together with” cooperatives, while in others knowledge is produced “about” these organisations taken as study objects. In this regard, it is worth noting that socio-cultural backgrounds and the tradition of the institutions where research is done have a clear impact on the results.

Although the role of universities is of vital importance for preparing the research programmes on cooperatives, some research is also promoted by the state. These studies illustrate the versatility of the approaches involved in the analysis of the cooperative movement across the region, including those which conceive the cooperative movement and its organisations as an alternative and an important agent of change, and those which seek to document the action of cooperatives and how they improve their members’ quality of life, either by attempting to rescue the history of the cooperative movement, or by highlighting the interest in providing answers to specific problems. In this connection, the members of the network have repeatedly expressed their wish to produce shared research and form international groups to document the impact of cooperatives at the national level and identify the most effective tools to deal with challenges. To sum up, the theoretical-conceptual

and methodological perspectives of the studies described in this paper allow us to enumerate some of the challenges of Latin American research on cooperatives:

- Those related to theoretical aspects and the progress that is needed to coordinate different ways of approaching the study object.
- Those related to the creation of concepts and theories that truthfully reflect the special nature of the organisational processes, structures, actions and interactions of cooperatives.
- Those related to the refinement of study instruments and the incorporation of methodological innovations in order to apply them to different research projects.

Addressing these challenges will enrich the benchmark paradigms of this field and guarantee the validity and suitability of methodological tools. Thus, researchers will be able to produce “keys to open the locks that they are supposed to open ...” (Von Glasersfeld, 1998, p. 19-44) and place them at the service of the specific problems and needs of cooperatives and the cooperative movement, as well as of academic communities, particularly in the field of university outreach and teaching.

Conclusion

A group of shared values and concepts allowed the members of the network to show their commitment from its inception. Similarly, prevailing academic motivations have materialised through the emergence of different fields of research, including projects, the writing of undergraduate and graduate dissertations, and university outreach works related to social economics and cooperatives. These research initiatives have translated into more clarifications and theories concerning practice, together with different forms of researcher engagement with their actions. Some works have described the research promoted by different actors and institutions and the dialogue that resulted from situations inherent in cooperative life. As a whole, studies have helped to raise questions in each field of knowledge, while paying attention to new voices and posing new challenges.

Below are some of the network's contributions to the academic world:

- Firstly, turning cooperation into a fully legitimate study object, both in the specific context of the meetings and in research institutions. The role of the cooperative movement is also worth mentioning, since in some cases it has promoted and stimulated research efforts through partnerships with universities (e.g. Brazil, Argentina, Colombia, Paraguay and Chile).
- Secondly, having brought together and connected researchers and practitioners from different institutions, thus encouraging studies on cooperation in the relevant spheres of each country.
- Thirdly, sustaining the effort to disseminate cooperative thinking and language throughout time, by fostering studies and alliances between academia and the cooperative movement. Thus, the network systematically encouraged a forum for reflection and critical debate on cooperative action and succeeded in maintaining its autonomy by consolidating important bonds with practitioners, researchers and their institutions (mostly universities).

Although the network's limitations to establish formal and effective mechanisms of joint action with the ICA CCR should not be overlooked, its scope and interest in the potential application of the knowledge arising from research should be underlined. This has been shown with the creation of a visible, organised and active institution, mostly supported by Latin American public universities, researchers and practitioners committed to research on cooperatives.

Finally, it may be affirmed that, throughout time, this network has proved that it is capable of coordinating, fostering and developing individual and collective initiatives, while also building an effective forum to permanently advance studies and research on cooperatives in universities. Consolidating the recognition of the network will depend on its potential for building on research to promote the joint action of researchers and members of the cooperative movement.

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Notes

1. Most of the studies were prepared by researchers from public and private universities, while others were produced by the cooperatives themselves. The most represented universities in terms of research studies presented are those from Brazil, Argentina and Colombia, although there are also universities from Ecuador, Chile, Mexico, Paraguay and Cuba, the most recent incorporation to the network.
2. More than 600 papers were presented during the nine meetings. Their topics ranged from the relationship of cooperatives with their context, their local recognition, and performance in the market to adaptation and innovation, orientation towards their membership and customers, capacity to continue operating in the long term and the increasing number of challenges cooperatives face, as well as their main limitations. The Spanish edition of the International Cooperation Journal (*Revista de la Cooperación Internacional*) published the papers in special issues devoted to the meetings of the Latin American Network (*Alianza Cooperativa Internacional*, 2004, 2008 and 2010).

Status, Advancements, and Challenges for the Research on Cooperatives in Brazil

Ana Mercedes Sarria Icaza

Abstract

The current article analyses the research on cooperatives and solidarity economy in Brazil during the last two decades, bringing forth some elements of reflection and identifying the main advances and recent challenges. It begins with a brief description as a practice as well as an object of knowledge in the country, highlighting the renewed interest in the forms of collective work by the end of the 1990s and repositioning the challenges from the crisis scenario of the late 20th century, when the debate regarding solidarity economy emerges, renewing and widening the debate. In the following sections, it presents the general frame of research, covering papers regarding *cooperativism* and solidarity economy, identifying the trends and challenges in terms of research and knowledge production. Finally, it offers some considerations regarding main issues and challenges.

Introduction

Research on cooperatives in Brazil has grown significantly during the past two decades, generating important knowledge that reflects on the advances of cooperative experiences in the country during this period and presents a series of theoretical and analytical contributions, essential for their understanding and strengthening.

This article presents the main elements regarding the evolution of this process, initially tracing a brief historical background, and second, describing the status of research of the last twenty years, to finally identify its main challenges.

We took, as a basis of analysis, data published in scientific articles and reports that deal with research status since the 1980s, including works regarding *cooperativism* and the solidarity economy. The objective is to compose a general frame of analysis, identifying trends and challenges.

1. Cooperativism and the Solidarity Economy as a Practice and as an Object of Knowledge in Brazil. The Renewed Interest in the Forms of Collective Work from the Late 1990s.

In general terms, the interest in studying cooperatives is related to the level of expansion and distribution of ideas and concrete experiences in society, from which arise issues of different orders, regarding its principles and values, operation, viability, and social and economic reach.

In the Brazilian case, the first cooperatives appeared in the late 19th century and early 20th century, in the south and southeast regions of the country, essentially connected to European immigrant communities that organised with the intention of solving the problems of small farmers, in the face of the difficult situations they found themselves in. Thus, cooperatives, associations and different forms of mutual help acquired sense and granted continuity to the involved groups of small rural producers and, as they expanded, they also widened the interest regarding such experiences, due to their economic contribution as much as to the fairness of their principles and the validity of their proposals to increase the quality of life of both people and communities.

From 1955 until the late 1970s, cooperativism experienced a process of wide expansion and transformation, acquiring essentially business-related qualities, articulated to the strategy of the Brazilian State for the insertion of the country in the world economic system. Great cooperatives developed to produce wheat and soy, driven by enormous volumes of public subsidies and resources, which became “the most modern, dynamic and strong segment among Brazilian cooperatives” (Schneider, 1999, p. 292). Doctrinally:

these organisations join the principles of the international cooperative movement, inspired by the pioneers of Rochdale. Their action, however, is defined as a form of a business-like representation of a particular kind of company – the cooperative – articulating small and medium (in many cases, also big) rural producers, within the predominant logic of capitalist modernisation (Sarría Icaza, 2004, p. 19).

During the 1980s, a new scene started to be drawn, with the opening of the economy to the dynamics of competitive globalisation and the strong reduction of [c]Yfba Ybh resources and subsidy policies. It is throughout this process, driven by the State's interest in the work of agricultural cooperatives, that the number of studies and research on the issue a i`hjd`]YX althoughž generally, still rYa U]bYX very restricted. These studies UfY concentrated in some universities of the south and southeast regions and deal especially with the business dimension and social/productive dynamics of cooperative companies, having the concern with their greater efficiency and productivity Ug`VUW[fci bX. In the 1990s, experiences of cooperatives grew significantly, driven by a scenario of unemployment expansion and the social exclusion that articulated processes of social and political self-organisation in a context of politic re-democratisation. A great deal of these experiences is identified under the name of “solidarity economy”, with the objective to differentiate them from the traditional

spaces of cooperativism, outlining an *identity* related to workers' action strategies, articulated to the creation of a wider project of social and economic transformation. This phenomenon is not restricted to Brazil, but it acquires here a particular strength due to important advancements in structuring the solidarity economy movement and a set of public policies dedicated to its strengthening, which gains special vitality and visibility in the first decade of the 21st century, followed by a renewed theoretical and investigational interest, expressed by the significant growth of studies, mappings, research, publications, scientific events, dissertations, and theses, produced in a larger number of universities, organisations and regions in Brazil.

Thus, a new configuration of cooperativism in Brazil is drawn, posing new theoretical and practical challenges that demand new research and knowledge production agendas, challenged by new issues and new social actors which are at the base of the significant increase of cooperative experiences that start to be recognised as "solidarity economy". Among those issues, it's worth mentioning the ones related to three social sectors that, until recently, had a small representation in the cooperative movement: a) the sectors of family agriculture and cooperatives deriving from the struggle for land reform; b) the popular grassroot urban sector and c) the workers from the industrial sector and the union world. These are not just "sectors" or "kinds" of cooperatives, they are new experiences that prompt to reorganise of the, until then, predominant frame of analysis and reflection.

Regarding *family agriculture*, although cooperativism had its origins in the country on an essentially rural basis, it has concentrated, as we have seen, on sectors related to large export production, whereas, during the past two decades, cooperatives have grown articulated to a strong process of organisation of small

farmers connected to family agriculture and to the settlements originated in the struggle for land reform, with a strong emphasis on agroecology.

Concerning the *popular grassroots urban sectors*, this is a new space for cooperativism and begins expanding significantly during the 1990s. In a similar manner to the rest of Latin America, Brazil's urban informality is a characteristic phenomenon, which was thought to be overcome as industrialisation advanced and formal work increased. Nevertheless, the crisis of the Fordist model of accumulation puts in evidence that industry would not only not absorb the unemployed, but would also keep producing new jobless people with no chance of finding work. It is within this context that the so-called "experiences of work and income generation" become generalised, organised in productive sectors such as craftwork, food, confection, and waste recycling, progressively interpreted as a possibility of creation of a new basis for constructing economic alternatives based on solidarity. The cooperative forms of work, then, start to be regarded as important strategies of organisation for the development of a popular grassroot economy, generating growing interest from governments at different levels.

All these issues are at the root of a series of public policies that, initially developed by municipal and state governments, gained force in the federal government since 2003, oriented at strengthening and boosting the experiences of solidarity economy and widening the field of economic solidarity in Brazil. Clear on the agenda, the strategic character of the cooperative experiences as part of the model of national development and the challenges for strengthening, which, in turn, motivates an agenda of research and knowledge production capable of propelling the correspondent reflection and action. Despite failing to keep the necessary level of centrality,

since national priorities are oriented towards the strengthening of formal jobs and the expansion of consumption, solidarity economy grows, and with it, the interest on the issue, generating a significant amplification of research on the most diverse areas of knowledge, with the government as one of its promoters through the creation of the Information System of Solidarity Economy¹. In turn, the creation of a network of university incubators has produced a knowledge both pertinent and adequate to respond to the challenges.

In turn, this scenario has had an impact on the institutionalised cooperative system, especially with the growth of worker cooperatives in cities, a development of the before mentioned changes in the world of work, placing a series of crucial questions for the development of research and knowledge production.

We see, then, how the interest in cooperative experiences grows, sustained by its empirical importance, its potential as alternative, and by the recovery of cooperation and solidarity practices that are present in the grassroots sector.

2. Research on Cooperative Experiences in the Past Two Decades

In this section, we aim to compose a general frame of analysis of research in the wider field of cooperative practices, covering works on cooperativism and the solidarity economy. In that sense, we realise that, despite the differentiation in approach, database, networks and events, it is possible to identify in general terms similar trends and challenges in both research and knowledge production.

We have taken as reference: data published in scientific articles and reports that deal with the research situation, as

much from the term “solidarity economy”, as well as “cooperativism”. The first evident issue is the necessity of deeper studies that consider in a joint manner the information regarding research in the field of cooperative experiences.

Regarding the collected information, three main questions are worth mentioning: the significant rise of academic production, the persistence of a great regional concentration of research and the diversification of themes and interest areas. From the methodologic point of view, qualitative research and case studies prevail.

- Data confirms the **significant rise of academic production**, especially since 2000, which is expressed by the number of papers presented in conferences, publications in scientific books and journals, and also by the production of doctorate theses and master's degree dissertations. On the latter, according to data presented by the *Observatorio de cooperativismo* [Cooperativism Observatory] (FEARP/USP, 2013), between 1983 and 2013, 634 theses and dissertations were written regarding cooperative issues. Numbers are even more expressive on theses and dissertations regarding the solidarity economy, which total 1,086 between 1996 and 2016, the evolution of which, during the last 20 years, is detailed in Table 1.

Theses and dissertations on the solidarity economy

(1996 to 2016)

1996-2000	36
2001-2005	195
2006-2010	404
2011-2016	451
Total	1,086

Table 1: Theses and dissertations on solidarity economy (1996 to 2016)

Source: CAPES' Theses Bank

Another indication is related to the multiplication of Congresses and National and International Meetings, which contributed to the dissemination of and debate on the subject. According to the survey conducted by *Observatório em cooperativismo* (FEARP/USP, 2013), the academic meetings with a larger volume of papers regarding cooperativism were the *V Encontro de Pesquisadores Latino-Americanos de cooperativismo* [5th Meeting of Latin-American Researchers on cooperativism] and, in a smaller scale, the *I Encontro Brasileiro de Pesquisadores em cooperativismo* [1st Brazilian Meetings of Researchers on cooperativism] and the Congresses of the *Sociedade Brasileira de Economia, Administração e Sociologia Rural-SOBER* [Brazilian Society of Rural Economy,

Business and Sociology - SOBER]. Regarding the solidarity economy, the meetings, symposiums, and conferences multiplied, in several universities around the country, similarly to the widening of space regarding this subject in different Congresses of Disciplinary Areas, such as the *Encontro Nacional de Pesquisadores em Administração* [National Meeting of Researchers in Administration], the *Congresso da Sociedade Brasileira de Sociologia* [Brazilian Sociology Society Congress], the *Colóquio sobre Poder Local* [Colloque on Local Power], the Congresses of the *Rede de Incubadoras Universitárias de Cooperativas Populares* [Network of University Incubators of Popular Cooperatives] among others.

Academic Production on cooperativism (1982 to 2013)

Academic Production	Absolute	Proportional
Complete articles in Conference Annals	1,524	40.73%
Books or book chapters	845	22.58%
Articles in journals	739	19.75%
Dissertations	472	12.61%
Theses	162	4.33%
Total	3,742	100%

Table 2: Academic production on cooperativism (1982 to 2013)

Source: *Observatorio em cooperativismo* [Observatory of cooperativism] FEARP/ USP, 2013.

According to the data in Table 2, it's clear that a great deal of the academic production concentrates on articles presented in conferences, published articles in journals being significantly smaller.

- A second element analysis regards the persistence of a **great concentration of studies and publications in the South and Southeastern Regions of Brazil**, despite the growth and diversification of institutions, researchers and regions during the past decades.

Surveys regarding the production of cooperativism point out that these regions, particularly the States of São Paulo, Minas Gerais and Rio Grande do Sul are responsible for 75% of the national scientific production on the subject. In fact, according to the *Observatório do cooperativismo* (2013), the South Region had, in 2012, the largest number of researchers (348) and institutions (269), followed by the Southeast, with 336 researchers and 255 institutions. According to this study,

there is a concentration of academic research in a few researchers and institutions, being those in regions with a larger GDP and the largest number of cooperatives.

According to this analysis, the concentration in these regions is related to the existence of a larger number of cooperatives, as much as their absolute numbers in relation to State GDP, pointing to the interest in the "enhancing efficiency of the cooperative process".

Regarding the solidarity economy, a study by Bertucci (2010) has shown the same trend of regional concentration, especially in the States of São Paulo, Rio de Janeiro,

and Rio Grande do Sul. However, this frame has evolved and diversified in the last decade, as shown by the number of research groups in the CNPq Directory linked to the subject, which grew from 90 to 130 between 2007 and 2011 and the 5,508 researchers mentioning the subject in the Lattes curriculum bank until this year, among which are worth mentioning a larger presence of institutions and researchers from the Northeast.

Albeit being important factors, the number of cooperatives in each region and the weight on the national GDP are not enough as explanatory elements regarding the research revealed. We must also consider the number of the university population and the resources which can be counted on, being that the advance of the institutionalisation of public policy and the social movement linked to the solidarity economy has played an essential role in the configuration of new research groups in the country.

- A third element worth mentioning is related to the **diversification of the disciplinary areas in which research is conducted**, especially in terms of interest on the solidarity economy. Although Sociology and Economy still prevail, as historically strong areas in terms of studies on cooperativism, one can notice the growth of research groups and publications in areas such as Business, followed by Education, Social Service, Psychology, and Production Engineering (Calbino and Paes de Paula, 2013).

Regarding researched subjects, a great deal of the papers are focused on issues that relate to the dynamic of solidarity enterprises in their most varied dimensions (economic, social, subjective, management-related, technologic), but there is also a significant number of theoretical and epistemological issues and another set, smaller, but also significant, regarding public policies and

the organisation of the solidarity economy as a social movement.

In the case of cooperativism, studies are less diversified, maintaining a focus on issues regarding economic performance on cooperatives and their members. A 2014 study that analyses publications regarding cooperatives in a rural studies journal mentions the prevalence of this sort of approach, while “social issues regarding cooperatives and the cooperative movement” are left aside (Begniss et al., 2014).

- Finally, **in methodological terms**, it is worth mentioning there is more qualitative than quantitative studies, with the trend of using case studies as the main research strategy. In fact, most papers refer to practical experiences (especially on the analysis of enterprises) for the elaboration of studies. While papers on research on the solidarity economy in the business field point to the fact that publications in journals presented a balance between theoretical papers (51%) and empirical-theoretical one (48%), there has been a predominance of works of empirical-theoretical nature in conferences, dissertations, and theses (Calbino and Paes de Paula, 2013, p. 394).

In general, the prevailing trend is that of empirical scientific proposals rather than theoretical construction, making evident the insufficient connection between empirical studies and the needed capacity for theoretical contribution. It is true that changes on the scenario and the enhancement and diversification of cooperative experiences validate the importance of empirical studies that allow a better understanding of the phenomena and their relationship with the new analytical perspectives being built.

In that sense, the database provided by the mapping of solidarity economy enterprises made by the *Secretaria Nacional de Economia Solidaria* [National Secretary of Solidarity Economy] was, undoubtedly, an important contribution, from the standpoint of general information as well as for its specific insights. But the database is only a first step, as shown in the experience of the cooperative system, which features more structured information for quite some time. The question is to be able to build theoretical advances, overcoming trends to the reproduction of normative or merely empirical perspectives.

Final Considerations

In general, research on cooperatives shows a significant growth in Brazil during the past two decades, propelled by the rise and diversification of experiences articulated to an active movement of solidarity economy and the enhancement of public policies in this field. New theoretical and methodologic issues emerged, as well as new challenges in research and knowledge production that required conceptual insights and practical contributions to strengthen the solidarity economy and cooperativism. In that sense, despite advances in the interest on the subject and the scientific production on the theme, there is a series of challenges to be met in order to rise to the level of what is required right now.

First, it is necessary to deepen the study on the potential and perspectives of consolidating experiences, both inwards and outwards, in a moment in which their expansion, visibility, level of organisation, and presence in public policies is diminishing, following the social,

economic, and political crisis in Brazil. Even though scientific production mainly entailed analyses of empirical cases, there was not enough energy on constructions that allow us to at least identify trends and deepen fundamental issues, both on the standpoint of internal operation and on interaction with the surroundings.

Second, it is necessary to remember that the alternative potential of cooperative experiences, its anti-capitalist potential and its role in the construction of another model of development is at the root of the great interest that arose in recent decades, demanding an effort of theoretical construction that, presently, constitutes an important challenge.

Third, from the methodological standpoint, research also faces the challenge of using instruments able to cover the aforementioned empirical and theoretical questions. In that sense, it seems relevant to undertake research projects articulated at regional, national and international levels, as well as giving a more systematic and permanent form to the multiple existing research groups.

To be coherent, the mediating function of research and knowledge must approach and interpret problems and dilemmas of the concerned social categories, evaluating perspectives, keeping theory and practice united (Souza, 2000). In that sense, a new scenario is being drawn at the end of the 2010s, with old and new challenges for the cooperative experiences, which researchers must focus on and be able to develop adequate instruments and analytical keys that may contribute to interpretation and action.

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Notes

1. SIES, the Sistema Nacional de Informações de Economia Solidária [National System of Information on Solidarity Economy], developed by the National Secretary of Solidarity Economy through a nationwide mapping, concluded in 2007 and updated in 2012.

Members' Participation: an Exercise Towards Non-Agricultural Cooperatives in Cuba

Dunia Eduvijes Jara Solenar

Abstract

The assumption of cooperation as a superior level of participation entails an objectives identification on the cooperative activity. This system of social relations is assumed as a fundamental principle for development of *cooperativism*. The importance of understanding the forms of cooperative organization from the perspective of its actors makes possible to understand participation as a condition and phase of management processes. As a result of the studies on the formation of the Non-Agricultural Cooperatives in Cuba (CNA) as an alternative for non-state sector management, a challenge arises concretely on the elaboration of an organizational model based on flexible inclusive systems that facilitate the productive cooperation and specialization processes. Therefore, dealing with the problem of participation within the framework of social relations is assumed as a theoretical-methodological principle for developing skills on the involved social actors. In this way, the main objective of the work is to present some reflections of an ongoing research project about the processes of decision-making on participatory models of organization, increasing the responsibilities related to the partner's condition, the role of cooperative education and integration and the exercise of an active, democratic and united participation for the common solution of individual and collective problems.

The research includes procedures, methods and techniques of theoretical and empirical research on participation and cooperativism to identify the scope and limitations of cooperative activity in the new Cuban context. It deals with a methodological concept that facilitates the understanding of efficient practices in the cooperative sector based on the implementation of partner's participation mechanisms. The expected results of the theoretical reflection will show the development of a research on working cooperatives in the industry and tourism sectors in the province of Villa Clara-Cuba. The partner's participation in the activity must have the objective to democratize each time their participation in management, providing access and active collaboration in the design and implementation of policies, collective action and expression of freedom of choice.

Key words: participation, cooperative management, non-agricultural cooperatives, development.

Introduction

Dealing with participation within social relations framework of human activity is part of many spheres of social life. In the development of cooperative activity, participation is not only a principle of democratic management, but also by including the exercise of roles and functions of partners and leaders in the organization.

The cooperative is a special kind of company that is included in all levels, has or creates capacities for the introduction of initiatives and technological and social innovations that increase the possibilities of developing the enterprise network in the territories and localities. The cooperative company displays a model of management that enhances, improves and promotes participation, cooperation and engagement of its partners in actions that allow the effective combination of the existing resources at their disposal and the policies on a local scale. The use of natural, economic and human resources at their disposal influences their performance and the search for economic and social sustainability.

The importance of understanding the forms of cooperative organization from the perspective of its actors requires the analysis of cooperation relations in regard to the locations and functions of its structure and models of management.

Therefore, the main reflections are focused on questions like: what does the member role entail? What logic does the structure of cooperative organization reproduce? What impact does democratic participation have in cooperative management? And what does it mean to cooperate to the management process? In this case, cooperation as a superior level of participation implies a type of necessary and possible social relation for the fulfillment of the principles and values of the cooperativism.

In the present conceptualization process of Cuban economic and social model, cooperatives recognize themselves as one of the main forms of ownership of production means. This way, studying the development of farming cooperativism and the extension of cooperative activity to other sectors of the economy contributes to strengthen and to encourage the relation between company-government-local developments. Therefore, participation of these social actors on a local government level shows a type of relation based on cooperation. For that reason, the new context of cooperativism in Cuba may contribute to a more efficient use of resources, investments and a greater dynamism in the socioeconomic development of the localities. The conceptual background framework of cooperative movement in Cuba (Figure 1).

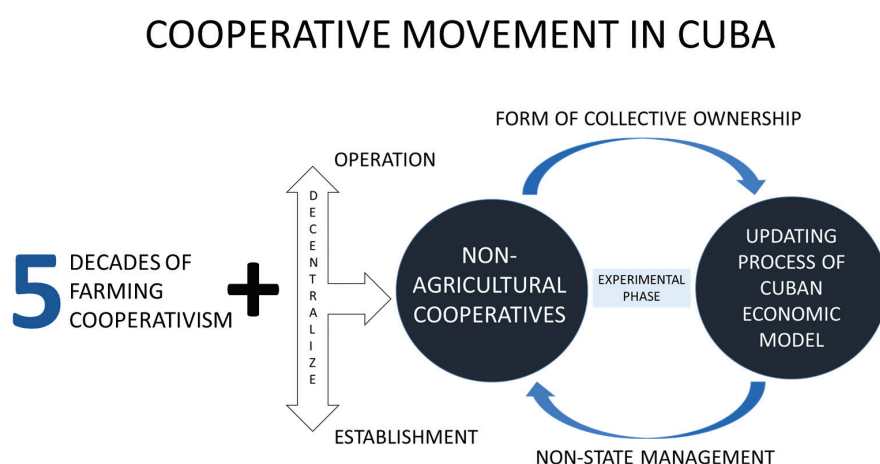


Figure 1: Conceptual background framework of cooperative movement in Cuba.

Source: own formulation

According to this perspective the potential and restrictions of the movement are taken into account, as well as the opportunities in the context of the economic and social reordering process in the country.¹

An important feature emphasized by some studies made in the field of Cuban cooperativism discusses, among other points, the main limitations in the management and legal system model in the creation of non-agricultural cooperatives. For that reason, assessments on the issue of participation are a good indicator to evaluate the achievements and failures of the cooperative culture. Concerning the participative dimension, the main limitation implies that:

... there is not an organization model of cooperatives based on inclusive, democratic and flexible systems that facilitate the processes of productive cooperation and specialization taking into account the particularities of each sector and levels reached for the work socialization, making a distinction in the urban, rural and the suburban aspect. (Donéstevez et al., 2014, p.160).

In this sense, the issue of participation is problematized within creation process itself based on the existing mechanisms. For that reason, assessments on their formation indicate that:

This effective participation of the actual population masses was not indeed the essential

feature of the process of creation of non-agricultural cooperatives, so that, it had an influence on the existence of asymmetric relations among the main decision makers in this process and the subjects willing to become members (Rodríguez Díaz-Canel and Roque Doval, 2016, p. 68).

Taking a description of the basic characteristics of these new cooperatives in relation to the legal system to the effects of the regulation it validates its inclusive acknowledging the fundamental principles of cooperativism, nevertheless, it shows certain lack of participation in the implementation.

According to Ojeda (2015) the main problems shown in the process resulting from the analysis of the creation and operation of the non-agricultural cooperatives are the following ones:

- The proposal to turn the unit into a cooperative is not the workers' idea, but that of the entity of relation,² that informs the future members of the decision already made.
- The decision that the state organization becomes a CNA is informed with just a short time in advance.
- The future partners have considered the decision to be imposed on them, because they either become cooperative members or they remain unemployed, and they become part of the labor availability process.
- The entity of relation has the authority to create a CNA, under the

assumption that it knows what is good for the country, the territory and the cooperative.

- The feasibility studies were formal and they were not made at the request of the new members, but handed to them already made by the entity of relation (Ojeda, 2015, p. 7).

Also, Villegas (2016) indicates that “one of the main limitations of the UBPC improvement process has been the strongly led character of the actions that have mainly included macroeconomic and mesoeconomic measures and in very few occasions it has prioritized the effective participation of the groups”. This is a tendency that the author himself recognizes regarding the experimental process of creation of non-agricultural cooperatives.

In such sense, the main results of the investigation constitute a reference to see cooperativism in the implementation of development strategies on a local government level. It implies the diversification of different forms of property and management suitably interrelated, as well as a critical

analysis within the framework of its operation.

The Act Of Participation As A Fundamental Principle In Cooperative Management

The development of autonomy relations within the framework of the roles and functions of the cooperative organization members entails the act of participation in a kind of democratic management. The organizational structure of cooperatives promotes symmetrical relations in any of the cooperation levels.

Nevertheless, there is the tendency to a limited participation of the member in the decision-making process when active participation in the cooperatives democratic management is an inherent condition to his responsibilities.

In Figure 2, it is possible to see the main demonstrations of this problem taking into account the cause-effect relation that constitutes the analysis perspective to include the processes of improvement in a inclusive model of cooperative management.

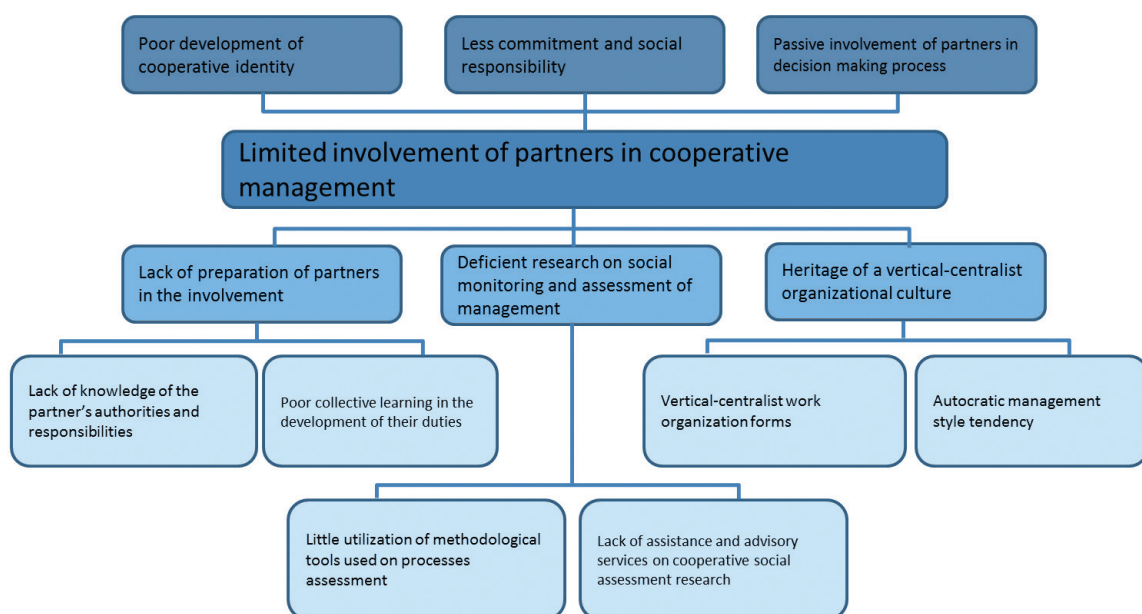


Figure 2: Participation problems in cooperative management

Therefore, this relation states the main conditions that limit the exercise of participation in Cuban cooperatives in formation. This is a situation that emphasizes the complexity of the organizational framework within the framework of its creation and operation. According to *the International Cooperative Alliance* (ICA), democratic management by members constitutes one of the mandatory cooperative principles, just like participation entails a right and a duty in cooperative organizations. In such sense, the member must be actively involved in the policies setting and in the decision-making process. Therefore, the active participation of the member is an indispensable condition for its democratic operation. This way the cooperative company stands out from other entrepreneurial activities by a fundamental characteristic, which it is basically its democratic and inclusive management (Herranz, 1994). For this reason, active participation of the members is one of the aspects that define cooperatives (Salinas, 1987), as well as the harmonic operation of the spontaneous cooperative system generates the well-being and agreement among of all its members (Smith, 1990). This situation emphasizes on processes of inclusive democracy through diverse experiences that demonstrate the necessity to start up participation mechanisms from a communitarian perspective (Fernández, Ramos and Jerez, 2009).

In the research results in the area of participation studies in cooperative organizations, the ones that stand out are the studies that deal with activity development as an instrument of citizen participation (Fernandez, 2006); the diverse types of participation in cooperative members according to their different roles (Mozas, 2002); the participative dimension in the creation of institutional sustainability (Salazar and others, 2001); the participation and management relation (Mora, 2013) and

the transparency, bond and cognition as decisive aspects in cooperative activity (Fairbairn, 2005). Specially, the results of the study of the partner's participation in the management of cooperative company (Lopez Garcia and Vuotto, 2012) constitutes a contextual background regarding the level of commitment, the performance and ways in which members participate in the development of the cooperative experience.

For these reasons the proposed study researches on the condition from which they get involved and its practical accomplishment and, differentiating the responsibility and participation that it is meant to each subject in the processes of cooperative management. Therefore, participation promotes or facilitates horizontal and democratic relations in cooperative management. It entails the concrete manifestation of member's integration in the accomplishment of the joint activity.

So that participation is not only in a specific moment, but it is a social process, where people, organizations and institutions take part, in addition, it is interactive, collaborative, cooperative, mutual, which, as it consolidates on bases of qualification, knowledge, experience, communication, profit and learning, it creates a culture of decision-making, balance of power and management that results in the empowerment of diverse actors and involved sectors, common in democratic systems.

The importance of understanding the forms of cooperative organization from the perspective of its actors entails the analysis of participation and cooperation at its structure and ways of management level. As a result, the work hypotheses that guide the development of the research are the following:

- The participative models of management in cooperative organizations can stimulate

simultaneously the re(production) of forms of cooperation among actors and solidity in the support networks.

- The strengthening of cooperative structure and the effectiveness in its operation can be related to the participative schemes in the economic, political and social decision-making of members.
- The active participation of the member in the social entities of cooperative structure is a key factor in the organizational performance.
- The lack of an organized cooperation by the members undermines the participation required for the development of a democratic management.

The analysis will be focused on the cooperative company management taking into account the members' position in the association structure and the degree of participation in the work organization and the decision-making process. It will also try to characterize the inherent responsibilities to the condition of member and the scope and levels of participation in the dynamics of the association and the cooperative company.

A Theoretical And Conceptual Framework

From the theoretical point of view the study combines perspective of different fields from the organizations sociology, specifically the ones related to voluntary organizations, participation, democratic management and the work cooperation, as well as management.

The opportunity of the members to be involved finds in a complex management of a cooperative organization the determining

practice in a democratic management way. In political sociology, the analytical distinction between management (institutional framework) and governability is clear (capacity of government conferred by such framework). That is the reason why today both are used to approach issues related not only to governments, but to the operation of diverse institutions or organizations. The participation of the different agents in cooperative management (Perez Sanz, Esteban and Gargallo, 2009) and their different levels of accomplishment in the management models (Chaves and Schediwy, 2004) constitute a reference in the analysis of cooperative institutional framework. In such sense, cooperative management must include participative schemes into the management of the organization based on collective work.

Nevertheless, the representative model has been related to the cooperative activity not only in the socioeconomic management but in member participation as well. In the activity, this reproduces mechanisms of indirect participation based on the delegation of responsibilities as a ruling practice. This is a situation that must be changed into forms of direct participation with equal opportunities for the decision-making process. In this way, the increase of participation in the decision-making process has depended on the cooperative education as a way of implementation (Jiménez and Diaz, 2006). On the other hand, it is possible to identify dimensions of participation in the scope of cooperativism that can be identified in: participation as information, advice and decision (Dávalos, 1997). The possibility of equipping the member with modalities of participation that allow the spread of democracy is a fundamental aspect of the formation processes in cooperative organizations.

In the Latin American context, different initiatives taking into account participation

mechanisms have been developed. The main experiences promoted by public administrations and the civil society under cooperative formulas are part of the Movement of Recovered Companies and the Program of Urban Agriculture in Rosario, Argentina, the Reconstruction of ayllu (Bolivia), participatory budget of Porto Alegre, agro ecologic Initiatives of the MST and the Technological Incubator for Popular Cooperatives (UNICAMP) of Brazil, Assembly of Cantonal Unit of Cotacachi-AUC (Ecuador), Round table for the fight against poverty of Puno (Peru), the Federation of Uruguayan Mutual Aid Housing Cooperatives FUCVAM (Uruguay) (Fernandez, Ramos and Jerez, 2009). For that reason, each one of these experiences is a result of the spontaneous and organized participation at the self-management level.

From this perspective, we propose a study that takes into account the way in which the three types of constituent experiences of Villa Clara³ the participative process is expressed in a cooperative: to be part, to contribute and to benefit with its results (Zask, 2011).

In the theoretical study of participation, the results referred to the senses of participation as a process in which you take part in, and are part of constitute starting points (Rebellato and Giménez, 1997); the direct and indirect participation as reference to the forms (Molina, 1986); the levels of participation like offer-invitation, advice, delegation, influence, co-management and self-management (Ander- Egg, 2003). Authors Marmillod and Paillacar (1995) distinguish three levels as well: informative, advisory and decisive, according to the level of exchange of information, delegation of tasks according to the information used, and participation in the analysis, design and development of delegated actions. (Fadda, 1990).

Among the proposals to know the level of participation, one that has stood out is the "stairs" of participation proposed by Arnstein (1969) that deals with eight levels of participation which are among those of nonparticipation: manipulation, therapy; going through formalism degrees: information, advice and conciliation; until reaching the degrees of citizen power: association, delegated power, citizen control.

The development of an organizational culture on the basis of forms of work organization under horizontal relations and rising verticalism in the decision-making process, as well as the confluence of management styles with emphasis in the par entails a strengthening of the cooperative identity, a greater commitment and social responsibility and the active participation of the partner in the decision-making process.

Due to the implementation of public policies in the fields of performance of cooperative forms of organization, participation has tended to diverse manifestations that go from the formal aspect to the leading one. Here there is a nucleus of reflection in the satisfaction of the beneficiaries of the policies that has not been solved in the institutional framework. Therefore, it refers to one of the challenges of the policies before "the necessity to move towards the institutionalization of new forms of sociability, based on solidarity, cooperation and participation" (Hintze and Deux, 2014, p. 56).

The development of a participative democracy to overcome the model of strictly representative democracy takes us to deal with the democracy and social participation bond. Without a doubt, the equitable distribution of power constitutes the fundamental characteristic present in the organization

forms and operation of the cooperative activity. According to this logic, building up the cooperative sense does not prevail from a high level, but it must be done on the basis of a true democratic vocation.

From this perspective, the participative democratic model is characterized by its flexibility, implying horizontal participation, equality and effectiveness (Romero, 2013). Each one of these elements is formed from wide and accessible networks to take part in the framework of typically symmetrical interactions between the actors, in addition to being expression of agendas, public policies and participative models of management.

In the assumption of participative democracy, there are three basic conditions for participation in which the action of providing instruments for the participation in activities stands out; the institutionalization of participation mechanisms that do not only depend on the good will and that at the same do not become part of autocracy and the intentionality of participation in the creation of senses and meaning (Ander-Egg, 2003).

In this context, the principle of transparency and the access to information constitutes an intrinsic element of democracy before the existence of representativeness. In such sense, it is stated that:

... when the ways for exercising power are not only direct, but also by means of representatives, then it is necessary to use ways and instruments to control the representatives' actions and this is more viable when these actions are public, visible (Del Río 2006: 301).

In this sense, the condition of member moves under the principles of negotiation or agreement in the decision-making process, as a substitute to those of authority, hierarchy, supremacy and subordination. This way, transparency as a principle that entails "the exercise of public power "in public" must be the opened manifestation of participation" both in the General Assembly and in the act to control power that representatives exercise in their name in the Management Board as social entities in the structure of democratic management of cooperatives.

Regarding this topic, Joëlle Zask (2011) proposes an answer that can be divided in three types of experiences: to get involved is to be part (in a group oriented towards a common activity), is also to lend a hand or part (to contribute) and to receive a part (to benefit). Participation is conceived and it then extends to the more or less harmonious relation among these three experiences. In his dissociation, he identifies a source of all injustice and in its reciprocity the foundations of the ideal of the participative democracy. This supposes an expectation of contribution and personal implication in the common things. Participation thus defined constitutes an essential component of all community, understood in general as a group whose intention is a common activity (2011, p. 17).

On the other hand, cooperation constitutes one of the fundamental principles in the performance of cooperative organizations. In such sense, he states that:

Cooperation is a way to act, it is an activity and an effect, it is a way of social behavior, and a way to live that entails a community relation and that has as object a last aim that has taken root in an

empirical interest of obtaining a communal property (Zabala, 1998: 35).

Accordingly, social capital emphasizes cooperation as support of social order and development under the assumption that reinforcing these elements it is possible to increase participation of the social actors in the resolution of the problems that affect them" (Miranda and Monzó, 2003, p. 65). It means that "... social capital is the human component that allows the members of a society to trust the others and to cooperate in the formation of new groups and associations" (Coleman, 1988 in Arriagada, 2005, p. 33). This way cooperation can be understood as an oriented collective action to the accomplishment of common objectives. It means that the different positions from the subjects in the field of cooperative activity and in society itself depend on the possession of economic capital in an extensive, limited or restricted way. For that reason:

... in the field of positions both generic interests are defined related to the fact of being involved in the game as the specific interests related to the different positions, and, through the kind of positions in which these interests are expressed. (Bourdieu, 1979, p. 6)

This indicates that cooperation is related to "the practical manifestation of reciprocal agreements to take ahead an action that requires the organized work of individuals" (Bahamonde Parrao, 2001, p. 27). Therefore, the kind of cooperation that occurs in the process of work organization implies the differentiation of

functions within the group. We refer to the necessity to approach cooperation from a logic that understands the particularities of the interactions that the subjects develop in cooperative organizations. In this sense, such requirements of the concept integrate the individual and group interests.

In this order, the analysis on the cooperation phenomenon is centered in the field of sociology, social and organizational psychology. As well, it functions like a theoretical platform for the diagnosis and intervention in the cooperativism context without avoiding its particularities. Specially, the main research applied to the cooperative movement deals with sociology of the cooperation that:

... does not focuses on the analysis and investigation of the cooperative process in its economic aspects nor on cooperativism as a social doctrine, but its object is the cooperation phenomenon` - to study it in its main and each one of its expressions in order to determine its characteristics, their causes, their effects in human societies life and its resistances (Contreras Tirado, 1980, p. 8).

From this point of view, Llombart Bosch (1985, p. 81) affirms that the effectiveness of a cooperative will depend on the following factors:

- Degree of coordination of the enterprise organization
- Degree of social cohesion among its members

- Efficient Management
- Effectiveness in the distribution of tasks and suitable distribution of functions
- Participation in common objectives
- Objectives identification
- Solidarity

In this line of sociological thought, ideas about cooperation are understood as a natural process resulting from the division of labor itself. On the matter, Durkheim (2003), affirms that *"cooperation, far from having been able to produce society, necessarily implies its previous spontaneous establishment"*.

In another order, more than an action, cooperation is an authentic social interaction, as etymology of the term indicates: cooperation, action or work made with others. This leads to the classification of the cooperation acts within the pro-social actions, since they contribute to the social unit and development giving priority to common good over or the individual one.

Such distinction sets a difference between traditional cooperation, based on the customs of a society or social group, and the contractual cooperation, based on the terms of a contract. There are two types of cooperation: the interindividual cooperation and the intergroup cooperation.

Interindividual cooperation is that type of social interaction that takes place among people who act like individuals, and not in representation of groups or institutions. The enforcement of social, explicit or implicit regulations can establish very important differences.

Cooperation among social groups or societies (for example, cooperation among cooperatives) constitutes a phenomenon that is basically different from the interpersonal cooperation. Not only the actors are different (groups, institutions, nations), but also the factors that condition

it or it has different dimensions or another nature, they are phenomena that cannot be understood with personal or interpersonal variables.

In organizational psychology cooperation is analysed, taking into account that the individual not only creates its own job, but he also wants to be part of a special type of organization that is democratic and inclusive, and, this way, it has a double condition: that of a worker and a business man at the same time. Here collective work must be understood as an organizational way specifying different cooperation forms, in which the sense (and/or ideology) of cooperation are not part of the social and moral critic of society (Weber, 1971, p. 118). Also, cooperation as a social phenomenon is identified in three stages according to its levels of development:

- Cooperation as an interdependence relation product of the social division of labor and that "is imposed" by the latter to operate the society.
- Cooperation as a voluntary and intentional relation that makes possible for a group of subjects to identify themselves as an association, group or organization; but that are only interested in the their members' benefits maintaining relations with other groups from the perspective of differentiation-identification.
- Cooperation that produces symmetrical bonds of interdependence, with the assumption of the responsibility of participation in the process of their collective project, and having the conviction that the emancipation is a general and non-particular social subject. (Rodriguez Diaz-Canel and Roque Doval, 2016, p. 42)

Here cooperation as a process of social relation will take into account symmetry bonds in which the participants act in an interdependent way for the

accomplishment of a common objective. For that reason, assessments regarding the context in which intra-cooperation and the intercooperation developed depend on the process of cooperative management. For that reason, the participation issue allows to explain the accomplishments and limitations in the objective of common activity. Therefore, the act of cooperation means a kind of sociability based on solidarity, confidence, reciprocity and agreement.

Therefore, the actors' role involved in local development based on cooperative activity entail cooperation relations that:

... have a much more pragmatic sense and it is a rational answer to the logic of each one of the actors. In other words, at a certain point, actors perceive that to develop their strategy in a more complete way, it is necessary to cooperate and to make their proposals and actions common to those other actors. But there is not a preexisting motivation to cooperate, it is rather quite the opposite (2010, p. 41).

For that reason, in a cooperative organization there is, at least formally, an egalitarian distribution of power and property among all its members, regardless of what their specific characteristics are or the position they occupy in it. The members of a cooperative have certain power and levels of participation that would be unthinkable in another kind of organization.

Therefore, the necessary local company-government-development relationship constitutes a challenge in the improvement of cooperative management. Its presence in the economy and public policies has been characterized by different positions, depending on the different concrete historical conditions of development of the productive forces in the different means of production. In this context, relations between State and the companies in general, and specifically with the cooperatives, are essential. These relations have a great influence not only on the socioeconomic activity of these elements, but on the whole society.

Regarding this perspective we propose a study that takes into account the way in which three types of constituent experiences of the participative process take place in a cooperative: to be part, to contribute and to benefit from its results.

COOPERATIVE MANAGEMENT			
INVOLVEMENT LINE	INDICATORS	FACTORS	OBSERVATION UNIT
	Work organization forms	Individual Collective Mixed	Subjects type according to their role/function they have in the cooperative activity.
	Planning types	Information Inquiry Delegation Self-management	
	Implementing methods	Request Interactive Decisive	
	Management styles	Autocratic Democratic	
	Control mechanisms	Centralized Decentralized Mixed	

Table: Operationalization of the participation in the management of cooperative organizations.

Source: own formulation

Concerning the methodological aspect, the area of participation in cooperative management is analysed taking into account the members' position according to their participation and their role/function and their place in the structure in a differentiated form. This perspective implies the research on the forms of work organization, the types of planning, the ways of execution, the management styles and the control mechanisms as indicators for the empirical establishment of the different participation modalities. Differentiation-identification constitutes the theoretical-methodological assumption to analyse the position of subjects involved in any of the social entities of the structure.

When assessing these relations, it is possible to perceive positions that go from excessive paternalism towards cooperativism, to positions of total indifference to cooperativism. Therefore,

it is essential to adjust these relations, as far as the State guarantees the presence of an institutional structure that establishes a suitable policy in which the interests of cooperatives coincide in a harmonic way with the interests of the economy as a whole and it controls as well, supports and give advice to cooperatives management, establishing relations that allow their multilateral development.

The creation of cooperatives requires, in the present conditions, to consider the joint operation among cooperative-government-local development (in process of cooperative management) to facilitate its actual development. For that reason, the joint planning of governments, the involved cooperative members and external organizations-in the context of an inclusive process and in search of local development, is vital to ensure the success of the project.

Cooperation relations that are set between productive and services units complete the productive chains; break with the relative isolation that implies the division in sectors allowing these small and medium companies to go beyond the limit of the small production.

During change processes, cooperative management should be considered the most, not to neglect any factor that, at expenses of rapid change, can be determining in the future development and consolidation of the cooperative if we take into consideration that, in the localities, cooperatives will complete the productive chains and will allow the creation of collaboration relations among

the different sectors, when revalued their traditional forms of cooperation.

New productive ways will base the changes on the management of local governments, which will have to be more participative and inclusive. So that in the creation of cooperatives and future members, it is important to consider the process of advocacy and training aimed at the population in general and the involved social actors (local, cooperative members, affiliated institutions, working governments, among others). Local governments and the future cooperatives' members must be the actors the most interested in knowing the specifics of this management model.

Conclusion

The analysis perspectives addressed constitute valid supporting points when dealing with the levels of cooperation, as well as the reflections on the constituent experiences of participation in the forms of work organization. This is a situation that brings about the improvement of the leadership and governability practices in cooperative organizations. Therefore, deepening in democratic management of cooperatives deals with the members' differentiated participation in an active and direct way on the bases of coordinated activity, group consensus, clear and public communication, and self-management in the collective work.

For that reason, the possible initiatives depend on ways of management based on cooperation as a final stage of participation in an arranged, conscious and organized way. The necessary movement of the subjective factor as far as the condition of member depends on the objectives identification in the organization of common work under an inclusive structure. Here, the member condition is stated in decision factors by rights and responsibilities.

The strengthening and extent of the cooperative movement will result in new and superior socioeconomic commitments. Cooperatives, being self-managed units, based on values and principles, will contribute to the development of localities in those compatible sectors with a same social object. That is to say, the cooperative should not only grow with the purpose of economic expansion, but regardless of its size, it must give priority to its projects of social development. Self-management in the cooperative requires economic and social sustainability.

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Notes

1. In the process of updating the Cuban economic model of experimental cooperatives in non-agricultural sectors is recognized. The approval of the Economic and Social Guidelines by the Party and the Revolution, the creation of non-agricultural cooperatives (CNA) extended this kind of property to other sectors of the economy. These are the result of the necessity to decentralize entrepreneurial activity and to facilitate new forms of non-state management.
2. The entity of relation is a bureaucratic entity with power to do decide upon and/or open the way for a future cooperative as a distinct legal entity.
3. The processes of CNA's constitution and functioning at the province of Villa Clara are developed under certain juridical dispositions, which are in force for such entities. A previous characterization of the CNA's process of constitution in this province has identified only eight accepted authorizations (out of 130) in terms of its functioning and constitution between 2013 and 2016. For the rest, 84 presentations are still being evaluated by the responsible entities, to be then sent to the State Group of Entrepreneurship Perfectionism (from the Spanish, Grupo Estatal de Perfeccionamiento Empresarial, GEPE). Of these requests, 25 have been returned or denied, and 13 are waiting for the beginning of the process. The biggest part of these CNAs are private and they become legally domiciled in almost all the municipals of the province (Informe de la Dirección Provincial de Economía y Planificación en Villa Clara, 2016). The selected case studies are the cooperatives of 'La Concha' and 'Clavos para herrar "Los Jiménez"'. Ten partners constitute the CNA 'La Concha' and they provide food and drink services to foreigners and autochthones, which are sold in freely convertible currency. Their ministry of relation is the 'Group Palmares' del MINTUR developed in August 2014. In turn, the CNA 'Clavos para herrar "Los Jiménez"' has eight members who produce and sell iron nails. Their products have a high demand, not only in the province, but also in all country due to their role in the replacement of importation. Their ministry of relation is the MINDUS and its constitution is from September 2013.

The Consistency in the Education Plan of the Paraguayan Type “A” Cooperative

Aníbal Barrios Fretes

Abstract

Within the framework of non-formal education and training and in the area of cooperative education, this research evaluates the level of consistency of the educational plans of six type “A” cooperatives of Paraguay, four credit unions, namely “COFAN LTDA.”, “San Cristóbal Ltda.”, “Coronel Oviedo Ltda.” and “Ypacaraí Ltda.”; and two producer cooperatives, namely “Sociedad Cooperativa ChortitzerKomitee Ltda.” and “Colonias Unidas Ltda.”. The subject matter being discussed here is the level of consistency of cooperative education planning. The documents considered are, first, the ones published by the previously mentioned organisations in the 2010 exercise; second, their bylaws and, third, the information communicated by both the President of the Committee of Education and the Chief or Manager of the same committee. The data obtained, relative to educative planning, were then compared with the education plans proposed for type “A” cooperatives that have been recommended by a group of professionals dedicated to cooperative education in Paraguay. The objective of this work is to determine the level of internal coherence of education plans for type “A” cooperatives in Paraguay. In brief, the major findings show that, according to the content areas, the methodological strategies, the criteria for evaluation, the relevance of the programmes, and the level of implementation, there has been a low level of consistency in the plans under consideration.

Key words: non-formal education, cooperative education, educative plan, type A Cooperative, level of consistency.

Introduction

In Paraguay, the National Institute of Cooperativism (INCOOP) classifies the cooperatives into four sectors (credit unions, production cooperatives, federations and other types of cooperatives) in types “A”, “B”, and “C” cooperatives. Type A are ground or primary cooperatives of individual members, in any type of economic sector. Type B are cooperatives of secondary level, which group some ground or primary cooperatives. Type B cooperatives services to the ground or primary ones, such as federations and central purchasing cooperative centres.

Type C is the general confederation of cooperatives, representing and defending the interest of all cooperatives. Resolution 499/2004 indicates that the methodology used to classify them considers these criteria: total assets (with a weight factor of 0.5), total savings (0.5), total of liabilities (0.4), number of members (0.3), Integrated Capital (0.3). This Classification was modified in 2007 and 2010.

At the first classification, there were 52 cooperatives in total in type "A": 82 were type "B"; and 843 were type "C"; while 5 were purely representative entities, and 6 were federations. With the most recent classification, in 2015, type "A" had 75 cooperatives; type "B" had 94; and type "C" had 862, representative entities were 6 and federations 19; while 5 fell out of the classification. In total, there were 1,042 organisations.

According to the publications of INCOOP, type "A" cooperatives constitute a very important part in the cooperative sector, the one with the strongest development in services and operations, the most representative in quantity of members and economic resources, and the ones with more leadership in organisations of second and third level.

This article focuses on the educational system (Coombs, 1971), as one of the society subsystems; the cooperatives are in charge of its application in non-formal education (Sarramona, 1992; Dominguez Aranda & Lamata Catanda, 2003).

The following problem arises: which is the level of internal consistency of the educational plans for the type "A" cooperatives in the Paraguayan Republic?

The main objective in this research is to determine the level of strength in the education plans in the type "A" cooperatives selected for this study. To that effect, the constitutive elements of the plans are considered as primordial criteria, like the

stated objectives, the planned content, the actions taken, the applied methodological strategies and the way they are reviewed. It would also try to establish the pertinence of the programmes with regard to the organisations' needs, as well as the level of the plan implementation and the results obtained.

Since a National System of Cooperative Education has not yet been developed, the results of this analysis are considered a big contribution to grassroot cooperatives, as well as to the second level and third level cooperatives, along with the information and knowledge that it would produce.

The structure of this paper includes the following sections: the chosen methodology to select the cooperatives, the procedures and the techniques used, the theoretical framework that presents the bases of cooperative education, the planning and the educative programme. Also, this paper includes the proposal of the cooperative education plan that is used as criteria to evaluate the plans of the investigated cooperatives. The results are analysed and the work conclusions outlined.

Methodology

This is a non-experimental work with a descriptive level of knowledge.

The criteria to select the type A cooperatives were, firstly, the study of one cooperative from each specific sector within type A group, according to the classification made by INCOOP, that is, credit unions and production cooperatives to understand the different ways of conceiving the plans according to the specific characteristics of these organisations. Secondly, temporality was considered to choose the oldest in each of the mentioned sectors, on the basis that they could have sufficient experience in

this field. Besides, the diversity of areas in which these organisations are located, rural or urban area, means that the recipients of these plans have different characteristics as they come from rural or urban areas. Therefore, based on the above criteria and considering that type A cooperatives are quite complex entities, due to their business development and the variety of social and economic situations, it was determined to study the educational plans of four credit unions (two from the urban area and two from the rural area) and two production cooperatives.

This selection is a non-probabilistic sample, made with purposive sampling, based on the above criteria. However, this work does not have the intention of generalising these results to other national type A cooperatives.

The organisations selected for this research were as follows:

Credit union sector: (1) *Cooperative COFAN Ltda.*, from Asunción, Paraguay, the first of this sector, founded in 1936, in the urban area; (2) *Cooperative San Cristóbal Ltda.*, from Asunción, Paraguay, founded in 1966, in the urban area; (3) *Cooperative Coronel Oviedo Ltda.*, from Coronel Oviedo, Paraguay, founded in 1971, in the rural area; (4) *Cooperative Ypacaraí Ltda.*, from Ypacaraí, Paraguay, founded in 1975, in the rural area.

Productive sector: (1) *Sociedad Cooperativa ChortitzerKomitee*, from Loma Plata, the oldest of this sector, founded in 1927, at Loma Plata, Paraguayan Chaco; (2) *Cooperative Colonias Unidas Ltda.* From Obligado, Paraguay, an old cooperative, founded in 1933.

With regards to techniques, since when this work was carried out an official educational plan at the Paraguayan Confederation of Cooperatives (CONPACCOOP) did not exist, five qualified professionals from

the national cooperative sector, who have knowledge and experience in cooperative education, were interviewed (“focus group”) to analyse and validate a proposed education plan for the type A cooperative.

Documents of selected cooperatives were analysed, specifically the 2010 Annual Report, which includes the reports submitted by the Committee of Education, and the bylaws.

The President of the Committee of Education and the area Head or Manager from each of the entities under this research were interviewed to gather supplementary information to the annual report.

Prior to its implementation, the interview guide used in this work has been used in two type A cooperatives: the 17 de Mayo Cooperative (Police) and the Central Nikkei Cooperative, a production cooperative organisation.

The standards selected, to establish the level of the plan’s consistency, are related to the presence of the proposed Plan’s main aspects: a) cooperative annual report b) information declared by the Directors, c) information declared by the Educational Head or Manager. The considered aspects are the objectives, the areas composed by content, methodological strategies, the evaluation, suitability, and the implementation of the plan.

To assess consistency, a scale with the following possibilities has been considered: (a) high consistency, (b) medium consistency, (c) low consistency, (d) without consistency.

This scale, applied to every aspect of the plan, in every cooperative, has a total of 18 possible check marks resulting from six cases (cooperatives) and three sources (Bylaws, Directors, Education Heads or Managers). Therefore, for evaluation purposes, the distribution

of possibilities is considered as follows:
High consistency: 15 to 18 check marks;
Medium consistency: from 11 to 14;
Low consistency: 6 to 10; **Without consistency:** 5 or less check marks.

Theoretical Framework

Academic background on cooperative education

A previous similar study was carried out by Carlos Vijil Moreno and published in 2002¹. Vijil Moreno proposes a procedure for building a unique educational programme for the national cooperative sector. In addition, a 1989 thesis by Echeverría, Ruíz Díaz Ortega and Salinas Villagra entitled *Opinion survey and expectation about educational programs of 14 cooperatives* provided a study on this subject.² A third study was presented in another thesis³ emphasising the level of fulfilment of education in a cooperative, among employees and leaders. Finally, a fourth thesis, from this author (Barrios Fretes, 2007) has analysed the developed programmes and activities, the implemented funds and the structure of the Committee of Education and concluded that cooperatives prioritise the information and communication components and to a lesser extent the training and education component.

Cooperative education and cooperative movement

The cooperative movement has concepts and proposals related to cooperative education (Drimer & Kaplan de Drimer, 1981; Joaquin, 1967; Caletti, 1983; Balbi de Gonzalo & Cracogna, 1984; Alianza Cooperativa Internacional, 1996). Cooperative education is considered as a group of programmes and education activities to form both the cooperative person and organisation; it includes the development, transmission and

acquisition of new knowledge by its members. This process responds to the following objectives (Espinosa, 1983): to attain that each member performs his role in the most efficient and necessary way, contribute to the promotion of the cooperative members, develop the management of the cooperative in accordance with the principles, contribute to remain active and revitalisation of the cooperative movement.

This education seeks to train cooperative members; to combine the individual and the social. José Carlos Espinosa holds that it must encourage and develop a cooperative true spirit of cooperation, knowledges and actions.

Carlos Uribe (1977), cooperative educator, considers that cooperative education is remarkably comprehensive; training with principles and its concrete implementation; technical training in the efficient management and the promotion of the cooperative movement.

Daniel Navas (1977) says that cooperative education is a means for the implementation of ideals and the best domain in the world.

According to Drimer and Kaplan (Drimer & Kaplan de Drimer, 1981), this education has its own characteristics and contents. Its effectiveness will depend on the cooperative enterprise's commitment to providing training to its members, directors and personnel.

Cooperative education planning

According to some authors (Espinosa, 1983; CIDCOOP, 1989; Escamez & Pérez Alonso-Geta, 1992), the organisation and implementation process of this Education is related to several aspects that should be considered. Some of them are the determination of assumptions or philosophy, the identity of the cooperative movement; as well as the diagnostic of the initial situation, formulating objectives,

and differentiated course of action; the contents, strategies and the means that must be followed. They follow the allocated time and assessment criteria to verify the goals.

The contents intend to focus on both the social and the business dimension, which are developed in areas such as the cooperative identity, dissemination, extension, training to its members, directors and personnel, research, etc.

Therefore, the educational plan is a set of actions in fulfilment of the fifth universal principle of the International Cooperative Alliance, with its focus on education, training and information of the members, directors, personnel and general public.

Cooperative education in Paraguay

The National Constitution refers to the promotion of cooperatives in the following terms:

According to the National Constitution of the Republic of Paraguay, the state will promote the cooperative enterprise and other associative forms of production of goods and services, based on solidarity and social profitability, which will ensure its free organisation and autonomy. The principles of the cooperative movement, as an instrument of national economic development, will be disseminated through the educational system.⁴ Based on this regulation, the cooperative movement has the legal authority to coordinate relevant different plans with the National Education System's institutions. The Cooperative Law 438/94 notes the cooperative movement principle of the promotion of cooperative education.⁵ It also emphasises that

The members' cooperative education is a priority in the objectives of the cooperatives.

The Board of Directors has the obligation to comply with this postulate.⁶

Proposal for a cooperative education plan

Since Paraguay did not have a general plan defined officially by any institution of the cooperative sector, this research has developed a proposal of a General Plan for the type A cooperatives.

The central feature of this proposal is its adaptation to the three tiers of cooperatives: (a) members, who are owners, investors and users of the organisations; (b) managers, those who lead, manage, guide and evaluate efforts; (c) employees who run the mandated activities to carry out the work plans and comply with the service operations.

This plan is a guide to cooperative institutions of our country. Its criteria of adaptation to existing tiers, with their own and unique characteristics, is based on cooperative authors. Dr. Luis Amado Alarcón (2010) stands out; he focuses on academic and specialised training in senior management, essentially in business issues. José Blas Villalba (1999) and José Espinosa (1983) also stand out on business and social requirements; Daniel Navas Vegas (Navas et al., 1977) on entrepreneurship, social and technology training.

Addressing these aspects, it intends to focus on each tier: the social aspect, an extremely important aspect due the nature of the cooperative movement; the economic aspect, due the new business dimension assumed by the International Cooperative Alliance (Alianza Cooperativa Internacional, 1996); the personal aspect, due to the centrality of the cooperative that seeks the development of the human person.

Within each aspect are specified the objectives, general areas of training, suggested content, modalities of implementation, expected results and evaluation forms are specified.

As reference, the proposed objectives for the members are: based on the knowledge of the basic doctrinal, legal and organisational basis of the cooperative movement, strengthen its cooperative identity; improve the commitment and level of participation in cooperative life; spread the wealth and the impact of cooperatives in their own lives as well as in the cooperative organisation environment; improve their level of usufruct of the services offered by cooperatives; strengthen its vocational training and continuing education for the working world.

The objectives for the Board of Directors are: deepening the doctrinal, legal and organisational base of the cooperative movement; improve its field of competence in the cooperative management process; value the richness and the impact of cooperative movement in their own lives as well as in the cooperative organisation.

The objectives for the employees are: get to know the doctrinal, legal and organisational base of the cooperative movement; improve their performance within the cooperative organisation; facilitate the impact of the cooperative movement, both in their own lives and in cooperative organisation; improve their skills in human relationships and communication strategies.

Analysis of the Results

A synthetic analysis of each cooperative plan comparing with the Education Plan suggested to respond to the objectives of the research is presented.

Case 1: Credit union

It is an urban cooperative, the oldest in the country. It has an education calendar, without distinguishing tiers and without specific goals for them. The main objective is to raise the social, cultural and economic status of members.

Regarding the pedagogical strategies, the Annual Report indicates that they carried out workshops for members, managers and employees monthly on average.

Regarding the content, in contrast to the proposed Plan, the implemented one is incomplete. The members' plan develops two of the six areas: in the managers' plan, it develops two areas; in the employees' plan, two out of the three.

In terms of the assessment it reaches the levels 1 and 2 of the six that are included in the proposed Plan. The Evaluation Committee, the Supervisory Board and the Board of Directors, participate in the process. These data are used in the Social Balance.

In relation to the relevance of educational curricula, the lack of an explicit relationship with the International Cooperative Alliance (ICA) and with the Paraguayan Confederation of Cooperatives (CONPACCOOP) is noted. It indicates a broad participation in the diagnosis for the annual plan preparation: the Education Committee, Human Resources, the Advisors Supervisory Board.

As for compliance, the members of this cooperative are very optimistic as they indicate that everything is done, both planned and even unplanned activities.

As for the results, they have an optimistic view; for example, there is a greater involvement of members in the assemblies and a greater dedication of managers.

This organisation denotes dynamism in the elaboration and implementation of the education plan; but the scope is very limited, because it is focused on a single general plan, which does not cover all areas or the three tiers.

Case 2: Credit union

This organisation is in the urban area and one of the oldest in the country. The expressed goal is to promote the constant development of the cooperative and the community; as well as the improvement of the economic, social and cultural conditions of the members. It has a work plan, part of the five-year plan; without defining a differentiation by tier. However, it includes specific programmes, such as training members, managers and employees.

In terms of the strategies used, the Annual Report mentioned that they held 193 lectures, 4 conferences, 23 workshops, 3 courses, and 12 meetings in the headquarters and agencies.

About the content, the realised plan is incomplete. Pertaining to members, it includes five areas of the proposed Plan, not the research and development areas; relating to managers, both areas suggested, and regarding the employees, two out of three.

With respect to the assessment, levels 1 and 2 of the six of the proposed plan are implemented. The specified criteria are the amount of people, acquired learning, and perception about the course by participants. The procedures followed are the evaluation of each activity carried out with the participation of each Subcommittee and the Committee of Education, which presents the report.

In terms of the relevance of the educational plan, a direct relationship with the ICA or CONPACOOP is not specified, but with the INCOOP. For the diagnosis elaboration,

the members request some courses, observe the market, and repeated the courses with more participation than in the previous year. The Human Resources Department requests the opinion of the employees. The Committee of Education prepares the plan every year.

As a far as compliance is concerned, members indicate that almost all (90%) of the plan is implemented, only suspending activities due to overlap.

Recognised outcomes are: technical courses to members, managers get to know more services and bring better orientation; the community receives support for care of the environment, and employees demonstrate greater preparation.

A great deal of dynamism exists in the development, implementation and monitoring of the educational plan; however, the scope is limited. It has many positive aspects that can focus the plan with the assistance of educational professionals.

Case 3: Credit union

This is also an old credit union from the rural area. The objective is the improvement of the economic, social, cultural, and moral conditions of the members. According to the Annual Report, it seeks further training of managers, employees, members and children of members, support for the cooperative school, and production courses. There is no specified plan by tiers.

Regarding didactic strategies, two international seminars, workshops, series of workshops in intercooperative convention, and contests are cited.

As to the content, the plan is incomplete. three of six areas of members; two areas of managers and two of the three areas of employees are implemented.

Concerning the evaluation, areas 1 and 2 are implemented. The Committee of Education performs the assessment and presents the report every six months. The heads of areas, the Committee of Quality, and Board of Directors are also involved.

In terms of the relevance of the educational plan, a relationship with the ICA is not expressed. It participates in forums organised by CONPACCOOP on the proper use of funds for education. For the elaboration of the plan, the cooperative takes into consideration the strategic plan of the organisation, a joint meeting of the supporting committees is held, the Human Resources Department is responsible for managers and staff. What has been done the previous year is considered. The expressed procedure demonstrates an attention to previous decisions and place in the strategic plan. At the same time, it demonstrates a concern for the tiers.

Regarding compliance, these cooperative members are optimistic, because they ensure that almost all that was planned is implemented (95%).

Regarding the results of the plan, they say that when the producer members sell their products, they are more interested and more active; employees show more professionalism, managers make better resolutions.

This organisation shows enough dynamism in the development, implementation and monitoring of the educational plan. There is an intention to reach every tier; though they speak of a single general plan that does not include all the necessary areas of the plan. This cooperative has several positive aspects, which can focus the plan in a more effective way with the help of education professionals.

Case 4: Credit union

It is located in the rural area. The objective of the plan is the economic,

social, and cultural development of the members. They intend to hold cooperative and general instruction courses as well as improve the knowledge in productive activities, empowering the members for the working world and spreading the cooperative movement.

As to the didactic strategies, they published the fulfilment of 85 workshops, 70 lectures, 7 contests, 4 meetings, 3 conferences, 6 community projects.

With regards to the content, the implemented plan is incomplete. The Annual Report indicates training courses on business issues, courses about the intercooperative agreement for prospective members. It presents a variety of training activities; also, its own school, courses under the Agreement, technical courses, courses on electoral issues, cooperative, personal development, professional development, and support to teachers. It has been verified that for members, it developed three of the six areas; for managers, the two proposed areas and two of the three for the employees.

With respect to evaluation, this cooperative implements levels 1, 2 and 3. The criteria considered are the training of teachers, and the member's interest, without measuring the level of learning of the participants. The Education Committee considers the percentage of members who can be reached, the percentage of the activities carried out according to the plan, the percentage of members who keep up with their social commitments. There is a written test in the technical courses. The result of the evaluation is, also, used to create a bank of suppliers.

As regards to the relevance of the educational plan, it is mentioned that there is no relationship with the ICA or CONPACCOOP; but there is with INCOOP and the Federation of Credit Unions (FECOAC). The Quality

Committee, the Education Committee, and the Regional Committees of Agencies participate in the diagnosis of needs. The result of the previous year is considered, and the Human Resources Department addresses the needs of the employees using another fund.

They believe that the fulfilment of the plan is satisfactory. They express greater involvement in the Assembly and implementation of technical courses; managers are favoured in their professional training, there is greater involvement of the members in the activities.

They show enough dynamism in the development, implementation and monitoring of the educational plan. There is an intention to reach every actor; despite this, they speak of a single general plan that does not include all the necessary areas of the plan. This cooperative has several positive aspects, which can focus the plan in a more effective, coherent and solid way with the help of education professionals.

Case 5: Production cooperative

This is located in the Central Chaco, and is one of the oldest of Paraguay.

The main goal is the improvement of the economic, social, cultural, and moral conditions. Informants mentioned that they look for the technical training of the members; the development of professional, social, economic, and personal competencies of the members, to become strong producers. Managers are expected to become competent administrators and managers, and to have trained employees. We can perceive a clear intention of what is expected from each tier. It is a cooperative that sets out its specific objectives. Regarding the teaching approach and strategies, the realisation of courses,

workshops, talks, meetings, and Youth Day, are generally publicized.

In terms of content, the plan implemented by this cooperative is incomplete. The Education Committee is responsible for carrying out education activities. The areas are courses for members' admission, members training, and youth day; informants indicate that they are economic, social, cultural, labour, and administrative. Among the activities are livestock and farm management, travel to other countries, health, economy, production, for producers. Customer attention, internal rules, teamwork, among others for employees. In comparison with the areas of the proposed plan, it is verified that three areas of the six are implemented; the two proposed at directors and at employees, two of the three.

The evaluation is carried out at levels 1, 2, 3 and 5. The criteria considered are participation, learning, application, and implementation. For employees, their performance is considered. For new members, there is a written exam. An evaluation form is used for the activities, also involving the Board of Directors, the Supervisory Board and the Management Board.

With respect to the relevance of the educational plan, the directors of the organisation said that they follow the recommendation of both the ICA and CONPACCOOP, they consider the standards of INCOOP and receive the support of the Federation of Cooperatives of Productivos (FECOPROD). In drawing up the plan, the Budget Committee sends the proposals to the Board of Directors and the General Manager. The opinion of the tiers is collected.

As to compliance, the informants express that they do what is necessary without wasting resources or time.

The results expressed by informants are: the organisation improves on care, behaviour, attitudes and the integration of the various departments. Members demonstrate improvement in production, prevention, and administrative activities. Managers improve leadership, audit, the implementation of the strategic plan; there is greater understanding between employees and management.

There is enough dynamism in the development, implementation and monitoring of the educational plan. Regarding the objectives, they perceive a clear vision of what they want with the educational plan. As to the scope, there is an intention to reach all actors, though they speak of a single general plan that does not include all the necessary areas of the three actors. This cooperative has an adequate definition of objectives and the will to carry out its plan; it is evident that with the assistance of education professionals it can focus more in an effective, consistent and solid plan.

Case 6: Production cooperative

Located in Itapúa, it is one of the oldest in Paraguay. The main objective is the social and economic improvement of its components and the community. Informants mentioned that the objective is to have trained employees for their work, improve the income of the members, general training for the members' wives, and specific training to coordinators and leaders.

With reference to strategies, 43 meetings with zonal coordinators, 6 meetings with coordinators, workshops, educational tour to the Paraguayan Chaco, the Cooperative Youth Conference, Cooperative Rural Network of Youth Conference, assistance to 158-producer members, field days and demonstration plots. For employees there are 86 workshops.

With regard to the contents, the implemented plan of this cooperative is incomplete. The bylaws indicate that it seeks to develop education courses on the cooperative movement, and educational work of social extension. The Annual Report details social and educational services, with a lecture for new members, zonal meetings, educational tours to cooperatives, and the international youth meeting. Informants added the recovery of the environment; agricultural technical assistance; legal, technical, and administrative issues, with the coordinators, leaders, collaborators. Among the members five of six areas are developed; two areas are developed between managers; and for employees, with regard to the evaluation, the cooperative fulfils levels 1, 2 and 5. The criteria are the interest of participants, quantity, and the satisfaction thereof. The evaluation form is used; those responsible for the programme refer to the Education Committee, which forwards its report to the Board of Directors and the Board of Vigilance.

Concerning the relevance of the plan, informants express that they do not follow any recommendation of the ICA but they do follow recommendation of national organisations, in particular from the FECOPROD. With regard to diagnosis, members ask topics, coordinators suggest, and the time of year is considered. The Education Committee prepares the plan.

As to compliance, the members are very optimistic: almost the entire plan (95%) is implemented and every six months an evaluation is performed.

The results vary: members demonstrate very good participation, managers gain in credibility; the employees grow in respect, companionship, and

participation in the tours organised by the Education Committee.

There is enough dynamism in terms of the education plan. With regard to the objectives, an interesting view is perceived about what is desired for each tier. There is the intention to cover all.

tiers; despite this, they speak of a single general plan that does not include all the necessary areas of the three tiers. This cooperative has a definition of objectives for levels of the organisation, they have the will to carry out the plan; with the assistance of education professionals they can focus on a more effective plan.

Conclusions

A first observation is that the plans' objectives are generic, without adjustments to the actors, with difficulties getting the results expected for the members. However, better results can be obtained with adapted objectives.

On the other hand, the contents denote some vagueness in the areas of the plans. The range in each plan is limited. One of the coincidences is the area of education and training of managers and employees, with the plan specification in some of them; the professional development of employment within the producers' cooperatives and the technical courses in some of the credit unions.

With reference to the strategies used, in the producer type, there exists a predominance of the participatory method using the workshop technique, with both producer members and employees; there are technical meetings with the zonal coordinators, youth leaders, coordinators, and employees; with a greater possibility of learning. A great *number* of actions is implemented in credit unions; but the higher percentage (66%) goes to lectures, with greater protagonism or role of trainers or teachers, with less possibility of obtaining the desired knowledge.

Evaluation is conducted for each concluded activity, as well as a general evaluation of the implemented plan. The Education Committee performs an evaluation, with criteria such as number of participants, interest thereof, members' management of the use of the services, performance in the member's production, performance of employees in their administrative work, satisfaction with the issues dealt with, implementation of the POA. For each activity, the opinion of the participants is requested about their perception towards the activity carried out, and the knowledge demonstrated by the instructor, among other things. A written evaluation is only used in technical courses, or in the course of admission of new members (in production type).

When considering the proposal of the education plan, it is possible to establish the implementation of level 1, the degree of satisfaction; level 2, assessment of various aspects of a training action. There are no level 3 of assessment by participants of what was learned; level 4 of readjustment of a training action, in order to improve or maintain a particular action; level 5 of assessment of the real use of the acquired learning, although this is mentioned in a mild form, and level 6 of the impact of the training action on certain aspects of the social reality, less implemented in these cooperatives.

As to the pertinence of the developed plan to the educational planned plan, these cooperatives identified needs and to a lesser extent the orientations of the ICA, CONPACCOOP and INCOOP. The diagnosis of needs was made prior to the development

of the plan. That process is participatory and dynamic in these organisations. The criteria considered are not many. The qualification of the level of the plan's compliance given by the organisations is excellent: the annual plan, the activities and the budget are all met.

With respect to the fulfilment of the plan we observe that the concern of these cooperatives is primarily formal, because they consider the fulfilling of the general plan an obligation, as they should use the education fund in accordance with the budget, with consequent actions. As far as the teaching aspects are concerned, such as the objectives of the plan, the use of these activities by participants, the impact of the plan on the organisations themselves or the communities of the environment, these are not disseminated.

With the implementation of the instrument for assessment, it is possible to have summarised data. This data refers to the number of check marks of each cooperative separately, showing the **difference** between them: two organisations with a rating of **Medium consistency** (case 4, with 12 appearances, and case 6, with 11 appearances); two organisations with **Low consistency** (case 2, with 10 appearances, and case 5, also with 10 appearances), and two organisations with the qualification **Without consistency** (cases 1 and 3, both with 5 appearances). On average, the level is **Low**.

In summary, it is confirmed that the cooperatives that had taken part in the study do develop their own plans, follow the procedures and execute them with great dedication. However, considering the weaknesses of having very general objectives, unclear areas, strategies with a predominance of protagonism by teachers or facilitators, weak evaluation, we conclude that the level of strength of cooperative education plans is low.

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Notes

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3. This work is called "Educación Cooperativa en el Paraguay. Sistema de Formación Cooperativa Enfocado a Dirigentes y Funcionarios de la Cooperativa "Ypacara" Ltda".
4. National Constitution of the Republic of Paraguay (Asunción, art. 113).
5. Legislative Power, Law 438/94 (Asunción, art. 4, inc. f).
6. Legislative Power, Law 438/94 (Asunción, artículo 106).

Contribution to the Study of Local Cooperatives Based on Practices of Long-standing Cooperatives in Colombia¹

Juan Fernando Álvarez

Abstract

With the objective of identifying lessons from long-lasting cooperatives in Colombia, a process of organisational identification has been developed, concerning their strengths, weaknesses and good practices. These elements are useful to reflect upon the nature of cooperative impact.

After identifying lessons from nine existing Colombian cooperatives, established between 1937 and 1942, we can find elements to confirm that survival has been the outcome of a process of learning that emphasises participation in management and concrete results regarding satisfaction of needs. These elements stem from their structure as associations. When one looks to linking this with the recognition of socio-economic impact, there are limits in terms of time and information that correspond to the sphere of the enterprise.

We check these elements in the vision underpinning the cooperatives, proposing that their enterprise results are just the peak of the iceberg, which unfolds in subjective components of organisational learning in determined territories. With these findings, we can conclude that, by identifying the history, objectives and specificity of cooperatives, impact measurement makes sense. This allows the measurement of their impact within the framework of social utility, common good, and sustainability.

Key words: local impact, cooperatives, organisational learning, common good

1. Introduction

Cooperative organisations promote their capacity to influence territorial development, strengthen economic democratisation, satisfy urgent social needs, make community social capital dynamic and mitigate market failure, based on their particular way of management and the freewill of sharing according to principles that are socially responsible. However, the fact of having the capacity to generate changes, add value or improve conditions, doesn't imply necessarily an action on the matter. The regular practices, the fulfilment of identity and the generation of satisfiers should be verified in organisations (Álvarez, 2016).

The gap between capacities and results will be closed when cooperatives recognise the logic of their practices and the magnitude of their actions. This calls for identification exercises, evaluation and analysis to know more about these organisations.

However, the reluctance to perform actions conducive to standardisation of data collection that may make it comparable, and the difficulty of generating a suitable theoretical and practical corpus, dents the evaluation of cooperatives' impact, related to their identity and practice. The main challenge, therefore, is to co-construct an instrument to measure social impact by the classical academia together with the public authorities and the actors of the social economy (Europe, 2013).

The current notes presenting the results obtained from the survey of nine long-lasting cooperatives contribute to studies on the impact of cooperatives. The objective is to identify learnt lessons from long-lasting cooperatives in Colombia.

The completed study has elements to highlight that the focus on local impact is an approximation to cooperative impact. This gives useful information to optimise the study of cooperatives' impact.

The article starts with the methodological description of the study, followed by a short reference to the two principal tendencies in the evaluation of impact and the analysis of learned lessons from the long-lasting cooperatives of Colombia. Finally, it presents the conclusions.

2. Methodology

The study set out from the following hypothesis: by distinguishing the history, milestones and specificity of long-lasting cooperatives, impact measurement makes sense.

The first step was to identify the long-lasting cooperatives. To this effect, a process was established starting with the selection of historical documents on the first cooperatives in Colombia, experts and leading promoters were interviewed, and a national announcement was made to find the most long-lasting cooperatives of the country, which at the beginning required the validation of documents of their incorporation and the verification of current activity and reporting to the Chamber of Commerce in 2015. In this exercise, 22 cooperatives were identified as being founded between 1932 and 1945.

Inspired by ideas of Birchall, Bastidas and Davila, and with the participation of jurist Alberto Garcia Muller, historian Hernando Zabala and educator Crescencio Orrego, a survey with open questions was designed to systematise the reasons behind cooperative durability. The survey was to identify subjective aspects of the organisations, by providing explanatory answers or at least considering or suggesting strengths, weakness and good practices (Appendix).² Out of the 22 cooperatives, just nine of them managed to provide the incorporation documents, prove current activity and answer the proposed survey.

A celebratory event was organised with these nine cooperatives, identified as the oldest registered ones in Colombia (one of them with 67 years of uninterrupted life), during which there was a participant panel with expert representatives of each cooperative (leaders or founders), and a video showing the selected experiences (available at <https://www.youtube.com/watch?v=AhwvMZcfH1U>).

Different methods were assessed, leading to the identification of cooperatives, the analysis of strengths, weaknesses, good practices and, finally, the application of studies of cooperative impact. With these elements, findings were identified followed by the analysis of results and conclusions.

The obtained product had as characteristic the analysis of cases under the notion that generate “signals” and learning about permanence, incidence, good practices and the management based on the cooperative identity. This information allowed investigation about subjective aspects of businesses and the organisational nature of cooperatives under study, serving as a proximity to the study of cooperative impact.

3. Long-lasting Cooperatives’ Lessons

Once longest-lasting organisations had been identified, questions came up: why have these organisations survived? We looked for authors who relate cooperative incidence, management and good practices, identifying three: Birchall and Ketillson 2009, Bastidas 2010 and Dávila 2013.

While Birchall and Ketillson believe that cooperatives survive more than another type of organisations due to their community engagement, which

includes putting into effect innovative strategies of permanence in local markets; for Bastidas capital globalisation, their strategies of maximisation and the immediate intervention of certain governments, generate growing tensions that cooperatives can only face if they are capable of adapting to the changes from the local standpoint as counterweight; and for Dávila, management practices, as the social practices that they are, have the potential of creating management knowledge (Dávila, 2013, p. 2).

Therefore, the study of long-time existing cooperatives has the capacity to rebuild their lived experience, take advantage of the information not yet systematised and provide elements that allow more knowledge about the cooperative specificity, to retrace certain notions and to optimise the function of promotion and practices of state agencies.

In the Colombian case, we should briefly recall the historical framework in which cooperatives have been incorporated. Some emerged with state financing, some with their own resources, some with the support of international aid, church organisations, NGOs, academic centres and others with the support of international associations. These experiences have contributed to the consolidation of organisations that today are part of the solidarity sector, so that public policy directed to the social and solidarity economy (and particularly to cooperatives) have in Colombia, 85 years with the following common patterns:

1. Disarticulation between policies of promotion and of supervision.
2. Instrumentalisation of organisations.
3. Fragmented treatment.
4. Changes in institutions after each government change.

This is mentioned because there is evidence of historical instrumentalisation of cooperatives (Álvarez, 2016) that:

- has generated expensive structures of supervision, incomprehension of the organisations' logic and regulation trends that assimilates them with capitalist companies.
- The value of titles and contents generate cognitive dissonance that makes invisible the identity of a sector with their own characteristics. This is the case of main denominations that run in parallel in Latin America: social and solidarity economy and non-profit entities.
- The measures of promotion already put in place do not correspond with those of supervision. So, promotion and supervision policies follow different paths, overlapping each other.

Besides, these organisations have been active in contexts of lasting armed conflict, at least in the last historical phase, for six decades. This context has generated disincentives for cooperation, distrust between members and transactional costs that diminish the organisational sustainability.

Presently, there are references to the promotion of cooperatives in the National Plan of Development, the Agreement between the FARC and the National Government to end the conflict, and in the broad institutional regulation on the solidarity economy in the Constitution, laws and decrees that allow for its development.

Thus, the cooperatives under study have survived and allow us to unveil what they have learnt. To that effect, the possibility of armed groups co-opting cooperatives is not addressed here, nor is any possible impact stemming from civil resistance to the environment in which they had to act, but the focus remains on internal factors constituted by obstacles or enhancers of their development.

The analysed cooperatives have an average of 75 years of existence but their dimension doesn't locate them in the ranking of the largest cooperatives, neither by the number of members nor by their financial indicators.³ Their economic activities are diverse: savings and credit (4 cases), production (2 cases), transportation (2 cases), housing (1 case). The economic aggregate numbers in terms of assets, and number of members and employees are presented in Table 1.⁴

Cooperative Name	Years of existence	Location	Assets (in million pesos)	Number of members	Number of employees	
Cooperative Ovina de Marulanda	78	Caldas	995	216	10	
COOTRAMED	77	Antioquia	24,696	8,898	65	
COOTRAEMCALI	77	Valle del Cauca	57,055	4,471	40	
FEBOR	77	Bogotá D.C.	84,967	4,500	41	
COOPANELAS	76	Santander	1,021	27	6	
COOPETRANS-Tuluá	73	Valle del Cauca	5,401	115	205	
COOTRANSHUILA	73	Huila	31,941	490	47	
COOMULCAR	73	Tolima	2,183	65	2	
COOPCARVAJAL	72	Valle del Cauca	67,434	6,568	53	
Average			75	30,633	2,817	52

Table 1: Main figures from selected cooperatives, 2015

Source: Elaboration based on reports of (SUPERSOLIDARIA, 2015)

Why, despite these cooperatives' age, do none of them appear in the ranking of main cooperatives in the country according to assets and membership? After comparing these cooperatives with the national average, we observe a relationship between the number of members and workers and between the financial dimension and well-being they

attempt to transfer to their members, which can be initially assumed as trends that later will be analysed with the help of the questionnaire and the focal expert group. In Table 2 there is a comparison between the long-lasting cooperatives and averages of the Colombian cooperative movement.

Enterprise segment	% of Enterprises according to assets		Number of workers		Number of members	
	National average	Classification of cooperatives under study	National average	Classification of cooperatives under study	National average	Classification of cooperatives under study
Microenterprise (assets up to 500 s.m.l.v and up to 10 workers) ⁵	77.5%	-	12	-	342	-
Small company (assets up to 5,000 s.m.l.v and between 11 and 50 workers)	17.6%	33.3% ⁶	108	6	1,657	102
Medium company (assets up to 30,000 s.m.l.v and between 51 and 200 workers)	3.9%	22.2% ⁷	285	120	10,003	4,506
Big company (assets from 30,001 s.m.l.v and more than 200 workers)	1%	44.5% ⁸	2,200	45	49,953	4,007

Table 2: Comparison between long-lasting cooperatives and Colombian cooperatives. S.m.l.v. means Statutory minimum wages (in Spanish *salarios legales mínimos vigentes*).

Source: Own elaboration based on reports of (SUPERSOLIDARIA, 2015) and (CONFECOOP, 2015).

From the analysis of Tables 1 and 2 we observe the following trends:

Optimal size. While 95.1% of country's cooperatives are in the segment of micro and small enterprises, in this category we find 33.3% of cooperatives under study. Likewise, at the national level, a little less than 5% are medium and large enterprises, almost 67% of cooperatives under study fall in the categories of medium and large enterprises.

Labour efficiency is required. The number of workers in a cooperative can or cannot serve as an engine for its business activity. It is evident there is an important gap in the numbers of workers between the national average and the cooperatives under study. The 77.5% average at national level of small cooperatives shows the big labour load of hundreds of worker cooperatives constituted in an instrumental way, which in some cases may make the generation of economies of scale that allow for business growth difficult. In the small enterprises segment, the cooperatives under study show a number of employees 18 times lower than the national average. In this group, we can find the only two cooperatives of producers.

As for medium enterprises, the proportion for each cooperative under study indicates one employee, while the average in the average Colombian cooperative is 2.3 employees.

When we talk about large enterprises the difference is large: for each employee in the cooperatives under study there are about 49 employees in the national average for large cooperative enterprise. We should warn that the gap between large enterprises is enormous. In fact, the cooperatives under study would be in the inferior rank of large enterprises and the number of employees could classify as medium enterprises. However, even though the number of employees may be small, these enterprises can achieve a

large financial dimension in the context of the present economy of services and with an important specialisation.

There are signs indicating that the longstanding cooperatives maintain in their structure an employee's payroll according to the dimension of their activity. This goes opposite to arguments that the object of cooperatives is to generate jobs, and induces the rethinking of the efficiency evaluation of these organisations by the organism of supervision and control of Colombian State (Álvarez & Garcia, 2013), since when measured by number of new jobs, numbers can be erratic. If we take into consideration the participation of these in the enterprises in the national GDP, the idea that cooperatives can considerably reduce unemployment is without doubt a little rigorous. Thus, the accent on cooperatives is not due to the quantitative dimension of employment, but to the social responsibility of their practices from the point of view of quality, what we call in the literature "decent work".

The membership optimum. The membership of cooperatives grows at exponential rate between each type of company. From micro to small company the number of members grows 4.8 times; from small to medium company 6 times and from medium to large company almost 5 times. This growth suggests that the financial dimension of enterprises is possible largely due to economies of scale reached in the offer of goods and services.

On the contrary, in the studied enterprises, the number of members is clearly smaller than the national average in each company segment. In the segment of small enterprises, where most producer cooperatives are, there are few members, coherent with the argument presented in previous findings. In the segment of medium enterprises, the predominance of cooperatives of savings and credit and the pair of transport cooperatives

show that the former ones acquired economic efficiency through scale and, that the latter ones achieved economies of coverage after having an important number of members who, among other things, must invest collectively large amounts in the acquisition of expensive means of production. In the case of the large enterprise segment, cooperatives do not seek an exponential growth of membership, but to optimise the efficiency in the provision of services, for the number of members suggest that they are not looking to massively attract new members nor expand into new markets, but to deepen those on which they can build new services for their members.

Once the selected cooperatives have been contextualised, it is possible to offer a brief revision of approaches to evaluate cooperative impact and the relationship between impact and organisational specificity that makes a cooperative an enterprise on the one hand and on the other an association. To this purpose, section 5 presents the findings, after the questionnaire in the Appendix and the analysis of the panel of experts representing each of the nine cooperatives.

4. Brief Review of Approaches to Evaluate the Cooperative Impact and its Relationship with the Double Dimension

The evaluation of cooperative impact has received increasing attention in the literature. While, in the context of enterprises of capital, there are different interpretations about what to measure in matters of impact, when we talk about cooperatives, the discussion is more intense and suggests the existence of two main approaches which are hard to reconcile.

First focus: for the authors such as (Crutchfield & McLeod Grant, 2008) and (Cohen & Franco, 2006), the impact should be to do with the measurement of magnitudes of change caused by a certain activity (or project). The change that usually interests economists is income as a measure of approximation of wellbeing and, for this, a fundamental matter lies in monetary calculations of cooperative activity in the GDP, by estimating the magnitudes of income and generated costs.

The nature of this approach brings together many orthodox economists and allows an approximation to the contribution of cooperatives in macro-economic terms, especially in their dimension as enterprises generating income. Under this approach, it has been possible to evaluate the cooperative impact in terms of contributions within the national accounts, developing satellite accounts that improve the recollection of information (Diaz & Marcuello, 2012), with exercises to estimate employment generation.

In Colombia, Arango and others (Arango et al., 2005) have followed this approach, without reaching monetary estimates due to the absence of information, highlighting in the effort that:

- Sustainability and productivity of the sector should be measured due to concerns about efficiency and efficacy.
- The creation of social capital is less than other types of associative schemes.
- The structure of fiscal incentives should be reviewed because they may constitute a threat to the sector itself if weakening its independence.

On the other side, their study recognises the cooperative impact at the local level of financial cooperatives and there is significant qualitative evidence about their effectiveness in low income communities.

The authors conclude there is a need of a system of indicators to measure the impact in three variables: addressing market failures, local development and building social capital, aspects that are naturally left aside in the quantitative approach and are part of the heterodox one.

Finally, in April 2015, the creation of a system of national accounts for the cooperative sector was announced by the Centre of Cooperative Studies CENICOOP, led by Miguel Angel Alarcon,¹ which would approve the plans of the various national superintendence authorities, according to sector economic activity in the International Standard Industrial Classification (ISIC). However, the correspondent study is yet to be done.

On the other hand, the research on monetary aggregates have led to proposals based on individual results of cooperatives using cost-benefit analysis such as SROI (Narrillos, 2012). In Colombia, authors such as Álvarez, Castillo, Rodriguez, Andrade, Hernandez and Castañeda, have presented proposals in this same line, without obtaining significant samples (Álvarez, & Blanco, 2014).

The restriction, under this approach, lies in the inexistence of trustworthy sources of information. For Deaton (2015), the absence of data to measure is a scandal that has yet to be adequately approached. This is due to the lack of a unique plan of social accounts that could collect and add up the total of cooperative contributions, but especially in the impossibility to presume that income growth is a good indicator for cooperative impact (Stiglitz & Greenwald, 2015).

Second approach: Kahneman and Tversky (2000) explain that the traditional evaluation of impact creates the *illusion of focalisation* by assuming that wellbeing and impact can be expressed enough through income growth. From there on, it is necessary that every impact is

calculated, under the economic tradition, based on the belief that greater income leads to buying goods that satisfy needs and generate wellbeing.

For other authors (Gadrey, 2006; Felber, 2012; and Rojas, 2014), the measurement of impact from variables such as GDP is not able to identify the magnitude of the impact of a cooperative that is related to the common good, the social utility and the wellbeing and happiness of large groups of interests. Therefore, the measurement strategy through the monetisation of variables is not a way to identify the dimensions of cooperative impact.

New initiatives go in the same direction, such as the one proposed by Pope Francis who, in his *Laudato Si*, postulates that the greatest growth, if not accompanied by authentic social and moral progress, may turn against human beings. His call to incorporate human development measures into regular economic measurements, goes hand in hand with the proposals by alternative economists who raise the concept of 'circular economy' as a pattern to ensure production and resources for current and future generations. Also, under this approach, we can include tools such as the Global Reporting Initiative that serve as a point of departure to report on the fulfilment of corporate social responsibility and the triple bottom line, constituting an approach in which value is conceived integrally, with social, environmental and economic dimensions.

This approach is built on the identification of contributions to the local and, thus, the evaluative accent is placed upon the associative organisation. Under this approach, the most widely used technique has been the social balance. Several authors (Mugarra, 1998; Novkovic, 2011; Lafleur & Merrien, n.d.; and Gallardo-Vásquez et al., 2014) have applied this approach by studying the compliance with the cooperative identity, providing building steps for future methods of measurement.

5. Findings

Two types of findings are presented: first, the ones from the inquiry into strengths, weaknesses and good practices and analysis of questionnaire in the Appendix; second, the ones by the expert panel with nine cooperatives.

With respect to the former, incubation of cooperative ventures is flexible:

- Promotion by State representatives: in two of the nine cases, cooperatives were incubated by state officials, none of whom were in direct contact with the agencies of promotion and supervision of the time: one was a representative from the Bank of the Republic, the other from a national education entity.
- Promotion by trade unions and workers in the public sector: in two of the nine cases, cooperatives were promoted by public officials with the support of municipal authorities.
- Promotion by an association of producers: in one case, the cooperative was incubated by the agricultural society.
- Promotions by transporters: in two of the nine cases.
- Promotion by church members: in one case, the cooperative was promoted by a church leader, the priest Francisco Javier Mejia (who, in the history, is recognised as one of the most active promoters in the beginning of *cooperativism*).
- Promotion by capitalist businessmen: one case.

According to the context, at that time of cooperative incubation, there were two fundamental characteristics:

- A context of important market and State failures: this happened in six of the nine cases.

- A context for taking advantage of market opportunities: this happened in three of the nine cases.

In terms of historical milestones, there are three types of situations:

- One in which the cooperative faces difficulties for its internal organisation and where the classic steps of enterprise growth are clearly visible: birth, growth and decline.
- One in which the cooperative faces difficulties in facing market competition, where there are clear problems in organisational competitiveness and threats in terms of membership.
- One in which the cooperative has slow growth with little impact from external events that may affect it, because it has become closed to its own members (which does not correspond to cooperative principles).

In terms of the equitable distribution of benefits that are generated to its members there are two situations:

Constant adaptation to the growing and changing needs of the members.

- Exhaustion of the social mission due to the limited variation of new activities.

In terms of internal and/or external strengths which cooperatives have counted on to overcome conflict, there is no clear identification. Similarly, it is difficult to identify the moments in which cooperatives accomplished the highest levels of cohesion among members (with a couple of exceptions, which signal the crisis' moments as the factor when cooperative linkages are strengthened).

In terms of implemented innovations there are two tendencies:

Innovation in producer cooperatives tends towards the achievement of better positioning of its products, but with few benefits for the group of members and workers.

Innovations in service cooperatives are oriented to the assimilation of market practices, rarely acting in a decisive way in relation to community innovation, environment optimisation or other aspects that belong to the cooperative doctrine.

In terms of leaders' skills, or of generational replacement, little was mentioned, even when both are underlined as an important need, depending on the context along the cooperatives' history.

In terms of the strategies of survival, in times of adversity, there is a tendency to:

- Emphasise financial rationalisation and membership concentration.
- Emphasise organisational resistance and cooperative defence. The cooperatives that are service providers identify difficult moments stemming from state intervention; while producer cooperatives identify difficult moments stemming from aggressive commercial competition.

With respect to the findings of the expert panel with the nine cooperatives, representatives contributed with lessons they have learnt. Participants were asked three questions, after some initial affirmations that were meant to rally reactions, and which experts had the opportunity to read ahead of the panel.

Rallying questions and resulting responses are synthesised here:

1. *It is said that cooperatives are created in times of crisis with the support of a few dreamers, but with time this dynamic is lost, bringing about a long litany that*

anticipates its change in nature. Its permanence will teach us a lot in this regard. Identify three learning moments in your evolution that can be a teaching for the Colombian cooperative movement.

- Self-management: when the cooperative grows, members lose interest in self-management, and solving this is fundamental. Building members' consciousness about cooperative self-management and education is a useful tool in this regard.
- Principles' fulfilment: this generates trust, stability and development for members.
- Satisfy members' expectations: members' expectations grow and change and the cooperative must be up to date with the new demands and generate organisational flexibility. For this, to satisfy the members' expectations is the best strategy for permanency in the context of permanent crisis (like in agriculture).
- Recognition: the participation of long-standing members, together with the progressive professionalisation of leaders and the families' inclusion, generates loyalty that constitutes a heritage for cooperative governability, to maintain the business objectives.
- Identity spaces: it is possible to incubate cooperation actions if there are promoting leaders, together with the government, to spur economic and cultural conditions for local development. This creates a symbolic linkage that allows for the deploying of voluntary efforts and loyalty that, in the end, is repaid community and economy wise.
- Participation: regular meeting and the creation of speedy mechanisms for participation contributes to the

alignment of personal interests with the collective ones, to the point where the latter identify the managerial endeavour.

2. *We are at an historical crossroads. The country debates democratically the construction of a nation's model where disagreement, social inclusion, and the democracy in all its expressions are allowed. A nation's project with underlying principles very similar to those of cooperatives. The latter have had to respond to them throughout history. Mention three adverse past situations, from which we can learn what should not be allowed in a context of post-agreement if we want them to last in the long run.*

- It should not be allowed that the organisation exhausts its offer in generating wellbeing for its members, or that there is entrepreneurial stagnation that “unlinks” from local problems, or that the organisation forgets either its role as enterprise or its responsibility as agent of innovation and development.
- The loss of organisational purpose through a detour due to conjunctural decisions that conflict with cooperative principles should not be allowed, the continuous exercise of power, or restriction of the members' capacity to disagree and participate.

3. *If you were the person in charge of monitoring and evaluating the impact of cooperative enterprises, which criteria would you use to measure it?*

- There are indicators of a quantitative nature such as the contribution that cooperatives make to GDP, to formal public education, to employment creation, and to provide access to credit and savings among others, which form the first benchmarks; yet, the cooperative contribution has a larger dimension that in our experience is not usually calculated.
- The creation of conditions to live in fullness, such as access to a decent living place, education, health, recreation, welfare, makes part of the cooperative aggregate value and are indicators of quality of life and human development.
- Access to a decent job, democratic participation, concern and action for the community, access to the land and collective action for social inclusion, are factors promoting capacities that improve the community social capital.
- The effect on the country if cooperatives didn't exist should be known. Would markets be more democratic with a unique capitalist company practice? To know the situation of a certain territory without the presence of any cooperatives would be a factor of impact measurement.

These proposals are integrated in Figure 2, between traditional conceptions of impact evaluation, the sphere of specificity of cooperatives, and a comparative focus.

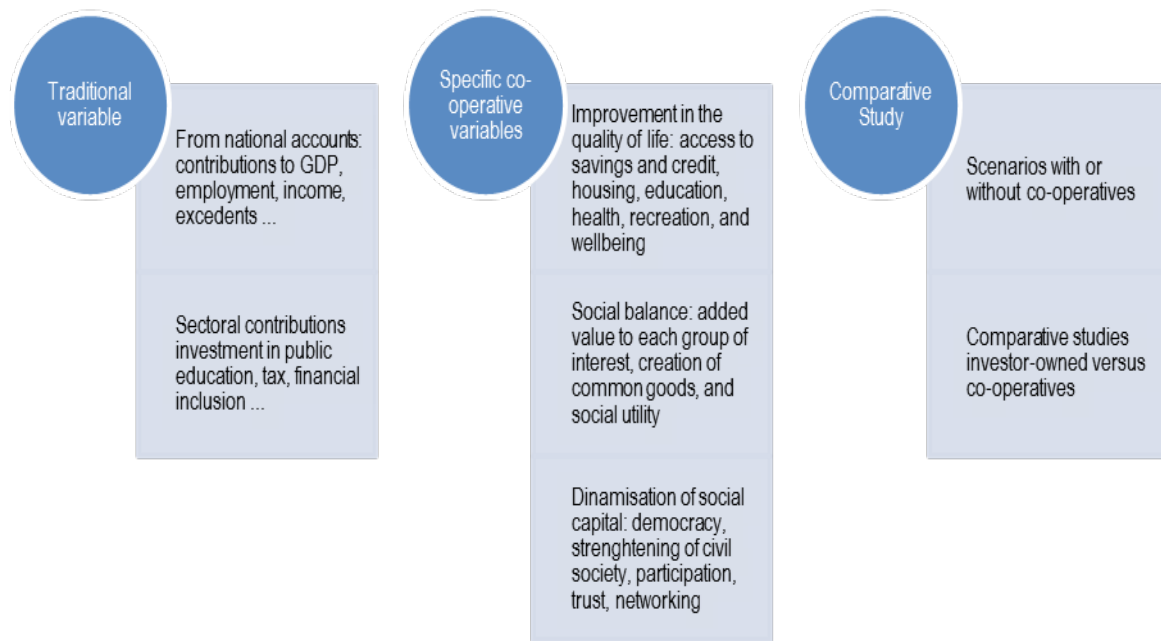


Figure 2: Proposal to approach impact studies of cooperatives
Source: Own elaboration

To measure variables specific to cooperatives, it will be necessary to construct indicators that generate a baseline with the needs of the different stakeholders in the cooperative; the identifying of transfers made in terms of coverage, quality and opportunity, and indicators that grasp the contribution and generated conditions for the cooperative to improve the social capital in its local area of development. The technical problem lies in guaranteeing that cooperatives calculate these contributions by themselves, without including benefits resulting from other organisations' actions or other social dynamics.

For this, the evaluation of scenarios with or without cooperatives could help in specifying which indicators are attributable as organisational results. Once these logics are grasped, it will be possible to come up with an integral aggregate that combines contributions in the form of transfers, generation of externalities, and contributions to the general interest, together with the traditional indicators. Thus, a result that integrally measures the impact of the organisations in a geographic area.

6. Conclusions

The evaluation of cooperatives' impact must contemplate, besides the traditional variables such as income, jobs, contributions to the formal education and social investment, the generation of social utility, common goods, and sustainability, among others. These elements frame the cooperative contribution which, given its qualitative character and local specificity, generates recurrent invisibility of the organisations' actions.

Impact should be measured from another standpoint. This analysis proceeds from the study of characteristics from a set of long-lasting cooperatives, with the goal of finding the reasons for their permanence. During the research, it was possible to find historical information, identify organisational milestones and operational strategies that give an idea about the relationship of cooperatives with their environment, the benefit that creates to its stakeholders and why they manage growth. Such elements are useful to generate a baseline (t time) before considering a traditional measurement. This takes us to the proposal that impact evaluation requires a preliminary study of the organisations' history, its specificity, and local actions. After this, the classic variables of income, employment, and social investment acquire meaning and its results interpreted in a more rigorous form as a period t+1.

Specifically, the national longest-lasting cooperatives' strengths, weaknesses and good practices suggest that:

- They have managed to survive through a learning process that privileges participative exercises and concrete results in satisfying the needs of their members. This coincides with (Stiglitz & Greenwald, 2015) with respect to the increase of levels of life more related to learning than to allocative efficiency.
- These characteristics stem from their structure of *associative organisation*, configure their good practices and have important linkages with the cooperative principles, social inclusion, and the strengthening of civil society.
- However, when we look to link the above with the necessary information to generate a baseline to identify socioeconomic impact such as GDP, employment, and financial growth, there are limitations in time and data that corresponds to the sphere of the *enterprise* proper. This makes it difficult to evaluate it as an enterprise and leads to one of the biggest challenges to the traditional valuation usually established for this type of enterprise.
- The analysis of the longest-lasting cooperatives provides us with good practices with respect to the sphere of its associative organisation; but the business actions do not reveal an exceptional behaviour compared to other enterprises, even though they report changes and significant contributions, which are not measurable in economic terms, to the local environment.

So, we suggest rethinking the idea according to which business results are important indicators of cooperative impact since, in fact, cooperative impact induces subjective organisational learning in certain territories.

With respect to the applied tools, we suggest the need for re-thinking impact evaluation as a process of co-construction in which qualitative and quantitative baselines should be set,

currently something difficult to do. However, when referring to history and practices, the tool to detect good practices collected useful information, offering more knowledge about the organisations' origins, organisational milestones, strategies, and results. The results by themselves do not talk, contrary to what traditional evaluation may affirm, because the latter does not value cooperative specificity.

The findings show that cooperatives shouldn't be valued only for their earnings given that strategies are not intended for maximisation. Institutional capital comes along for the service of members, requiring its own evaluation to contrast it with transfers stakeholders perceive.

Even if, in cooperative life, there are moments of growth through scale economies, there is no evidence of effect on organisational development, in terms of maximum satisfaction of stakeholders (associated members or other community actors). We do have evidence, on the contrary, that the strategy to extend coverage is not important in the selected cases, since these cooperatives are looking to highlight their impact locally (defined by geography or a symbolic group). Thus, employee numbers and their growth do not end up being indicators of cooperative impact. All indicates the need to focus on their local contribution to wellbeing, the social utility of their goods and services, and impact expansion within the community after ascertaining the generation of common goods.

When analyses of cooperatives are combined with the existing theoretical dichotomy of what to measure when we talk about impact, we conclude by proposing criteria of treatment in agreement with the heterodox view of cooperative impact that allows identification and then measurement of key elements of cooperative contributions. It is about evaluating impact by detecting, distinguishing and valuing the contribution of cooperatives, which, after time, produces a comprehensive process to the benefit of human beings, not suitably gauged by enterprise indicators built to assess monetary value to the service of capital.

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Appendix

Preliminary Questionnaire

HYPOTHESIS	QUESTION
The undertaking responds to several factors: needs, opportunities, promotion, among others. And its success is measured by their achievement.	1. What was the reason for creating your cooperative in this territory? 2. What conditions were present in the territory at the moment of the cooperative's creation?
In an organisation's development, there are stages: beginning, growth, development, decline and resilience.	3. Which milestones or historical moments have been most important in the cooperative's development?
There are leaders that invariably remain in the organisation. It can be an indicator for agency problems or represent a characteristic of these organisations.	4. Who or which organisations influence the development of your cooperative?
There is the need for stronger forms of human solidarity at the national and international levels to facilitate an equitable distribution of the benefits from globalisation.	5. How are cooperative benefits created for its members?
Every organisation in a an active entity that is selfstanding. This generates local solutions inducing the strengthening of its social capital.	6. Which internal and/or external strengths have been key to overcome moments of conflict?
In organisational life, there are actions that generate higher levels of social cohesion.	7. When has the cooperative reached the highest levels of cohesion among its members?
The impact of solidarity organisations is measured by their capacity for social innovation in the economic, cultural and technologic spheres.	8. What innovations have been implemented in the organisation from the beginning? Comment on the most important ones.
Leadership is a fundamental factor in the development of organisations. Orthodox skills and solidarity abilities are linked.	9. Which are the skills among leaders of the cooperative that can be associated with the permanence of organisation?
There is enterprise history influenced by the work done by certain people. Enterprise sustainability is guaranteed to the extent that those people manage their replacement well.	10. How does the cooperative prepare for leadership change?
Cooperatives are more resilient and survive better in adverse contexts compared to other entrepreneurial formulas.	11. What survival strategies have been generated to overcome adversity in the cooperative?
Cooperatives, in their different forms, promote the most complete participation of the entire population in economic and social development.	12. In which ways have members participated in the social and economic development promoted by the cooperative?
Cooperatives are important for job creation, resources mobilisation and investment generation, as well as for their contribution to the economy; and inwards, to its own organisation.	13. How has the cooperative participated in the job creation, resources movement, and investment generation? 14. How has your cooperative contributed to local development?

Source: Own elaboration

Notes

1. This study is a follow-up analysis to the final report to Agreement number 038 of 2015, signed between the Special Administrative Unit of Solidarity Organisations and the Center for Research and Cooperative Education. We thank these institutions and the Institute of Public Ministry Studies for financing the project and to the evaluators for comments received.
2. The research instrument was subject to evaluation by two professors with expertise in cooperative management, checking the available information on web pages, two public officials in the field and one representative of the sector. Each question could be evaluated from 1 to 10, based on the higher results, plus the observation of type of cooperative (looking for versatility with respect to the nature of its operations), its geographic location and under the criterion to search for the maximum possible existence.
3. The nine cooperatives don't belong to the 50 largest cooperatives by activity, assets or surplus neither do they belong to the 50 cooperatives with the largest number of members (CONFECOOP, 2015).
4. Colombia's criteria for company size: large, medium and small, is determined by assets and workers. (Article 2° of Law 590 of 2000, modified by article 2° of Law 905 of 2004).
5. S.m.l.v means Statutory minimum wages (in Spanish, salarios mínimos legales vigentes).
6. Cooperativa Ovina de Marulanda, COOMULCAR y COOPANELAS.
7. COOTRAMED y COOPETRANS-Tulúa
8. COOTRAEMCALI, FEBOR, COOTRANSHUILA y COOPCARVAJAL
9. A professor and important consultant in the Spanish definition of accounts for the social economy

Guidelines for a Proposal of Public Policy for Productive Recovery: the Case of Manabi 2016

Elisa Veronica Lanas Medina and María Genoveva Espinoza Santeli

Abstract

The earthquake of April 16, 2016, with its epicentre between Manabi and Esmeraldas provinces generated, apart from much pain and destruction, the opportunity to analyse whether Ecuador has adequate public policies for the management of risk, if these policies count on appropriate institutions and mechanisms to respond to natural disasters in terms of immediate response — humanitarian aid — and, in a second stage, to reactivate productive activities. In this specific case we considered the opportunity to raise alternative production processes, based on public policies for the solidarity-based economy, as mechanisms of recovery for productive activities in the affected areas. One of the most significant findings is that the country does not have adequate public policies, that the institutions responsible for managing the before, during and after of a risk and disaster are weak and that society, from its base, is not properly organized to respond to disasters; this means that the possibility of making a specific proposal of public policy is not viable; we identified it was relevant to make a diagnosis of the reality of the territory which is useful to outline the guidelines to propose a public policy for the productive recovery of Manabí through solidarity-based and associative processes.

Key words: natural disaster, public policy, solidarity-based economy, non-profit organizations

JEL: L38 Public policy (within non-profit organizations and public companies).

Introduction

On April 16, 2016 at 18:58, Ecuador suffered an earthquake with a magnitude of 7.8 on the Richter scale followed by 2,709 aftershocks until October 27 of the same year. The epicentre of the event was located between the parishes of Pedernales and Cojimies, province of Manabi and the telluric movement was also felt and affected other areas and provinces of the country, such as Guayas, Santa Elena, Los Rios, Santo Domingo and El Oro on the coast, and Highland provinces such as Carchi, Imbabura and

Pichincha. This event is considered to be the most destructive since the earthquake in 1987, which had a magnitude of 6.9 on the Richter scale with its epicentre in the Northwest of Ecuador, in the provinces of Sucumbios and Napo, which left 1,000 dead and caused damage over 1,000 million USD (CEPAL, 1987).

The earthquake of 2016, according to official figures of the Secretariat of Risk Management of Ecuador (SNGR, for its acronym in Spanish) (2016), left 663 dead, 9 people missing, and 6,274 people injured, 113 people rescued alive and 28,775 people distributed among 37 shelters and 214 refugees.

In economic terms, according to a piece in *The New Herald* (2016), Ecuador would need more than 3,300 million dollars for reconstruction work, which implies a decrease of 0.7% of the GDP from the previous year. According to the Ecuadorian Federation of Exporters, there was a loss of 150 million USD in exports with companies located in the province of Manabi and Esmeraldas accounting for only 8% of total national exports. The Inter-American Development Bank, with a regression model, conducted an analysis of 2,000 natural disasters between 1970 and 2008 using variables such as the country's population, GDP per capita, the area of the country, real GDP and number of deaths, to determine the cost of the disaster (Cavallo et al., 2010); the model was applied by Gonzalez (2016) with the methodology of the IDB, who found that for Ecuador the cost of the earthquake would be between 500 and 600 million dollars; the *United States Geological Survey* agency also made estimates and indicates that the economic losses would be at least 1,000 million dollars. Official sources of the Government, after performing and estimation of the cost through an international methodology of the United Nations, called Post-Disaster Assessment of Needs, estimated that the cost for recovery would be in the range of USD 2

and 3,000 million dollars, the equivalent to the 2.3% of the GDP of 2016.

Specifically in the productive sector, according to estimates made by SENPLADES (2016) the costs of reconstruction for this sector amounted to 1,032 million dollars, with subsectors affected such as: trade by 44%, agriculture, livestock, aquaculture and fishing by 31%, manufacturing by 16%, and tourism services by 9%. Of these effects, 22% corresponds to the public sector and 78% to the private sector, which means that in the productive sector, those directly affected are the ones who must take care of the recovery.

Facing this scenario of great economic, human, social and environmental losses, and almost a year after the earthquake, we analysed the response of the Ecuadorian Government to the disaster, and if it is necessary to consider a long-term public policy so that, to the extent possible, the people recover their way of life, in all aspects, the productive activity being one of the most important:

for people who lost so much, not only work, also to their loved ones, work helps them not only recover a livelihood, but also overcome the pain, despair and brings hope (Kamioka, 2013, p. 1).

This article presents a theoretical framework of response to the disaster that will serve as the basis to elaborate a diagnosis with a view to proposing appropriate public policies in terms of economic recovery that is linked with strategic public-private partnerships to promote initiatives of solidarity-based economy and cooperation in the arduous task of recovery of the affected areas, specifically in the province of Manabi. We also gathered information in legal terms, from the Constitution of the Republic of

Ecuador, to the executive decrees issued after the disaster. With the theoretical and legal framework already known, we present guidelines for a public policy for the economic recovery in the disaster area, in which the solidarity-based economy should play a fundamental role.

The goal is to make a diagnosis which includes the collection of information, data and current information on issues of productive recovery to establish guidelines for a public policy for the productive recovery of a territory, in this case, Manabi, through solidarity-based and associative processes after a disaster.

Methodology

This article makes a brief review of the steps and activities that a country should follow to achieve a full recovery after having suffered a disaster; in a second section we analyse the regulatory framework and the existence — or not — of public policies and of the institutional organisation of response to disasters.

Once the theoretical and legal analysis is fulfilled, we discussed the situation specifically on the earthquake of April 16 in Ecuador and within the specific scope of the solidarity-based economy we carried out an exploratory study of legally constituted cooperatives and organisations that are working in the province of Manabi, aiming to raise a proposal that, supported on a suitable regulatory framework, allows the implementation of the production processes.

The nature of this article is quantitative and qualitative; with an exploratory and descriptive scope initially, to then propose guidelines for the public policy in terms of disaster and risk.

The design of the research is non-experimental transversal and as tool we

used bibliographic, documentary and legal research, open interviews with leaders of the community and people and institutions linked with the sector of the solidarity-based economy and associations, as well as searches in databases of public institutions that regulate the associations and cooperatives. We also performed participant observation and a sweep of information about associations legally constituted in the system of the EPS within the geographical delimitation. The conceptual tools are: solidarity-based economy, partnership and disasters.

The universe is all the population who directly or indirectly suffered the ravages of the earthquake and the population for the associative part was the province of Manabi, Don Juan community. We chose this community because of the ties previously made with the University and the community leaders, because of the little assistance they received from the State and the social cohesion that exists between the 300 families that live in this town.

1. Theoretical Framework

In order to meet the goal of the research, which is to provide guidelines for a public policy for productive recovery in the province of Manabi, which furthers the solidarity-based economy, it is necessary to highlight first the main concepts of the research problem. First, we explain the processes and procedures necessary to achieve a full recovery in the short, medium and long term, and subsequently we develop and explain how the solidarity-based economy can be an effective response for the economic reactivation of the area.

1.1. Response to disaster

A disaster is a serious disruption in the operation of a community that causes deaths, losses and material,

environmental, and economic impacts that exceed the response capacity of a community (Lavell, 2001).

Risk management of disasters, i.e.:

the systematic process of using administrative guidelines, organisations, skills and operational capacities to implement policies and strengthen coping capacities in order to reduce the adverse impact of natural threats and the possibility of disaster (UNISDR, 2015).

seeks the full recovery of the area through the processes of reconstruction and rehabilitation. Such full recovery must be framed in a model of planning in which the territorial ordering and construction from the local communities is a strategy (Marquez Dominguez & Rovira Pinto, 2002) that is combined with the solidarity-based economy to build resilient territories.

Rehabilitation is a short term strategy, it means to put back in operation vital facilities, physical structures and structures of essential services (Carrio Carro, 2015) such as power grids, water, and telecommunications, ports, transport, hospitals, firefighters, police, and public administration; on the other hand, reconstruction is a process in the medium and long term, depending on previous infrastructure and the level of damage caused by the disaster, as well as pre-existing strategies and policies. The level of impact shall be determined at various times — after the initial review and at the time of national, private, and mixed programme designs; activities involved in the reconstruction can be manning or rehabilitation of sewers

— depending on the level of damage, public-utility infrastructure, roads, legalisation of lands, recovery of public spaces, territorial planning, contingency planning, development of a plan for the risk reduction of disasters including mitigation, preparation, and prevention strategies, capacity-building of resiliency among the community, development of an early-warning system, among others (Vargas, 2002).

Jackson says that full recovery, after a disaster, is seen by many as a fight against Mother Nature to restore order into the community. However, the process of recovery is not a series of steps that must occur automatically after the disaster happened, it should be understood as a process, a series of activities without a strict order that should occur before, during, and after the disaster (Jackson et al., 2016).

It is a moment of opportunity to investigate the economic development model employed in the region and, at the time of the design of programmes and projects for reconstruction and recovery, there should be discussions on elements of sustainable development for the sake of improving the quality of life of those affected, rethinking productivity and activities so that they are sustainable and tenable, and protect and preserve the environment.

We made a brief systematisation of processes and activities that countries should have instituted if they go through a disaster. We reviewed the suggestions of several authors (Bagai, 2005; Adie, 2001; Haro, 2007; Natt, 2011; Vargas, 2002; Jackson et al., 2016, and Carter, 2016) and we prepared a list, with its consequent explanation by process of the activities that a country should have in operation for a full recovery, rehabilitation or reconstruction of the area; it is evident that these processes should be referred to in a public policy or a plan for risk and disaster,

and it is around these processes that we carried out the sweep of information in the Ecuadorian legal system. Immediate and emerging human assistance.

1. Evacuation in the risk areas.
2. Provision of temporary shelters.
3. Search and rescue.
4. Evaluation of the damage.
5. Cleaning, removal and disposal of debris.
6. Restoration of basic services and of communication.
7. Restoration of the main transport networks.
8. Setting up shelters.
9. Provision of financial resources.
10. Analysis of the economic impact.
11. Detailed inspection of buildings and installations of private and public property.
12. Development planning.
13. Environmental assessment.
14. Demolition of unsafe and unstable infrastructure.
15. Reconstruction.
16. Risk mitigation.
17. Implementation of an early-warning system for disaster-prone areas.
18. Elaboration of the relevant legislation.
19. Preparation for the next disaster.

These activities, which without being an exhaustive list, should be part of processes such as capacity building, coordination of activities, urban planning, involvement of the community, information, governance, economic recovery, and damage assessment, which are explained below.

Capacity development is the process by which the population combines all its strengths, attributes, and resources to achieve the formulated goals; it must be accompanied by a coping capacity to adverse conditions or emergency situations; capabilities may include both physical means and abilities and skills; it requires continuous awareness. Communities that are seriously committed to risk reduction before a disaster, in general, are focused on operations and capacity building of prevention, evacuation, and restoration of electricity.

Among the most significant challenges are *coordinating activities* so the following don't arise: overlapping or duplication of actions and inefficient use of resources; making quick decisions that could affect the well-being of the community in the long term; not taking into account the materiality of all actors; missing opportunities to improve infrastructure, economic recovery, protection of the environment, and improvement of the quality of life.

The ideal process of recovering from a disaster, according to Adie (2001) occurs when the community proactively supports the process of identification of common objectives, there is a *direct involvement* in which obstacles are identified, they take into account the principles of sustainability and tenability in the development of projects, adopting strategies that seek a full recovery in the area, there is a consensus in regulatory, policy and procedural frameworks, there is coordination, leadership, and people trained and committed to carry out the post-disaster management process, also the community should participate in the following activities:

- Decisions for recovery and reconstruction to ensure that all the interests, needs, and expectations are included in the projects of development and reactivation and that the objectives

and long-term benefits are considered above short-term activities that would only benefit a minority group.

- Search for various sources of financing.
 - Improve the economic development and the resilience and effectiveness of the community through the use of the opportunities for reconstruction and recovery.
 - Consider opportunities for protection, conservation and recovery of the environment and natural resources to optimise the functions of nature at the same time that the benefits to the community are extended.
- a. The vital systems of water, drainage, electricity, communications, transport, and security networks;
 - b. Facilities of health centres, shelters, primary and secondary educational units, food stores. An analysis of the safety of the buildings must be considered; and, in case of having to rebuild buildings and homes, reflect on aspects such as the compatibility of use, design, technology, materials, environmental impact and relevant legislation; and,
 - c. Centres of coordination and collaboration of activities and public and private projects.

Many tasks, such as verifying information, surveys and interviews require the inclusion of the community to determine the material aspects of the case. According to Mileti (1999) *stakeholders* or social actors¹ should collaborate with the creation of public policy to reduce the possibility of conflict during the implementation and development of the plans.

The main topics to be considered: housing, microcredit, reactivation of productive activities, campaigns of awareness and training in prevention for future natural disasters, psychological support to those affected, analysis of security in the buildings and housing, tenure and regulation of lands, determination of the environmental impact of productive activities, and microcredit.

Urban planning is the cornerstone for the recovery, rehabilitation, and reconstruction of any city or area after having suffered a natural disaster. For Villanueva (2007) within the urban planning we should consider three fundamental axes:

In territorial planning we should take into consideration sufficient communal spaces, land for construction of social housing, plan for population growth, care for the water sources and sewage networks, and suitable places for solid waste management.

The elaboration of territorial planning and the selection of objectives of recovery and repair must be treated and discussed previously within the community, i.e., there must exist a participatory development of all projects, taking into consideration social, economic, ecological, cultural, and legal factors to ensure the quality, relevance, viability, and sustainability of those projects.

One of the challenges is being able to share *information* among the public, private actors and those of the sector involved to achieve greater efficiency. For Marjanovic and Hallikainen (2013) one of the challenges in the process of recovery is to share the knowledge from the different contexts of the process, the boundaries of the organisation, and the professionals.

On the other hand, the provision of budgets, consulting, and procurement process are more efficient when there is enough information and is available to the various agencies of the government, NGOs, and private entities.

The *government and other organisations* have the same role at the time of implementing a project, activity that requires a certain level of authority and responsibility, it is suggested trained full time personnel are recruited to prevent the lack of qualified human resources for the implementation of the different projects of reconstruction and recovery of the area; they require a clear allocation of responsibilities and roles to perform the process of recruitment of the qualified personnel (Leelawat et al., 2015).

We have to consider that each person can be affected, positively or negatively, by a Government decision or that of an agency of humanitarian aid or development, so it is of vital importance to include all stakeholders in the decision-making process, as a strategy it is suggested to build a broad and inclusive database of actors.

In the *evaluation of the damage*, there are two moments in which the necessary information for the assessment of damages should be collected: a visit in situ after the event in which the observation is used as a tool and a second moment in which interviews and surveys to the affected people must be made. The information collected will be used to determine if it is necessary to establish a strategy for recovery or reconstruction, which at the same time will be used to quickly assess the objectives of recovery (Leelawat et al, 2015).

Finally, to achieve *economic recovery*, there are several recommendations made by Carter (2016):

- Managing disasters should incorporate, even more, among its processes, understanding of where and how agencies must commit and participate to support the development of existing and new markets and analyse costs and benefits of an appropriate conceptual framework of intervention.
- Reform the analysis of markets before and after the crisis through the evaluation of markets and study the market systems to expand the base of market agents.
- Construction of relations between humanitarian agencies and the technical assistance in matters of development — economic, micro financial, productive — to make visible and strengthen the synergies in the ordering of markets.
- Improve collaboration and working together between humanitarian agencies and the private sector.

1.2. Implementation of a public policy from the actors

In the words of Joan Subirats et al.,

a public policy is a set of decisions and actions that result from repeated interactions between public and private actors whose behaviours are influenced by their own resources and by the general institutional rules (concerning to the global operation of the political system) and specific (own to the field of intervention in question)
(Subirats et al., 2008, p. 23).

Any public intervention aims to change the 'natural' state of things in society, by means of certain actions that generate impacts or effects. The effects or impacts that are intended with each public policy tend to be contained in their own goals and are the reason for their existence.

Every individual or social group with some degree of relationship with the collective problem that causes the public policy should be considered as a potential actor of the 'space' of that policy. Now, the direct or indirect participation of the actors in the public policy will depend, among other elements, on the degree of awareness that the actor has with respect to their own interests, their recursive capacity and building of coalitions to defend their rights, as well as their strategic decision to take action or keep out of the decision-making space (Knoepfel et al., 2007).

You can distinguish the actors of public policies according to their public character, i.e. the political and administrative actors — whether national or international — or from its non-public character, i.e. the actors that belong to the areas which can be called *socio-economic* and *socio-cultural*. Private actors can be divided in turn into *target groups* (actors whose behaviour is defined politically as the (in)direct cause of the problem), *final beneficiaries* of a public policy (actors who suffer the negative effects of the mentioned problem and whose situation is intended to be improved through public intervention) and *third groups*, affected indirectly by the public policy, either in a positive way (beneficiaries), or negatively (affected), thus reuniting both categories to all actors whose personal situation is modified by the public policy even if it had not identified them (Subirats et al., 2008).

From the proposed theoretical framework, this article seeks to highlight the need for direct involvement of actors at all stages of public policy of productive reconstruction of the areas affected by the earthquake

of April 16, 2016. To do so, we will start by what is set in the Constitution of the Republic 2008 and secondary legislation with respect to the participation of the actors in the co-construction of public policy, both in the case of their individual economies and facing the situation of exception such as the effects of the earthquake in their lives and those of their families.

2. Public Policy Provided for in the Constitution and in the Ecuadorian Legislation

2.1. On natural disasters

Article 389 of the Political Constitution of Ecuador 2008 provides that:

The State shall protect the people, communities and nature against the negative effects of disasters of natural or anthropic origin through risk prevention, disaster mitigation, recovery and improvement of the social, economic and environmental conditions in order to minimise the condition of vulnerability.

The same article says that the State is who leads the national decentralised system of risk management through the technical body established in the law. For its part, the Law on Public Safety and the State establishes the National Secretariat of Risk Management as the governing body of the national decentralised system of risk management.

The day after the earthquake, the President of Ecuador issued the Decree 1001, which declares the exception status

in the provinces of Esmeraldas, Manabi, Santa Elena, Santo Domingo de los Tsachilas, Los Rios, and Guayas, due to the adverse effects of the natural disaster; determines the national mobilisation to these provinces and orders the allocation of the necessary funds to meet the exception status.

The Decree 1002, from April 18, 2016, widens the first in the sense that the mobilisation is for the whole country, and also disposed the requisitions which ought to be in place to solve the emergency.

The Decree 1003, from April 23, 2016, declares National Mourning for eight days for the loss of human lives.

Decree 1004, from April 26, 2016, creates the Committee for the reconstruction and productive reactivation and employment in areas affected by the earthquake. The Committee is integrated by the Vice-President of the Republic, the National Secretary of Planning, the Coordinating Minister of Social Development, the Coordinating Minister of Production, Employment and Competitiveness, the Coordinating Minister of Internal and External Security, the Prefect of Manabi, and two mayors in representation of the affected areas. They admit the attendance of a delegate from the Chambers of Production of Manabi, and another delegate from the small traders and entrepreneurs of the province of Manabi.

The first criticism of the conformation of this Committee is the absence of delegates of those affected, who are main actors by being the directly affected-beneficiaries of the policy to apply.

The coordination of emergency management, namely

the organisation and management of resources and

responsibilities to address all aspects of emergencies, especially preparation, response and the initial steps for the rehabilitation (UNISDIR, 2009, p. 18)

is coordinated in Ecuador through the Emergency Operations Committee (henceforth, COE [its acronym in Spanish]) at national, provincial and local levels. Public institutions who conducted actions in the territory are: Fire Brigade from Quito, Armed Forces, Ministry of Interior, National Police and Secretariat of Risk Management.

Likewise, by initiative of the Executive, the National Assembly promulgated the Organic Law on Solidarity and Citizen Co-responsibility for the Reconstruction and Reactivation of the Affected Areas,² a standard proposing as necessary steps to obtain funding for the full recovery activities, the contribution of one day's salary for those who earn more than \$ 1,000 dollars up to the maximum of five days in the case that the worker receives \$ 5,000 a month; increase in VAT by two percentage points from 12% to 14%, contribution of 3% surcharge on profits of enterprises and contribution of 0.9% to individuals with equity of more than one million dollars.

They have also issued tax, labour, credit, housing regulations, among others, that cater to the situation of victims and expect some benefits, exemptions or extension of time limits and more flexible conditions for the fulfilment of the obligations of the inhabitants of the provinces of Manabi and Esmeraldas that have been affected by the earthquake.

The last report presented on August 30, 2016 by the Minister of Finance of Ecuador and the Technical Secretary of the Committee for the Reconstruction and Productive Reactivation before the

National Assembly, indicates that to this date they have assigned 888 million dollars, of which 182 have been accrued. Resources delivered for housing, repair, and construction, as well as for attention to families sheltered in Manabi and Esmeraldas are the highest. Also, they have destined an important budget for roads and education.

18 population resettlements have been defined to install families living in declared areas of risk, which has generated complaints that some of these resettlements respond to other interests; this has happened in towns like Muisne or Canoa. If those allegations are true, that is to say that, in some cases, resettlement was due to other interests and not to safeguard the lives of those who lived before in those territories, this would be very serious as it would mean the use of an extreme situation to obtain benefits. In any case, no doubt, the lack of communication and agreement between the Government and those affected who, in addition to suffering the ravages of the earthquake, now are forced, in some cases by force, to leave their lands and live elsewhere.

There are also allegations of use of funds for reconstruction for other purposes. For these reasons, the Government has been requested to create a Monitoring Commission of the management of the budget for reconstruction, something that has had no echo in the Executive.

2.2. On solidarity-based economy

Almost a year after the earthquake, it is necessary to assess the public policy of economic and productive recovery in the most affected provinces. For this reason, it is important to have in sight the economic structure provided for in the Constitution.

The Ecuadorian Constitution envisages a change of paradigm with respect to the economic model. Thus, Article 283

determines that the Ecuadorian economy is social and solidarity based, and points out some principles that help define it, in the following terms:

A social and solidarity economic system; it recognises the human being as subject and purpose; it tends to a dynamic and balanced relationship between the society, the state and the market, in harmony with nature; and aims to ensure the production and reproduction of material and immaterial conditions enabling good living. ³

As rightly collected by Grijalva and Trujillo (2010), in the social and solidarity-based economy that proclaims the Constitution of 2008, the market loses centrality in the economic system to become one more mechanism, along with other forms of fair trade and of economic organisation, which goal is not profit of the economic system but the harmony in the relations of humans among themselves, with nature and future generations.

According to the same authors, the economic system that is proposed in the existing Constitution is not one of a planned or statist economy, since it recognises other forms of economic organisation, although it strongly regulates the market (Grijalva and Trujillo, 2010).

At this point, Angelica Porras Velasco (2012), in her article entitled, "Constitution, *sumak kawsay* and work", argues that we must consider the implications that have the concept provided for in our Constitution about *sumak kawsay*, which has important links with the concept of work.

The three theses by this author revolve around the following:

1. *Sumak kawsay* advises and justifies all the Constitution and therefore cannot be reduced to Economic, Social and Cultural Rights or the Regime of Good Living contained in the Constitution, as it has been.
2. *Sumak kawsay*, in social and political terms, seeks to overcome the colonisation and construction of a society that is more relational, responsible, and respectful of differences.
3. *Sumak kawsay*, in economic terms, involves three far-reaching transformations:
 - A questioning of the development model and its productive matrix.
 - A new work-capital relationship.
 - A new nature-human relationship (Porrás Velasco, 2012).

At this point, it is necessary to clarify, albeit succinctly, what *sumak kawsay* is. In the words of those who have studied the issue thoroughly,

The Andean Good Living (sumak kawsay) is established as a community consolidated in whose fabric and in order to keep it, live together different beings in a quality of mingados, i.e., made from beings (not only humans) working from and for the maintenance and reproduction of that condition and quality of life. Humans, plants, animals and land

are a community that is incessantly revitalised, complemented, corresponding, reciprocating, i.e., interacting, giving rise not only to the agreement, they are disagreement and otherwise, without which it could not have a sense of cyclical dynamic, as the Andean is one and the other, what is up and below, on one side and the other, representing the space set assumed as Mother (Andrade et al., 2014).

The Constitution retrieves this concept from an exercise in plural dialogue that includes important demands of the indigenous movement, the afro-Ecuadorian people, as well as other social movements, such as feminists, environmentalists, youth, among others. Between the main innovative proposals of the concept, is the rupture with the developmental paradigm and with processes of material accumulation and exploitation of the nature, as well as with the reduction of the State driven by the neoliberalism, and with the social, productive, and distributive inequality (Andrade et al., 2014).

To reach the end objective of the *sumak kawsay*, the Constitution promotes a different relationship between State, market, society, and nature, recognising the economic system as social and solidary, a system that subordinates the market to the human and natural life.

In that sense, we have also seen an evolution of the National Plan for Good Living, which in its first version of 2007 to 2009, spoke of the private initiative as engine of the economy.

The National Development Plan for the period 2009-2013⁴ evolves with regard to the first, in the sense of having as one of its main strategies the democratisation of the means of production, (re)distribution of wealth, and diversification of the forms of ownership and organisation. Establishing also that

*the socio-economic scenario must project itself as an adequate combination of organisational forms that promote the social and solidarity-based economy and recognition of diversity in the economic system (forms of production and marketing, forms of property) to ensure its active presence in the representation and social participation on the public stage in the coming years.*⁵

With special emphasis on the agricultural sector, in the National Plan for Good Living (PNBV, its acronym in Spanish) of 2009 - 2013, it is acknowledged that the State should be sponsoring alternative forms of social and economic organisation, the consolidation of associations and cooperatives, support work for self-consumption, democratic exchange, and adequate access of citizens in general to the goods and services produced.⁶

The PNBV 2009-2013 includes as its tenth objective, the need to establish an economic, social, sustainable and solidarity-based system and the actions of the State should consolidate this system, in which national planning and State intervention will allow the progressive transformation of the productive matrix through the stages set out in the Strategy for Good Living.⁷

In an effort to have continuity, the National Development Plan 2013-2017, establishes as its eighth objective, the consolidation of the social and solidarity-based economic system, in a sustainable way,⁸ which raises a number of policies and strategic guidelines.⁹

For its part, the Organic Law on Popular and Solidarity-based Economy and of the Financial Popular and Solidarity-based System¹⁰ contains objectives and principles which, together with the foregoing, constitute the ideological framework that the Government has provided as livelihood of its public policy in terms of Solidarity-based Economy. The Law, in its Article 4 lays down a series of principles that should guide the actions of individuals and organisations of the popular and solidarity based economy, these being the following:

- a. The quest for the good living and the common good;
- b. The priority of work over capital and collective interest over the individual;
- c. Fair trade, and ethical and responsible consumption;
- d. Equity of gender;
- e. Respect to cultural identity;
- f. Self-management;
- g. Social and environmental responsibility, solidarity and accountability; and
- h. Solidarity-based and equitable distribution of surpluses.

Starting from the planned normative framework, it seems that the solidarity-based economy responds better to challenges than the economic recovery of the areas affected by the earthquake show, because through associative and solidarity processes, it is much more simple, not only to overcome the economic losses that the earthquake caused, but even improve the levels of life and productivity before the earthquake.

3. Guidelines for a Proposal of Public Policy for the Economic Reactivation of Manabi

3.1. Situation of Manabi before and after the earthquake

In context, the province of Manabi, according to the last Census from 2010, has 1,345,779 inhabitants, which represents 9.4% of the inhabitants of Ecuador; 63% living in urban areas and 37% in rural areas. The economically-active population (EAP) of Manabi amounts to 28%; according to the data of the Census 2001, it represents 8% of the workforce of the country. Its national financial contribution represents about 5% (Agendas for the Territorial Productive Transformation).

The distribution of the EAP by economic activity in the province is as follows: 37.4% of the EAP of Manabi is dedicated to agriculture, forestry, hunting, and fishing, being the activity of greater importance for the province. The activity that follows is trade, which represents 18.8% of the economically-active population. Services (14.4%) and manufacturing activities (9.2%) have also great importance. Unspecified activities reach 9%, followed by the branch of construction which represents 5.8% and transportation 5.5% of the EAP, while financial institutions represent only 0.2% (Agendas for the Territorial Productive Transformation).

These activities have been developed through personal, family or business initiatives, which have generated, in the case of small enterprises, low productivity; and in the large enterprises, an accumulation which has not facilitated the improvement of the socio-economic conditions of the majority of the population, but only from some small groups. To that must be added the accumulation of the ownership of the land, which in much of the territory of the province is in estates that are owned by a few.

Reviewing data from the solidarity-based economy, we have that in the country, until June 29, 2015, there were 6,816 solidarity-based economy organisations, of which, 5,852 belong to the real sector (non-financial), the rest are financial-sector organisations. From the number of organisations in the real economy, including cooperatives,¹¹ 535 were housed in the province of Manabi, representing a little less than 10% of the national total. Those 535 organisations of solidarity-based economy from the real sector in Manabi, were mainly producer associations (272), and the rest were distributed among consumer and services associations, and production, services and housing cooperatives.¹²

From the day after the earthquake until the first week of February, 2017, in Manabi 281 organisations of the social economy from the real economy were created, which is a fairly high figure if you consider those registered before that date. Of the 281, 275 are associations and of that number, 205 are producer associations.¹³

Of the information provided, a rapid growth of organisations of solidarity-based economy in Manabi can be seen after the earthquake, especially associations, for which although the same requirements are demanded¹⁴ regarding the number of members (10) and amount of initial contribution to the social fund (a unified basic salary that this year is \$ 375) for cooperatives; they do not have to have other requirements, such as favourable reports from the competent authority; in addition, the control is greater in the case of cooperatives.

This scenario of recent creation of a considerable number of associations of production from the earthquake should be considered as appropriate to implement a public policy that fosters and strengthens the solidarity-based economy sector, so

that organisations that have been created have a real possibility of livelihood and even success, and can become references for the rest of the country.

3.2. Guidelines for public policy for the production development of Manabi through solidarity-based economy

A public policy on post-disaster productive development must successfully integrate all agencies, institutions, guilds, and affected communities in the phases of planning, management, and evaluation of the public policy, in order to achieve a real involvement in the recovery process. They seek that all processes of rehabilitation and production recovery have the active participation of the stakeholders, so the construction of public policies necessary to reach the objectives proposed is made with co-responsibility.

The Committee on Reconstruction and Productive Reactivation should be the body that coordinates the process of rehabilitation and productive recovery, to avoid overlapping and duplication of efforts, or the inefficient use of resources.

The phase of planning of the public policy should have started with the identification of the productive, historical, tourism, fishing, trade, aquaculture, agriculture activities, and of the new activities that can be implemented for the execution of training workshops from the universities and the productive sector of the region. This training allows the invested resources to be used efficiently and fast.

The mapping of the productive activities that could be performed in the area as well as access to workshops and training should also be considered a task of the Government and, therefore, the respective public policy should be implemented jointly with the technical help of the private sector, bodies of the civil society and representatives of those interested.

It is necessary to create programmes through public-private partnerships to develop and strengthen capacities on issues of solidarity projects, popular and solidarity economy, fair trade, sustainable tourism, mechanisms for access to credit, social fabric and organisation, project design, social capital, and resilience.

The reality shows that a significant number of productive associations have been created in Manabi after the earthquake; some in traditional activities in the area as agriculture, aquaculture and fishing, and a good number for the realisation of textile activities, that are new, at least to be carried out in association. Since these types of organisations tend to be weaker than cooperatives, it is necessary to support the organisation of second and third tier level of those associations, i.e. federations and confederations, for the purposes of having best expectations of survival and of success in the productive activities they will perform.

Another important element is the promotion of cooperative principles as pre and post organisational requirement of the solidary sector, and specifically of what exists in Manabi, it is necessary to work on the empowerment of the solidarity-based economy actors, so that they are no longer regarded as victims or mere recipients of aid from the State, and become true change-managers, first from their own realities, and also overcoming an exclusionary system to a supportive and inclusive one.

Making an analysis of the response to the disaster (section 1.1 of this article), it is clear that to achieve a productive reactivation, having as axis of action the solidarity-based economy, you should identify the social and political demands of the population and focus on the provision of financial resources, capacity development, in strengthening the social and associative fabric and the involvement

of the community with appropriate governance and institutions.

We should develop and promote financing strategies that have as beneficiaries, basic social organisations, as those of second and third tier, which could benefit in terms of the amount of credits, with certain conditions of partnerships between organisations of the same type. At this point, there is a good example, the supply of non-reimbursable funds by the Rotary Club of Ecuador to several associations of fishermen in the areas affected by the earthquake; through the intervention of professors of the Simon Bolivar Andean University,¹⁵ they have requested that a portion of these funds will serve to purchase a refrigerated truck which was not envisaged in the projects due to the cost, but that can be acquired for several associations, allowing members to directly sell the fishing product, thereby obtaining higher economic benefits for those members who deliver it to the intermediary, who sells it in restaurants of large cities.

It is necessary to have a public policy of buildings, both housing and the development of productive activities and market that meets the criteria of sustainability both for materials and for safety, promoting the use of local materials for the construction of new buildings and homes, considering the compatibility of land use and environmental impact. This public policy can also respond to job creation and the cultivation of wood suitable to be used as housing material.

Manabi province has natural areas within the National System of Protected Areas, an appropriate public policy could promote the community and sustainable tourism in the area, which would also help to revive the economy of the area; at the same time that it is protecting and preserving the environment and ancient cultural traditions in the area of the ancient Jama-Coaque culture are preserved. Tourist-promotion policies should be built jointly with territorial planning and reconstruction of hotels and gastronomy.

Is it important to legalise the lands in Manabi, which will enable the public policies aimed to the productive development of the area. The legalisation process happens, in some cases, for the legal recognition of property, in others for the implementation of resettlement, and in general, to provide adequate physical spaces where people can develop life and productive projects in conditions of dignity.

For this, it is necessary to work in a territorial planning in which is also the demographic growth, care for water sources, networks of sewerage, street lighting, transport, management of waste and areas of public use as markets, parks, boardwalk, among others.

Finally, a Commission for the oversight and control of the handling and management of resources should be formed, to meet the principles of transparency and accountability.

Conclusions

The country, despite having a Technical Secretariat for Risk Management, is not ready to cope with major disasters; as it can be seen from the analysis of the legal framework, it was necessary for the Executive to issue several Decrees to urgently address the main needs and requirements of those affected.

It is essential to build public policy for the management of disasters BEFORE and AFTER, and involve the affected community in its construction.

Partnerships with the private sector, whether this is lucrative or not lucrative, are necessary to achieve better results, and as has been developed in this article, the present time is suitable to work in such partnerships linking the solidarity-based economy.

To achieve a proper economic reactivation we need both the political will and a proper collection of information to understand the traditional productive activities of the area, to develop the strengthening of capabilities, and to create the conducting environment so that the market works.

Diagnosis indicates that the proposal of public policy should promote the market and business efficiency, local economic development and economic integration in the area through the partnership with productive purposes, of people and organisations with similar needs and interests, which by means of solidarity-based productive projects improve their economies and contribute to the improvement of the area where they are established, through the offer of goods and services of quality, prepared and offered with standards of solidarity and sustainability.

After a natural disaster, the community, the environment and the market must recover from the shock and should be understood as a process of creation and development of resilience to face the process of full recovery and be ready for a new disaster.

Obviously, there is a need to strengthen the social fabric of the area through the creation of associations of popular and solidary economy to reactivate the productive sector, promoting the organisation of second and third level of these associations. We should work from the base with communities for building resilience towards natural disasters, bearing in mind that the associations of producers are more fragile than cooperatives. This research opened the possibility of performing future research in territory to work in associative processes and of cooperation in topics of social relevance as the provision of public service of energy, water, education, economic development and strengthening of the social fabric by means of the construction of resilience in the community. A future research can be ethnographic with the aim of identifying the obstacles they have to form associations; determine the reasons by which some groups are excluded from those associative processes, strengthen those associations already constituted; improve their access to financial services and improve the production processes through the work specialisation of members.

The recommendation is that, in some cases, productive reactivation should start with invitations to associativity, and in other cases, when there is a previous associative process, work on the values and principles of solidarity and cooperation, up to the point of achieving associations of producers or workers who share similar needs and interests and see their organisation not only as a means to obtain a minimum payout that allows them to survive, but as true engines of productivity and change of an exclusive reality into an inclusive one.

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Notes

1. Stakeholders can be "individuals, groups or organisations that have an interest in a project or programme. The key actors are usually regarded as those who can significantly influence (positively or negatively an intervention) or are very important for a situation to manifest itself in certain form" (Tapella, 2007, p. 3).
2. RO-S 759, of May 20, 2016.
3. The first paragraph in Article 283 of the Constitution of the Republic of Ecuador.
4. That according to Article 280 of the EC "is the instrument to which must hold policies, programmes, and public projects; the programming and execution of the budget of the State; and the investment and allocation of public resources; and coordinate the exclusive competences between the central State and the autonomous decentralised governments".
5. National Plan for Good Living 2009-2013, p. 102.
6. National Plan for Good Living 2009-2013, p. 102 and 103.
7. National Plan for Good Living 2009-2013, p. 330.
8. National Plan for Good Living 2013-2017, p. 247.
9. These policies and strategic guidelines are as follows:
 - a) Invest the public resources to generate sustained economic growth and structural transformations.
 - b) Consolidate the role of the state as a dynamic of the production and regulator of the market.
 - c) Strengthen the sustainable management of public finances.
 - d) Strengthen the progressivity and the efficiency of the tax system.

- e) Secure the sustainability of the balance of payments.
- f) Maintain the sustainability of the biophysics of economic flows
- g) Ensure proper management of the liquidity for development and to manage the existing monetary scheme.
- h) Minimise the systemic economic risk.
- i) Deepen relations of the state with the popular and solidarity-based sector.
- j) Articulate the relationship between the state and the private sector.

National Plan for Good Living 2013-2017, p. 264 and SS.

10. Posted in the Official Gazette No. 444 of May 10, 2011.
11. Includes cooperatives, associations and community organisations.
12. <https://servicios.seps.gob.ec/repes-internet-web/paginas/consultarOrganizaciones.jsf>
13. 113 of those production associations are textile. To a lesser extent, agricultural and fishing associations have been created.
14. Regulation to the Law on Popular and Solidarity-Based Economy. Executive Decree 1061, published in the RO-S 648, February 27, 2012.
15. Project "Andean is Solidary", where several teachers of different areas of the University are working on proposals to support the community affected by the earthquake.

Ecuador: Popular and Solidarity Economy¹ and Institutions

Milton Maya Delgado

Abstract

The Ecuadorian economy in recent years has moved towards a heterodox philosophy of development. The 2008 Constitution set out to recover the social dimension of the economy and established for the first time in Ecuador a normativity for the popular and solidarity economy (PSE). The normative and institutional advances regarding PSE in Ecuador have been among the most dynamic in the region. However, it is necessary to examine public management of these policies, in order to clarify whether the development of PSE is in fact being promoted.

Key words: development, good living, state, Institutions, popular and solidarity economy.

Introduction

The institutionalisation of the popular and solidarity economy (PSE) in the new social and solidarity economic system (Constitución de la República del Ecuador, 2008) has formed the basis for the Ecuadorian State to promote public policies for the recognition, promotion and development of the PSE through the legal and institutional framework created for it.

Public entities for the guidance, regulation, control, scrutiny, and promotion of financial services are, in theory, those that expand the capacities and realisations (Sen, 1983) of the socioeconomic subjects of the PSE. However, in this process, there is evidence of a marked imbalance in the design and implementation of policies that, rather than strengthening institutionally, restrict the development of this important sector of the Ecuadorian economy.

This research is divided into four chapters. The first one refers to some considerations of development and how they affected the deinstitutionalisation and re-institutionalisation of the Ecuadorian state. The second presents the prominence and formalisation of the PSE in the social and solidarity economic

system. The third offers a brief evaluation of the public policy implemented towards the PSE. Finally, the last chapter presents the main conclusions derived from the analysis carried out.

1. Development from Orthodox and Heterodox Perspectives

One of the questions studied in the contemporary world is that of development and its repercussions on the economic, social and political life of populations worldwide. Development economics and modernisation theory have conceptualised development from an orthodox or economicist perspective², that is, to ensure development, substantial increases in productivity and high rates of economic growth are needed (Schuldt, 1995).

In the 1970s, the question of the distribution of national income was incorporated into this concept of development, to measure inequality in distribution (Schuldt, 1995). Hence, the idea of achieving growth first in order to then distribute³ became part of the orthodoxy. This perspective focused on the logic of progress and development in production and in commodities. Consequently, people are seen as objects or means of economic progress rather than as socioeconomic subjects⁴ and beneficiaries of progress; they are treated as the means rather than the ends of development (Schuldt, 1995).

Neoliberal orthodoxy, in addition to imposing the economic perspective of development on developing countries, tried to replicate industrial processes of the countries of the North that were foreign to our realities (SENPLADES, 2007-2010). It should be mentioned that the Economic Commission for Latin America (ECLAC) crystallised the Industrialisation through Importation Substitution (IIS) strategy. In this, industrialisation

provides the manufactured goods that any developing country could not obtain overseas because of its limited import capacity (SENPLADES, 2007-2010).

The IIS was effected more by the intervention of the state, which generated a productive environment for the development of capitalism through the consolidation of institutions, policies of industrialisation and agrarian reform, infrastructure and modernisation, than it was by innovative entrepreneurs, ready for market competition. In the countries of the South, state participation promoted industrialisation policies in which technical advance was the main means to raise the standard of living of the populations (SENPLADES 2007-2010).

In the 1980s and 1990s, the concept of development went into crisis and ceded to programmes and policies for stabilisation and structural adjustment (SENPLADES, 2007-2010). The World Bank (WB), the International Monetary Fund (IMF), the World Trade Organization (WTO), and several North and South orthodox economists argued that the state should be reduced to its minimum expression to deliver market solutions to countries' major socio-economic problems. Consequently, development was subordinated to the Washington Consensus (WC) recipe, which configured the logic and practice of neoliberal adjustments (SENPLADES, 2007-2010).

Stabilisation and structural adjustment programmes were mechanisms that aimed to transform underdeveloped economies in response to the demands of transnational capital (Acosta, 2012). This worsened the gap in per capita income among the poorest and wealthiest populations in the world, affecting countries such as Mexico, Brazil, Argentina, Turkey, Indonesia, Korea, Malaysia, the Philippines, Thailand, Bolivia and Ecuador. The policies of the Washington Consensus were the result of the imposition of

international organisations rather than arising from the technical and political decisions of the affected societies (SENPLADES, 2007-2010).

Development from the heterodox perspective breaks with the linear paradigm of economic growth, progress and modernisation, and focuses its attention on the development of a more humanistic and less mechanistic economy. That is, "development refers to people and not objects" (Max-Neef et al., 2003). To do this, the person-object is replaced with the person-subject, and priority is given to the construction of an indicator of the qualitative growth of people (quality of life)⁵, which, without excluding economic growth (GDP), is essential for individuals to expand their capacities and realisations (Sen, 1983), and satisfy their fundamental human needs (Max-Neef et al., 2003).

In this sense, the satisfiers of human needs can be shaped by political structures, forms of organisation, social practices, values and norms, behaviours, and attitudes; and they are the means by which or the form in which a need is expressed (Schuldt, 1995). In Human Development, synergistic satisfiers⁶ allow socioeconomic subjects to be involved in diagnosing, planning and assessing the social, political and economic gaps and opportunities that contribute to development. Therefore, from their traditional role as objects, people become subjects of development (Schuldt, 1995).

The heterodox view⁷ suggests that the state, through political⁸ and institutional changes, is a key player in pragmatizing a more humane development model in society (Kay, 1993). Consequently, development not only addresses isolated theoretical perspectives of state action, but development is, ultimately, a struggle for power (Abellán, 1991).

In this perspective, the state plays an important role in the restructuring of

power relations. Conflicts over access to resources, incomes, and power result in conflicts between institutions (Acemoglu & Robinson, 2012), which are "the rules of the game of a society or, more formally, the limitations devised by man which shape human interaction" (North, 1993). Therefore, there are no changes in the development model, unless the institutional bases and the principles of state action are themselves transformed (SENPLADES, 2009).

1.1 From the social economic market system to the social and solidarity economic system

Ecuador, following the neoliberal path, worked under the economicist perspectives of development. Several international organisations imposed on the Ecuadorian economy the programmes and policies of stabilisation and structural adjustment that led to the reduction of the participation of the Ecuadorian state in the economy and to the exacerbation of problems of inequality and exclusion⁹ in society. The deterioration of state institutionalism was not only a result of the postulates of the Washington Consensus, but also of the influence of traditional economic power groups that, despite their anti-statist discourse and disputes over state control, used the state itself to take their share of the economic and political pie, thus maintaining broad margins of influence in the determination of public policies favourable to their particular interests (SENPLADES, 2007-2010). This reality led the country into a vicious circle,¹⁰ where the Ecuadorian economy had less to do with development and more to do with the failure of economic growth (SENPLADES, 2007-2010).

Starting in 2008, with the approval of the Constitution of Montecristi and the political and institutional changes that took place in Ecuador, the country moved in the direction of a more humanistic economic development, which, it is worth saying, is the

product of decisions taken by Ecuadorian society, rather than being imposed by international organisations. It seeks to reverse the perverse logic of accumulation of capital and power, subordinating them to the logic of expanded reproduction of life (Coraggio, 2011). In other words, the economy must be in service to life instead of life to the economy (Larrea, 2009).

In this sense, the 2008 Constitution aimed to recover the social in the economy, passing from a “social economic market system” (Constitución de la República del Ecuador, 1998) to a “Social and Solidarity Economic System” (Article 283) (Constitución de la República del Ecuador, 2008). Understanding development as the “organised, sustainable and dynamic set of economic, political, socio-cultural and environmental systems, which guarantee the realisation of good living” (Article 275) (Constitución de la República del Ecuador 2008). “Good Living”¹¹ implies

life in fullness that includes the internal harmony of people (material and spiritual), social harmony with the community and between communities, and harmony with nature (León, 2015).

The Social and Solidarity Economic System, integrated by the various forms of economic organisation, public, private, mixed, and popular and solidarity, gives prominence for the first time to the organisations of the popular and solidarity economy and the social forms of finance, not as passive subjects, but as active subjects of the economic system, in which the state regains its role in planning, regulation, control, incentives, and redistribution, ending market dominance as the sole guarantor of social development (Ojeda, 2013).

2. Recognition and Formalisation of the Popular and Solidarity Economy

The popular and solidarity economy in Ecuador has made important advances, especially in normative and institutional matters. For the first time in the country, the Magna Carta ordered that the PSE should be regulated. To that end, in May 2011, the Organic Law of the Popular and Solidarity Economy and the Popular and Solidary Financial Sector (LOEPS) was issued and in February of 2012, its Regulations were published.

In addition, in the normative sphere, other rules were added to the LOEPS that raised incentives and/or regulations, and defined objectives, policies and guidelines related to the PSE. These are the Organic Code of Production, Commerce and Investment; the Organic Code of Territorial Organization, Autonomy and Decentralization; the Law of Regulation and Control of Market Power; the Organic Law of Food Sovereignty Regime; the National Plan for Good Living from 2013 to 2017, and two macro strategies for changing the productive matrix and for equality and poverty eradication (Sánchez, 2016).

In institutional terms, the Inter-Institutional Committee (CI) is the governing operation and control of the economic activities of the people and organisations of the PSE and of the Financial Sector and Solidarity Fund (SFPS), accompanied by the Advisory Council¹².

In terms of regulation, the Ministry for Coordinating Social Development (MCDS) regulates the PSE and the Monetary and Financial Policy and Regulation Board created in the Monetary and Financial Organic Code (COMYF), art. 13, regulates the SFPS. It should be mentioned that, according to LOEPS, Art. 144, the MCDS had a Technical Secretariat (ST) in charge of proposing regulations, generating

information for the formulation of public policies, and conducting research on PSE and SFPS, among other provisions. This Secretariat was abolished by executive decree No. 1121, of July 2016.

As a control entity, the Superintendence of Popular and Solidarity Economy (SEPS) was created, accompanied by an auxiliary supervision comprised of representatives of local government and social organisations¹³. Its attributions are: to exercise control of economic activities; to ensure the stability, soundness, and functioning of the institutions subject to its control; to grant legal status to organisations and arrange their registration; to fix tariffs for services granted by SFPS entities; to authorise the financial activities of SFPS organisations, and to impose sanctions.

To accompany the PSE, the National Institute of Popular and Solidarity Economy¹⁴(IEPS), was formed as a technical assistance entity that implements public policy, coordinates, organises, and applies in a deconcentrated manner, the plans, programmes, and projects related to the objectives of the Law.

Finally, for financing, the National Corporation of Popular and Solidarity Finance¹⁵ (CONAFIPS) was created as an institution that provides financial services and second tier credit to the

popular and solidarity financial sector, subject to the policy dictated by the governing body. It is worth noting that, in mid-2015, the chairmanship of the CONAFIPS board passed from the MCDS to the Coordinating Ministry of Economic Policy (MCPE).

In this context, it is important to clarify the base organisations that make up the PSE and SFPS, in addition to visualising their importance in the national economy. As of December 2016, the organisations, according to the Superintendence of Popular and Solidarity Economy, total 9,977, of which 9,254 are members of the non-financial sector of the PSE and 723 organisations are part of the popular and solidarity financial system¹⁶ (SEPS, 2017).

The importance of PSE in the process of development and social stability is evident; 50% of national employment is generated by micro-enterprises, and their sales represent 25.7% of GDP; the contribution of women's unpaid domestic work accounts for around 25% of GDP. When the banking system broke down and bankrupted the country in 1999, a large network of SFPS organisations was consolidated in Ecuador: 946 savings and loans cooperatives, 12,000 small funds and communal banks (90% women), whose assets exceed US \$ 6 billion and which have more than five million members (SEPS, 2016).

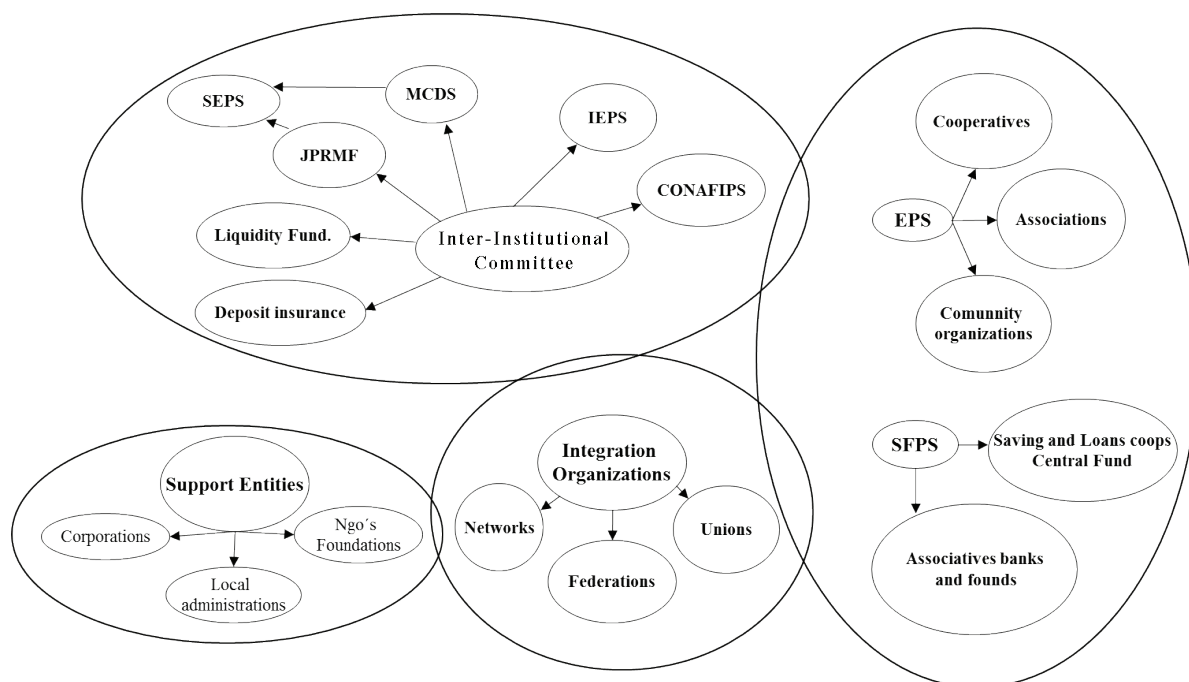


Figure 1: Institutional network of the PSE

Source: LOEPS, COMYF

Elaboration: own elaboration.

The operability of the institutional fabric is framed in formal and informal rules. The former is embodied in written documents, such as: political (and legal) rules, economic rules, and contracts. The hierarchy of formal rules ranges from constitution, laws, and statutes to special provisions, and finally individual contracts (North, 1993). All this for the creation of an organic structure directed towards the design and execution of promotion, development, and control policies. On the other hand, the informal rules come from information transmitted socially, and are framed in the behaviour of people, in their customs, traditions, and codes of conduct (North, 1993). Therefore, the development of the PSE will depend on public policy designed and implemented by these institutions (North, 1993).

3. Some Findings in the Design and Implementation of Public Policy for PSE

The creation of public policies in the economy, which starts with the recognition of the existence of market failures such as externalities, imperfect competition, and monopoly, among others, creates spaces for well-planned public intervention to improve social welfare, overcome exclusion and poverty, and redistribute wealth. To this end, public officials, for the management of human, material and financial resources, have powers that are defined in laws, rules or administrative provisions that allow them to decide on the design and execution of public policy for PSE.

In the 1960s and 1970s, there was little political will on the part of governments to promote the cooperative sector (Ortiz, 1975). The National Directorate of Cooperatives (DNC) and the National Cooperative Council (COCONA) showed inefficiency and corruption (Miño, 2013) in the management of their meagre budgets: from US \$ 66,442¹⁷ in 1968 to US \$ 400,000 in 2006, almost all to current expenditure, while staff numbers for 37 years, between 1969 and 2006, remained at around 40.

From 2007 onwards, public policy towards the PSE was much more favourable. In the period 2007-2015 the number of civil servants increased significantly, from 40 to 1,084 (27.1 times), distributed in the Superintendence of Popular and Solidarity Economy (SEPS), Institute of Popular and Solidarity Economy (IEPS), National Corporation of Popular Finance and Solidarity (CONAFIPS), and Technical Secretariat of Popular and Solidarity Economy (ST), as shown in the following table:

Institution / Years	1969- 2006		2015	
	Public Functionaries	%	Public Functionaries	%
DNC / OCONA	40	100%	-	-
SEPS			699	64.5%
IEPS			292	26.9%
CONAFIPS			89	8.2%
ST			4	0.4%
TOTAL	40	100%	1,084	100%

Table 1: Number of public functionaries for the PSE

Source: Work reports

"Elaboration: own elaboration.

Between 2007 and 2015 the budget had a notable increase: from US \$ 2,605,992 to US \$ 47,691,320 (18.3 times) and constituted 0.55% of the total social budget (education, social welfare, work and health) as follows:

Institution	Accumulated Budget					
	Total	%	Current spending	%	Investment	%
S T	587,849	0.4%	587,849	100.0%	-	0.0%
SEPS	66,238,487	41.2%	50,333,420	76.0%	15,905,067	24.0%
IEPS	60,464,294	37.6%	28,588,540	47.3%	31,875,754	52.7%
CONAFIPS	33,614,443	20.9%	13,322,369	39.6%	20,292,074	60.4%
TOTAL	160,905,073	100.0%	92,832,178	57.7%	68,072,895	42.3%

Table 2: Accumulated budget for the PSE (2012-2015)¹⁸

Source: Ministry of Finance, Budget documents and work reports

"Elaboration: own elaboration.

The two previous tables show an unequal distribution of human and budgetary resources and denote that the public policy towards the PSE favours more the institutionalisation of control over that of promotion, technical support, and financing. These figures also underline that these resources are aimed more at strengthening the public bureaucracy, which knows very little about the strategies of survival and heterogeneity of this sector, rather than the development of PSE organisations.

This situation should lead us to a radical reconsideration of the instrumentation of politics. A more comprehensive analysis is needed, combining policy with the economy, to avoid the occurrence of unwanted political consequences. The public institutions of PSE are evolving in an unequal and poorly articulated way, which in turn may be detrimental for the results obtained in economic well-being. In other words, the disadvantage is not in the institutional scaffolding, created as a state policy, but in the political decisions that the officials take within the institutions; these generally respond more to business logic than to that of public administration. In short, its technocratic rationality is subject to political irrationality.

In this sense, it is not surprising that the PSE organisations, through the agencies of their representative integration, say that the policies that affect them are declarative, short-term and foreign to their reality and that they do not project structural solutions (Asamblea Nacional, 2016).

Given the above, we must ask: does the political management contribute to the development of policies in favour of PSE? What have been the contributions of the regulation, the promotion, and the financing? Do PSE organisations provide feedback on their reality to the public institutions?

In this regard, the CI since its inception has met few times; in two meetings, it

issued two policies for the PSE sector. In addition, although the LOEPS states that the governing body will be supported by an Advisory Council, this, from the approval of the standard to the present, has not been activated. The social and solidarity economy sector, such as social and solidarity finance, do not have informed and representative voices to recommend policies and regulations for the sector (Asamblea Nacional, 2016). Therefore, the prevalence of control over promotion is the result of policies being made without understanding the informal institutions of the PSE and without the direct participation of their organisations.

Regarding the regulation, the MCDS has issued 14 regulations¹⁹ alluding basically to the reorganisation of the PSE organisations for the purposes of the control processes carried out by SEPS. On the other hand, with the approval of COMYF, the Regulation Board created in the LOEPS for the SFPS was eliminated and replaced by the Monetary and Financial Policy Board. This entity, responsible for the formulation of public policies and regulation and supervision of money, credit, exchange, financial, insurance, and securities, is part of the system of risk management -Basel- which, in short, are methodologies used by orthodox financial systems.

The unnecessary and illogical transfer of the SFPS to the COMYF means that the SFPS is now legislated with the same criteria that are applied to the private financial institutions, whereas the Constitution in its article 309 states that the national financial system will have rules and entities of specific and differentiated controls for the public, private, and popular sectors. As it is, it is legislating based on capital rather than on the values and practices of citizenship and associative bodies (Asamblea Nacional, 2016).

The control thus established, rather than accompanying and promoting the differentiated treatment of the

organisations of the PSE and the SFPS, leads towards a functioning where economic pragmatism annuls the values and essential principles of the PSE. The COMYF, regarding associative or solidarity entities, community savings banks and funds, states that they “may choose legal status” (Art. 458) which implies that they may request and the control body may or may not grant them such status (Naranjo, 2015). Meanwhile, being in a legal limbo, these organisations are excluded from the public policies of promotion and financing. On the other hand, according to the public monitoring report for the reform of the LOEPS, the SEPS does not implement auxiliary supervision based on variables such as size, sector, and assets (Asamblea Nacional, 2016); consequently, it limits the processes of co-construction of public policy in favour of this sector.

In promotion, development, and technical assistance, the IEPS has worked with seven directors, each with his/her own management model, over the past six years. This means that the levels of management and operation respond to conjunctural rather than structural logics.

In addition, according to the public review for the reform of the LOEPS, there is no consolidated national entity for the PSE with which the Decentralized Autonomous Governments (GADS) can coordinate (Asamblea Nacional, 2016). PSE is not only a sector which operates exclusively based on the members of traditional cooperatives and associations, but the PSE sector is, in essence, about local territorial development.

Finally, in the field of financing, CONAFIPS, for 8 years, has strengthened the SFPS to ensure the inclusion of PSE in the social and solidarity economic system. This entity has placed between 2008 and June 2016 about US \$ 862 million through 701,000 operations, applying training programmes and technical assistance (CONAFIPS, 2016). However, the senseless transfer of this entity to the COMYF and the transfer of the chairmanship of the MCDS board to the MCPE, meant that CONAFIPS now fulfils new functions in its management model which, in the short and medium term, may affect its institutional performance.

The institutional architecture for PSE does not offer adequate coordination mechanisms where institutional criteria and agendas could be unified with the common objective of the promotion and development of PSE. Inter-institutional separation and the lack of agreements between the same public institutions in the sector hamper the development of PSE organisations, marginalising them in the processes of public policy making.

Faced with this situation, coordination mechanisms and institutional agendas should be consolidated with the common objective of promoting and developing PSE in their local territories, so that they can complement, on an equal footing, with the public, private and mixed sectors, to develop equitably the entire national social and solidarity economic system. The achievements in favour of PSE at the start of this government should not be blurred over time.

4. Conclusions and Final Reflections

Under the neoliberal regimes, Ecuador followed the orthodox guidelines of development, understood as substantial increases in productivity and high rates of economic growth. The stabilisation and structural adjustment programmes imposed on the national economy by international agencies, with the complicity of certain national economic power groups, de-institutionalised the Ecuadorian state and aggravated the problems of inequality and exclusion in the economy, leading it to lose its relationship with development in favour of economic growth.

In 2008, Ecuador, with the approval of the Constitution of Montecristi and the associated political and institutional changes, grounded itself in a proposal of development where human beings were the subject and end of the economy, having Good Living as an important strategy to overcome the structural problems generated by neoliberalism. The 2008 Constitution aimed to recover the social in the economy, a condition that had previously been nullified by the market economy; it strengthened the state and regained its role in planning, regulation, the generation of incentives and redistribution, and it determined that the social and solidarity economic system is integrated by forms of public, private, mixed, and popular and solidarity economic organisation.

Consequently, for the first time in the country, the Magna Carta ordered the regulation of the PSE. To this end, the LOEPS was issued and the PSE was included in several objectives of the National Plan for Good Living and in other norms aimed at the guidance, regulation, control, accompaniment, promotion, and financing of the socioeconomic subjects of PSE. However, as has already been said, the institutional framework of the PSE has not been strengthened, and its lack of coordination with the Decentralized Autonomous Governments (GADS) does not allow local and territorial development to be underpinned.

Ecuador has made significant progress, particularly in terms of regulations and institutions for PSE. However, its new institutional architecture rather than promoting the development of its organisations has favoured the public bureaucracy, which, on the one hand, makes decisions that respond more to business logic than to a public administration; that logic knows little or nothing about the institutions and the heterogeneity of the sector, and, on the other hand, the bureaucracy increasingly concentrates resources on control and current expenditure policies to the detriment of policies of promotion and financing. It would be more logical that the organisations of the PSE were also direct participants and beneficiaries of the General Budget of the State, which implies a policy of promotion.

In this sense, the public level of institutionalisation of PSE is evolving in an uneven and poorly articulated way. A technocratic rationality is being imposed subject to a lack of rational long-term vision of public policy; the disadvantage is not in the institutional scaffolding, but in the political decisions that the officials take within the institutions, which do not make viable the promotion and the development of the PSE.

Finally, it is important to rethink the guidelines of public policy to develop PSE in their local territories. It is necessary to not act in isolation; synchronicity is needed and agreements at all levels and with all sectors to promote policies aimed at strengthening this sector and consolidating the social and solidarity economic system. What is happening in the country is important because it shows how much, if there is political will, technical and institutional conditions that recognise and make viable the promotion and development of PSE, characterised by its social heterogeneity and its occupational diversity, can be achieved.

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Notes

1. In Ecuador's Constitution of 2008 the Concept used is that of Popular and Solidarity Economy. The word "Popular" in this context carries implications of the antihegemonic action from the middle and lower strata of society.
2. The economic vision of development considers positive "without discrimination, all processes where market transactions occur, regardless of whether they are productive, unproductive or destructive" (Schuldt, 1995).
3. This conception was based on the notion of drip-down: "If 'viable' sectors are promoted and favoured, the welfare of these sectors will 'spill over' to those excluded from the benefits of the system" (Larrea, 2009).
4. Coraggio differentiates between "agents (who act according to habits and customs based on their function in the field without a possible questioning), actors (operate within established guidelines, but have and use a margin of freedom, such as the theatrical libretto that the actor must follow) and subjects (they act as actors with a critical conscience of the existence of diverse institutional structures, in addition, they include among their possible actions, the participation in the transformation of such structures)" (Coraggio, 2011).
5. The quality of life, for Amartya Sen, is conceived in terms of activities that are valued in themselves and in the capacity to reach those activities. If life is conceived as a set of beings and actions (realisations) that is valued by itself, the determination of the quality of life is given by the evaluation of these achievements (Schuldt, 1995).
6. In addition to being characterised by the evolution of liberating processes that are driven from the bottom up by the community, they are those that satisfy a specific need and contribute to the simultaneous satisfaction of other needs (Schuldt, 1995).
7. It is important to emphasise that, although the structuralists showed an active participation of the state against the market, the neo-structuralists seek to find an interaction between the state and the market with the aim of stimulating a positive and dynamic relationship between them (Kay, 1993).
8. Political change is understood to be those transformations that take place at the institutional level of politics, such as: constitutional frameworks, political systems, voters, even public policies. In addition, in political change, analytical units are "individuals, organisations representing them, political structures and institutions" etc. (Ramírez, 2000).
9. In the system of inequality, what is below, what is considered inferior, is within the system, for example, the domestic workers, the workers of a company, etc. In the system of exclusion, what is below, does not exist, these beings are denied part of their humanity (Larrea, 2009).
10. The vicious circle is based on the recreation of extractive political and economic institutions that enrich a few at the expense of the majority. Those who benefit from extractive institutions are not interested in changing the system, on the contrary, they defend it (Acemoglu & Robinson, 2012).
11. This concept translates the term Sumak Kawsay, which is a concept derived from Amerindian societies and which has been incorporated into the Ecuadorian Constitution.
12. The Autonomous Decentralized Governments, persons and organisations covered by the Law (Article 143, amended by COMYF) may participate in the management of the CI, through non-binding information and consultation mechanisms.
13. According to Article 152 of the LOEPS, integration bodies and other specialised entities may collaborate with SEPS in carrying out one or more specific supervision activities, in compliance with the conditions and provisions issued by the Superintendencia for this purpose.
14. This entity was created in April 2009, by Executive Decree No 1668, as an entity under public law, attached to the Ministry of Economic and Social Inclusion (MIES).

15. In May 2007, the National Microfinance System Program (PSNM) was created. In April 2009, it was renamed the National Program for Popular Finance and Entrepreneurship in Solidarity Economy (PNFPPEES). In 2012, with the approval of LOEPS, it changed its name to National Corporation of Popular and Solidary Finance (CONAFIPS).
16. The SFPS "shows a positive evolution of its assets, liabilities and equity. The assets of credit unions increased from 2013 to 2016, from 7% to 11.2%, reaching US \$ 9,897 million, with a credit portfolio of US \$ 6.420 billion, as of December 2016. Regarding the financial institutions of the social and solidarity sector, their assets grew from 7% to 12% from 2013 to 2016, reaching US \$ 8,270.24 million, as of December 2016. The assets of the savings and credit cooperatives in December of 2016, stand at 1,625.15 million dollars, showing growth of 1% to 9% from June 2013 to December 2016 (SEPS, 2017).
17. Exchange rate in 1968: S / . 17.82 sucres to the dollar (ECB).
18. The official currency in Ecuador is the US dollar.
19. The last regulation issued by the MCDS was formalised in the Official Register No. 671, of 2016, and refers to the resolution for the updating of the by-laws of cooperatives and associations of the PSE.

Cooperative Values as a Constituent Element of Agroecology and Food Sovereignty

Jackeline Contreras Díaz

Abstract

The principles of solidarity, reciprocity and collaboration promoted by *cooperativism* are related to the cultural values that indigenous communities have practiced for agricultural production since ancient times to ensure their food and their families and groups' survival. As a multidisciplinary science, agroecology revalues the principles of *cooperativism* to obtain and provide food for peasant families. Thus, it enables associate groups to design their own strategies for the provision of food from their own environments.

This paper intends to show the importance of cooperative values in a case study of an Association of agroecological producers of Tungurahua, Ecuador. The information was collected through in-depth interviews and surveys to a sample of members of the Association in order to collect examples of how cooperative values enhance the achievement of food sovereignty. Food sovereignty is the right by which people can choose the food they grow and the food that is part of their diet.

Key words: cooperatives, agroecology, rural development, food sovereignty

Introduction

The principles of solidarity, reciprocity and collaboration promoted by *cooperativism* are related to the cultural values that indigenous communities have practiced for agricultural production since ancient times to ensure their food and their families and groups' survival. As a multidisciplinary science, agroecology revalues the principles of *cooperativism* to obtain and provide food for peasant families. Thus, it enables member groups to design their own strategies for the provision of food from their own environments.

This paper intends to show the importance of cooperative values in a case study of the Association of agroecological producers of Tungurahua. The information was collected through in-depth interviews and surveys to a sample of members of the

Association in order to collect examples of how cooperation values enhance the achievement of food sovereignty. Food sovereignty is the right that people have to choose the food they grow and the food that is part of their diet.

Institutions, Cooperatives and Transition to Agroecology

Appendini and Nuijten review the conceptions of organisations and institutions in rural contexts. They point out that organisations focus on acknowledged and accepted structures and functions whereas institutions focus on beliefs, regulations and behaviour rules that allow the development of functions and structures. For Appendini and Nuijten, the role of institutions and organisations in rural life must be based on a flexible conceptual framework that conceives organisational practices as actions and strategies of individuals that, through repetition and acceptance, can lead to the creation of new institutions. They also point out that it is very important to conceive the local institutional context as a space where the institutions' specific manifestations exist. Regarding trade, they identify both supply markets and product markets within institutions at local rural level (Appendini & Nuijten, 2008).

Within institutions, cooperatives group people who share common problems or needs. These people freely contribute and join to achieve common goals under fair rules. Cooperatives are independent institutions that belong to and are controlled by their members (Chambo, 2009). In rural areas, cooperatives have grouped in relation to production, distribution and trade of products, just as mentioned in the experience of Africa (Chambo, 2009).

The components of such definition take the principles elaborated by the

International Cooperative Alliance which are part of the Promotion of Cooperatives Recommendation 2002, No 193 (ILO, 2002) adopted in the Ninetieth ILC Meeting. The same instrument acknowledges the value of cooperatives to promote people's participation in the economic and social development.

With the elements mentioned above, cooperatives provide protection to their members, and they have reduced their vulnerability to poverty. Regarding trade, cooperatives reduce transaction costs and facilitate the sale of crops of small farmers in the local market and even in the international market, as verified in the agricultural and trade cooperatives that operate in Africa (Chambo, 2009).

Additionally, cooperatives offer an institutional framework for local communities to have more control over their productive activities; in this way, they contribute to food production and distribution and food sovereignty. Small farmers acquire more bargaining power, they share resources that ensure their food and reduce poverty (South Africa. Department of Agriculture, Forestry and Fisheries, 2012). These benefits are achieved in cooperatives because they pursue values and principles that favour fairer ways of trading which benefit their members and the places where they live (United Nations Food and Agriculture Organization, 2012).

As organisations, cooperatives go beyond the concept of companies. They can be conceived as a socio-cultural system in permanent interaction with their environment. They provide high confidence, reciprocity and solidarity (Dávila, 2003).

The characteristics shown above have special importance in Latin American countries which do not belong to the Southern Cone, where cooperatives have had great influence from both the

state and the local indigenous tradition (Mora, 2012). They also highlight the role of cooperatives in local development, both in development management and development promotion (Dávila, 2003).

Assessment of the expansion of agroecology in several Latin American countries shows that the articulation of public and private institutions, cooperatives among them, is a key element of the permanence and development of transition and expansion processes towards agroecology. Research on agroecological processes highlights dialogues of understanding and knowledge to meet common points, and a “systematic, multidimensional training with several actors” between institutions (Ranaboldo & Venegas, 2007).

Additionally, from the agroecological perspective, Altieri and Toledo underlined the permanence of socio-cultural institutions ruled by strong cultural values and collective methods of social organisation in the rural areas of Andean countries. These institutions have regulations and rules to access the resources and distribution of benefits as one of the characteristics of traditional agricultural ecosystems, which is the unit of analysis the agroecological approach is based on (Altieri & Toledo, 2011).

Therefore, cooperatives have relevant functions for their members and the territories where they are settled. Cooperatives and the cooperative values they promote are part of ongoing initiatives, such as agroecology, which favour the revaluation of these principles which have been present in rural organisational methods of Andean countries since ancient times. Cooperatives are the support of small farmers’ food systems and, from the agroecological point of view, these values are supposed to be present not only within food production, but also within food distribution, trade and consumption.

Although cooperatives and rural associations achieve concrete results, the possession and management of common resources they implement for the access and control of food comprise a series of agreements under established regulations and beliefs which enable these goals to be achieved. Such agreements can be similar to what Elinor Ostrom refers to as the management of common resources, which the survival of people depends on. Ostrom highlights their institutional capacity to “generate their own rules in order to be able to continue living on such resources” (Aguilera, 2009).

Ostrom proposes an Institutional Analysis and Development Framework (IAD), which identifies elements and relations used to analytically organise and diagnose people’s prescriptive potential in systems (Ostrom, 2007). An approximation of such reference framework is used in this paper to explain the cooperative values that support the agroecological approach and food sovereignty of the members of the Union of agroecological producers PACAT¹, located in Tungurahua province of Ecuador.

Methodology

Based on the IAD, this study used a qualitative research method. The study was implemented around core categories which were built and observed, such as sustainability, institutions and the community social capital. They were observed in different units of analysis such as farms, formal and non-formal organisations like local food systems characterised by sustainable short distance distribution and commercialisation channels.

A map of the actors involved in short distance commercialisation of agroecological products, in Tungurahua province, was implemented during the first

stage of the study. The map also includes the relations among such actors. Later on, semi-structured interviews were applied to delegates of the institutions which have participated in the construction of these channels of commercialisation from the beginning. Documents in PACAT's files were reviewed in order to re-construct its history and to identify the goals that joined the organisations gathered by PACAT. Furthermore, in-depth interviews were held with members of PACAT. Female members involved in sales were also interviewed during the PACAT fair (Pachano Square fair). At the same time, events arranged by the organisation, such

as meetings, parties, training sessions, tours, and focal groups with managers and partners were observed. Such interviews and meetings were recorded and transcribed. The dynamic of Pachano fair was observed and the notes were recorded in a field diary. The fair is held in Ambato every Saturday. Also, the farms in the three ecological areas where there are members of PACAT, were visited, and the daily working routines in the farms were observed. Other fairs held on the same day as the Pachano fair were also visited in other places in Ambato. Table 1 shows the techniques used to collect field work data during the information gathering period.

Techniques used	Number	Techniques used	Number
Semi-structured interviews	15	Participation in events organised by the organisation	8
In-depth interviews to members	30	Visits to farms	38
Inquiries to female members at Pachano Square	100	Interviews and visits to other fairs	4
Observation of the fair at Pachano Square	25	Key informant interviews of institutions at local level	5

Table 1: Detail of qualitative information gathering, August 2013 – November 2015
Source and implementation in Field work: own elaboration.

Development

General context

The territory of the Republic of Ecuador is divided into provinces formed by cantons, which are in turn formed by parishes. Map 1 (Appendix) illustrates the territorial political division of the province and its location in the Ecuadorian territory.

The policies and strategies of the National Plan for Well-Being, in force between 2013 and 2017 (SENPLADES, 2009), become a reality in the territory through a decentralisation process supported by the Organic Code for Land Planning, Autonomy

and Decentralisation issued in 2011. This Code describes powers and functions of regional councils (groups of provinces), provincial councils, metropolitan councils (groups of cantons), canton councils and parish councils.

Zone Agendas articulate national and territorial planning. By identifying specific territorial dynamics, based on relevant ecological, productive, landscape and cultural aspects, they aim to formulate public policies (SENPLADES, 2010).

The experience of PACAT is developed in Tungurahua province, placed in the Central Highland and formed by nine cantons,

19 urban parishes and 44 rural parishes. Ambato is the capital city of Tungurahua province. Ambato canton, which Ambato city belongs to, concentrates 80% of urban population and 55% of rural population. 26.94% of the province's economically active population is engaged in agriculture (Gobierno Autónomo del Tungurahua, 2013).

The province has a commercial and polyfunctional dynamic which explains why small merchants and entrepreneurs have greater empowerment there than in the rest of Ecuadorian provinces (RIMISP, 2011). Tungurahua has a diversified offer of agricultural products and a network of 60 weekly fairs in 19 different places where food, small animals, flowers, fruit and livestock are sold. Ambato is the centre of this network of fairs and the place where the products that supply the markets of Quito, Guayaquil and other cities of the country (RIMISP, 2011) are collected. Also, the ties between farmers and merchants are so close that the same families carry out both activities.

In Tungurahua, there is 201,905 ha of land, distributed in 71,317 agricultural productive units. Middle-sized farms, which comprise 1% of the farms, occupy 13% of the agricultural land and their average area is 41 ha. Farms larger than 100 ha only represent 0.2% of the farms, and they cover 43% of the land with an average area of 594 ha per estate. Farms smaller than 20 ha, which constitute 99% of productive units, occupy 44% of the land with an average area of 1.3 ha (Gobierno Autónomo del Tungurahua, 2013). The members of PACAT belong to this group of farms.

PACAT members identify three productive zones that correspond to different climate zones, soil conditions and production methods. In the high zone, which is between 3,050 and 4,000 MASL, there are 14 organisations; in the middle zone, which is between 2,500 and 3,050 MASL,

there are 18 organisations; and in the low zone, located between 2,000 and 2,500 MASL, there are four organisations. 40% of agricultural productive units does not have irrigation; these units are located in the high zone, which is populated by indigenous people (Bustos & Bustos, 2010; PACAT, 2013).

Most members have their own farms, which they have inherited or bought from their neighbours or relatives. The farms of PACAT members range from 857 m² to 10,000 m²; the average area is 3,528 m² (Bustos & Bustos, 2010). According to the census carried out in 2014, as part of this research to update information, the average area of such farms was 7,000 m² (Contreras, 2014).

Background of PACAT's collaborative practices

The motivations for PACAT female and male members to get together are related to their need to trade their harvest surplus products. They were beneficiaries of integrated farm programmes promoted by NGOs through which they could confirm the possibility of producing in a cleaner way, something they had already been doing by the time they got together. Many of the members recall that their clean agriculture practices come from their ancestors, who used to cultivate without chemicals since they did not know about their use and because, as they said, the soil produced a lot more when it was less exhausted. Communities, associations and cooperatives, which worked with their members with different regulations, were already organised in the territory. Collaborative practices, such as the *presta manos*, namely free help from neighbours, were implemented for sowing and harvesting. The NGOs that promoted an integrated farm approach used the practices mentioned above as a key element. These farms intended to recover productive capacities without chemicals, and they also intended

to achieve small farmers' greater independence from the market regarding food consumption. Furthermore, the communities recognise the impact of agrochemicals in peasant families' health, as shown in press releases from the time when PACAT was created. According to the study carried out in 2006, the farmers of Quero, a canton of Tungurahua, were the most affected by acute and severe poisoning due to agrochemicals. Similarly, documentation on cases of poisoning and contamination of agricultural crops in cantons of Tungurahua, like Ambato and Tisaleo, also focus their attention on health (Suramérica, Agencia Publica de Noticias del Ecuador y, 2014). The interviews with members and managers of PACAT show that, besides health, their motivation was the price of agrochemicals since it was impossible to

depend on them for production due to their price increase.

Institutions, actors in the promotion process of agroecology

The 10-year institutional life of PACAT has been supported by public and private institutions. PACAT has received different types of support, such as training and funding through programmes and projects related to the institutions' working frameworks, but they have also considered the interests of PACAT, represented by the board of directors (PACAT, 2006-2014).

Figure 1 describes the actors involved in promoting and implementing agroecology from the Institutional Analysis and Development Framework.

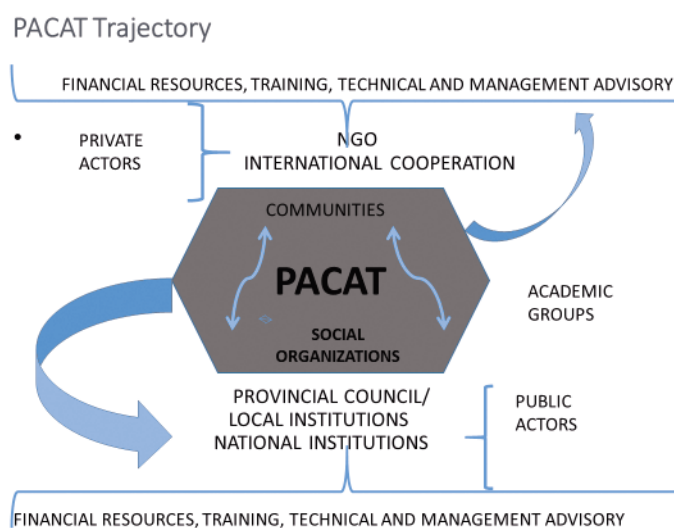


Figure 1: Actors promoting and implementing agroecology

Source: Field work 2013-2014

Elaboration: own elaboration.

NGOs have supported the expansion processes throughout the life of PACAT. They have achieved concrete results from their investments, like delivering a credit fund to the organisation which has worked with cooperative principles and values regarding allocation and distribution. The fund has also served to improve irrigation

infrastructure, adequacy of infrastructure for animal care and breeding, purchase of animals, seeds and fertilisers. NGOs have contributed to revalue the knowledge of clean agriculture and to transmit this message by reducing the quantity and frequency of use of chemicals. They have also helped to meet the organisation's

administrative expenses, which has exempted members from this cost. The working processes of the actors mentioned above have strengthened the cooperative ties of PACAT female and male members. Besides funding, the spirit of solidarity in situations of crisis of PACAT members has been reevaluated through concrete help with money or things.

According to the records of PACAT, the concrete outcome of these collaborative institutional processes has been the grant of 322 loans from 2011 to December 2014, besides extended loans. According to the farming advisors of the organisation, three exchange tours with PACAT farmers have been organised per year, and, on average, 40 to 50 periodic visits to the farms have been carried out in order to supervise and provide assistance on the application of the principles of agroecology (Chango & Ibarra, 2014). These events, with different aims, such as institutional strengthening and generation of skills, were included in the projects and implemented as activities that benefited the female and male members of the organisation.

The interviews with **female and male** members confirmed the support they have received from the organisation, such as loans, technical assistance, exchange tours, and training events. They described how these activities created and strengthened cooperation ties. Although these ties had existed since their ancestors, they had weakened due to lack of time or lack of solidarity-based spirit when each farmer tried to get their own benefit. However, both male and female members said that over time, the joint events held by PACAT had decreased and that the board of managers had preferred to favour some

members when delivering benefits. From the management area, **farming advisors and managers** say that the task is huge. However, they do their best to try to provide their services (Chango & Ibarra 2014).

During fairs, observation also showed that members take advantage of these events to request assistance from farming advisors on issues such as purchase of seeds and supplies at the store of the organisation. This leads us to conclude that the activities of promotion and implementation of agroecological techniques are performed in trading environments. According to the managers of PACAT, training activities are planned with the female and male members who participate in the activities they organise; a central space of communication and encounter is the Saturday fair. Similarly, during fairs, male and female members talk to one another (95% of producers-merchants are women) about their own farming techniques and their outcomes; these talks are another expression of collaboration and cooperation which strengthens the agroecological approach.

The support of NGOs has also allowed recovering collaborative knowledge. Agroecological knowledge has been created in the institution because there has been reflection and recovery of practices through the implementation of an agricultural calendar as shown in Figure 2. The calendar shows lunar stages related to festivities, cultural tasks needed for crops and the weather in terms PACAT members recognise. It also shows collaborative tasks which are the social and patrimonial support of organisations.



Figure 2: PACAT agricultural calendar

Source: Mural in PACAT Office Photograph by Jackeline Contreras Díaz

Another qualitative outcome of the support given by NGOs regarding the promotion of agroecological knowledge, also focused on collaborative support, was the development of principles of

agroecology, which were implemented with the participation of female and male members. Table 2 shows such principles.

Agroecological Principles

- 1 Agroforestry Component. It comprises trees, medicinal plants, fruit trees, multi-purpose plants, existence of hedgerows, windbreaks.
 - 2 Agricultural Component. 10 to 8-crop associations, rotation is part of it, initial crop again after 2 or 3 cycles. Product diversity both for human as well as animal consumption.
 - 3 Animal Component. Variability of animals, livestock, guinea pigs, chickens, rabbits, sheep and fish. It considers the percentage of food that comes from the farm and is used to feed the animals. Infrastructure for animal breeding and the condition of such infrastructure.
 - 4 Soil conservation. Terraces in high zones, level curves in middle zones, and ridges and furrows in low zones. It includes their own organic fertilisers, which come from the farm, for instance, compost and humus.
 - 5 Water use. First for human consumption, for animals and for crops. If necessary, technified irrigation systems for a more efficient use
 - 6 Alternatives for disease control, such as pruning, botanical insecticides, repellent plants, use of green-stripe insecticides, management of plastic garbage in the farm.
 - 7 Availability of one's own seed, seed selection, seed conservation.
 - 8 Family and Community integration, work with wife, sons and daughters. Tasks are carried out not only by older adults.
 - 9 Local knowledge. A person must know and practice farming tasks. Knowledge of food and Andean ancestral medicine as well as handicrafts and community tourism.
 - 10 Food self-sufficiency with their own farm products which are consumed and exchanged with more variety of products in the fair.
-

Table 2: Agroecological principles developed by PACAT through the method for assessing management systems by incorporating sustainability indicators

Elaboration and source: (Chango, Edison, 2014).

From the point of view of NGOs, the process of PACAT has had a very concrete outcome which is the promotion of the idea of "clean agriculture", not only at organisation level but throughout the whole province. This is reflected in the incorporation of agroecology as part of the Agricultural Strategy of Tungurahua, one of the results of the process of conciliation and coordination of interests between public and private institutions.

It is a set of short, medium and long term proposals required and worked in

accordance with the problems and needs of the farmers of the nine municipalities and the province in order to enhance the agricultural sector of Tungurahua in a planned and coordinated way (Gobierno Autónomo del Tungurahua, 2011).

The construction process of the agricultural strategy has generated spaces of dialogue among small, medium

and large farmers, and it has called non-governmental organisations and international cooperative organisations which have supported some of the affiliate organisations of PACAT, especially through integrated farming programmes, reforestation and moorland control. It has also allowed the rest of the private actors of the province to recover their knowledge of family farming as provider of agricultural products.

The Provincial Council of Tungurahua is the **public institution** which has supported the initiative since the beginning of PACAT by funding farming advisors for promotion and counselling related to the application of agroecological techniques and the management of PACAT through training, coordinated projects with NGOs, and revaluation of the collaborative values of the associations. Channelling the resources of this institution has also allowed the message and PACAT, as its sponsor, to be incorporated to the New Management Model of the province as well as in decision-making related to the territory. The expansion of the clean agriculture message has led the province to issue an ordinance, which is currently in force, to declare itself as a “clean agriculture” province.

The public management model of Tungurahua province is formed by parliaments² “which articulate the sustainable management of natural resources, human development and enhancement of the productive capacity of the province” (Gobierno Autónomo del Tungurahua, 2011). The parliament of water oversees environmental sanitation, sewage system and conservation of water resources; the parliament of people cares for vulnerable groups, older adults as well as health and education problems; and the parliament of work oversees agricultural production, the tourist sector and SMEs.

Similarly, the formulation and approval of a regulation for a Certification of Clean Agriculture was achieved based on the consensus on the agricultural strategy reached with academic institutions, like the University of Ambato, and the support of the new management model. This certification aims to have a framework to guarantee its application through a process of supervision by third parties. The certification of most PACAT members would be an evidence that the promotion-transmission process of agroecology has continued and deepened. However, according to the farming advisors of PACAT, up to 50% of female and male members who sell their products in the market have or have had a valid certification. Many of them have agreed with the supervision, but they have not completed the payment or the process. This percentage has changed over time, and has had a downward trend. For both female and male members, the certification is an unnecessary expense because it is not reflected in the prices they receive in the market.

Institutional Analysis and Development Framework (IAD)

The IAD suggests Collective Action as the central element. A Collective Action is encouraged by leading Processes that work and that become a common goal shared by the actors involved (Ostrom, 2007). From the point of view of Aguilera, who interprets Ostrom, these negotiation processes governed by a series of rules are: clear delimitation of limits; coherence between local conditions and appropriation and collaboration rules; agreements on collective decisions; control; sanctions; mechanisms for conflict resolution; minimum recognition of the right to self-organise (Aguilera, 2009). The compliance of such rules will lead to the design of lasting institutions to manage the resources of communal property.

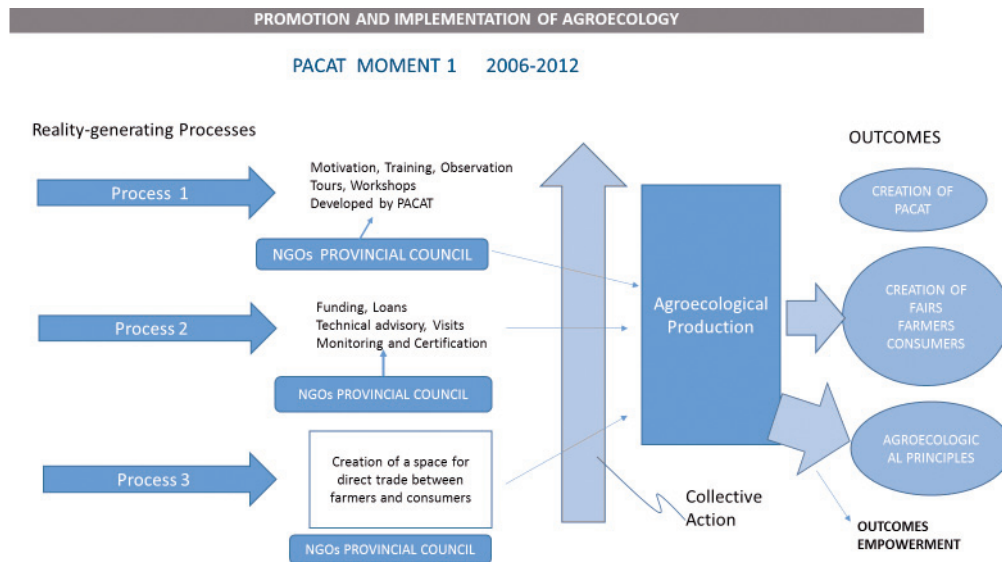


Figure 3: Institutional analysis and development elements

Source and elaboration: Field work Jackeline Contreras Díaz

Figure 3 shows the IAD elements described in the case of PACAT and its institutions from the moment it was created to 2012. The central Collective Action is the creation of the Union of Agroecological Farmers, which comprises three processes: first, promotion and implementation of agroecology supported, above all, by NGOs; second, technical financial support, which has allowed the supervision and resources needed to sustain the first process; and, third, the creation of a space for direct trade between producers and consumers. All the processes have implied the application of cooperative and collaborative practices based on values of reciprocity and solidarity. Regarding the rules followed in the stage under analysis, PACAT members have worked the processes together; there was a clear delimitation that defined who the female and male members were. In the process of promotion and implementation of agroecology, female and male producers have participated in the projects through association delegates; they have invested time to implement agroecological techniques and to build the market place. At Pachano square, the space is shared among families that are part of the same association; they participate in the fair

according to pre-established turns or in accordance with product availability. If a farmer only has one or two products to offer, he can call another member of his association to take his turn. Female market vendors who share the same stand are not only members of the same organisation, but friends who provide multiple services. For example, women entrust their stand to someone else while they move around the square; female market vendors exchange or buy products within the same square to make sure their customers can take everything they need. Giving *yapa*, namely free of charge extra products, is a practice related to the quality of relation between the people involved in the transaction, and it contributes to strengthen the ties with their working partners, who are commonly *compadres* (*closely-knit family and friends' networks*), and to ensure customer loyalty. The mechanisms described above are expressions of the community social capital which has allowed the short distance local food systems to continue to exist through reciprocity and cooperation.

Relations of reciprocity are extended to the people who provide transport service at dawn since they do not only pick up the people who have jointly hired the service to

lower costs. They also help them load and unload their products. The agreements on transportation occur week after week by complying with the terms defined upon places, time and prices.

Owning a selling stand at the square means counting on a network of social relations which is activated when problems with crop health appear or when “giving a hand” is required to deal with farming issues. In the intermediate ecological zone, for instance, PACAT female and male members dedicate one day to help their partners with field work. This is very significant considering that many of them are older adults and that it is difficult to hire workforce in the area due to scarcity of people or resources. Belonging to PACAT also gives members the possibility of access to loans for buying farming supplies or improving the farm infrastructure. The only requirement is to be in good standing and signing a promissory note.

Similarly, in the Collective Action achieved during the period of analysis, there is coherence between the leading processes and the conditions provided by the environment through the Tungurahua Agricultural Strategy as part of the New Management Model of the province. The financial and technical support provided by the Provincial Council has been the transverse support element. Additionally, cooperative and collaborative actions have led to agreements on collective decisions regarding the formation of PACAT and the creation of the space for direct commercialisation between producers and consumers. Many of the female members who were interviewed pointed out how difficult it was for them to leave their homes and farms in order to go to the market to offer their products. “Knowing how to sell”, this built knowledge is also the result of the promotion-transmission process of agroecology and of collective cooperative decisions because it recovered the relation

between producers and consumers. It also led to peasant women’s empowerment since they are the ones who manage the information of what is required in the market; thus, they intervene and, in some cases, directly decide what and how much must be produced and how to do it. This definitely ensures sovereign food. According to the testimonials of founder female and male members, women are the ones who have sold in Pachano Square from the very beginning. They are the ones who participate in agroecological productive events and processes, and they are the ones who support one another with collaborative practices that range from training to arrangements established in the square on the day of the fair.

Another concrete outcome of the collaborative practices and institutional agreements of PACAT is that they have led to the creation of Agroecological Principles and the Clean Agriculture Certification³ through the public and private institutions grouped in the Agricultural Strategy⁴, with their own control unit called Unit for Certification of Clean Agriculture Tungurahua or UCALT⁵, which creates a suitable framework to supervise the agroecological quality of the productive process, their products and their direct distribution in the fair. The Regulations created established recommendations for compliance, but not sanctions. The later ones were supposed to be implemented after technical supervision processes which were carried out periodically. This lack of clarity regarding sanctions has a close relationship with cost. In all the stages, the cost for promoting agroecology has been subsidised by NGOs and public institutions, such as the Provincial Council of Tungurahua. Whereas the commercialisation costs, such as rent of stands at the square and its long-term maintenance, has been funded by female producers-market vendors who go to the square every Saturday.

This exclusive assumption of marketing costs, not the ones that correspond to promotion-transmission and implementation of agroecology, is confirmed in the interviews and focal groups developed with male and female members. They refer to the fight to keep the space, and what it has implied in terms of time and money with greater effort than what the permanence of agroecological farming has represented. The individual costs of the transition process have been covered by each producer, and they have received a special price for the supplies obtained through the organisation's store. The advice they have received on application has also been free of charge since it has been given by people hired with funds from public institutions or from the NGOs in turn. Finally, male and female members of the organisation have not covered these costs. However, it also means that there are no sanctions for those who do not have an agroecological productive process.

The lack of sanctions has also led to little clarity for the resolution of conflicts between the ones who comply with agroecological processes and the ones who do not. Cooperative and collaborative agreements have been the mechanisms that the institutions have maintained to solve conflicts and to keep the marketing space. The major disadvantage of this situation has been the fact that the quality of agroecological products is not promoted among consumers. Therefore, there is not enough motivation for them to pay higher prices for the products. Thus, the prices at Pachano Square have remained low.

This confirms how necessary it is for PACAT producers to have an organisation with cooperative and collaborative principles to provide help through loans, continuity of short distance commercialisation channels and local food systems, and a store of supplies to continue with the promotion-transmission process of agroecology. The principal benefit that PACAT female and male members have received

throughout the process has been, according to the interviews, having a greater quantity of products available for consumption. In their own words,

Fewer things must be purchased; what is not produced is exchanged or purchased in the same square. In the past, we used to have to buy everything in the market, and we had to wait between six and seven months to harvest to be able to sell.

After the period under analysis, and after a change of managers, PACAT has stated positive changes for the management of their organisation and the institutions that work around it. One of these changes has been the obligatory process of certification to ensure more sales at the fair and to search new marketing channels at a better price. The concrete results of these processes have led to the revival of cooperative values in the organisation and to the creation of a new cooperative, COPRACUY,⁶ which supported by the Provincial Council favours the generation of incomes contributes to food safety (Gobierno Autónomo del Tungurahua, 2016).

Additionally, PACAT female and male members have acknowledged the cooperative values and the need to transmit and engage young generations in such processes. Thereupon, they have created a group of young people of the organisation who are permanently being trained in agroecology and PACAT's cooperative values. They will be beneficiaries in projects with international funding so they can continue with agroecological production and short distance channels of commercialisation (Plaza, Fresh proyecto belga, 2017).

Conclusions

The purpose of this presentation was to highlight the cooperative and collaborative values that support the agroecological approach and food sovereignty through the study case of PACAT.

Research has shown that cooperative and collaborative values have existed in the communities and members of PACAT since ancient times. These agreements are verified in the productive, distributive and reproductive spaces of PACAT farms. The use of collaborative practices has been a key element for the success of the proposal because they have allowed the events supported by NGOs to have a greater impact on their female and male associate members. These practices have been institutionalised (UCALT, Certification, and COPRACUY cooperative), and an intergenerational dynamic with young people has been encouraged. The most visible impact is the continuous promotion and transmission of agroecological knowledge.

The market where short distance commercialisation practices are performed is a central space for the expression of collaborative values in the trade and exchange of products and exchange of knowledge among all the associate members of PACAT.

The sustainability of the network of collaborative values throughout the whole production-distribution process has allowed peasant families who are members of PACAT to obtain a more diverse diet and of better quality. They can also decide what to produce and what to eat, therefore they have achieved food safety and food sovereignty.

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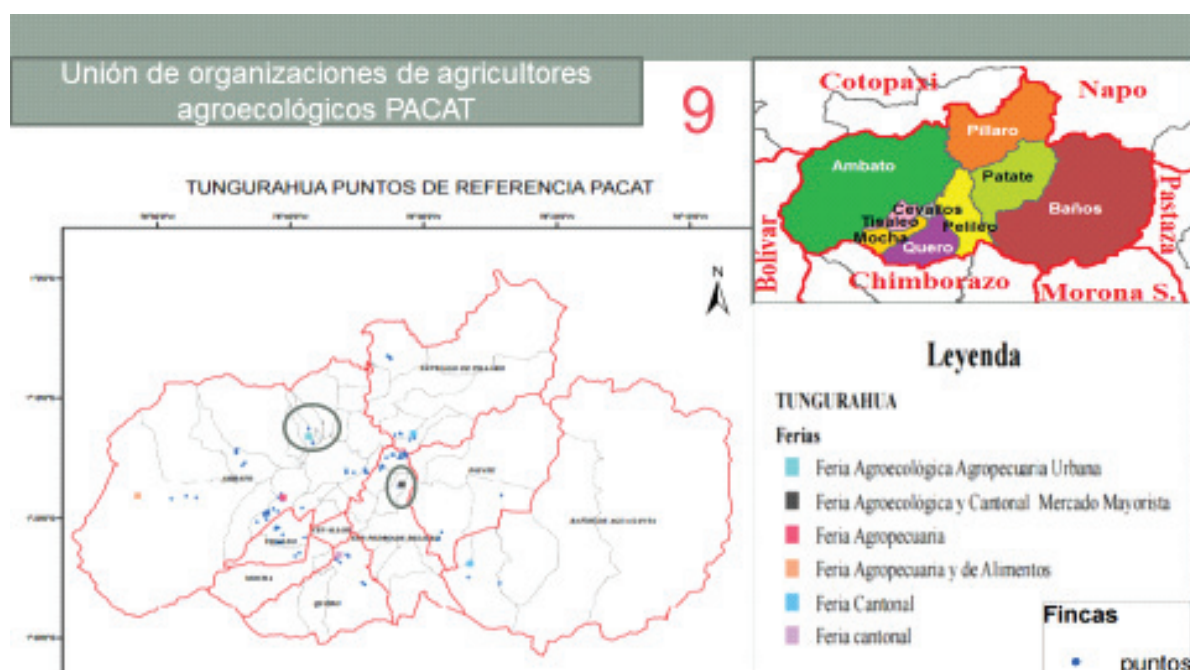
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Appendix

Map of PACAT Union of agroecological organizations of farmers



Notes

1. PACAT is a second-level organisation of small agroecological and associate trading producers, with legal status granted by the Social Welfare Ministry in 2006. PACAT comprises 34 grassroots organisations, which represent 350 agroecological producers located in the 9 cantons of Tungurahua province. PACAT farmers guarantee clean products; they use 80% less agrochemicals in their crops than traditional farmers. Every PACAT farm must be certified by UCALT, Certification Office of Clean Agriculture of Tungurahua. See <http://pacatungurahua.org/nuestra-organizacion/>
2. This Parliament is the space for citizen participation focused on well specified goals such as ensuring care and protection of natural resources; promoting work; inclusion of social issues and their articulation into the agendas of parishes and cantons of Tungurahua Province. See <http://www.tungurahua.gob.ec/index.php/la-institucion-hgpt/participacion-ciudadana/asamblea-provincial-tungurahua-2015/que-es-el-parlamento-gente>
3. The principles for certification cover: Agroforestry, Diversity and management of the agricultural component, Diversity and management of the animal component, Soil conservation, Food self-sufficiency and commercialisation, Alternatives to fight diseases, Local seeds, Family integration and organisation, Ancestral knowledge and Water Use. <http://pacatungurahua.org/procesos/#comercializacion>
4. The Strategy appears in 2004 as a response to the needs of farmers and of the indigenous and peasant movements to reactivate the agricultural and animal husbandry sector, and solve their main problems in a coordinated and planned manner.
5. Entity created by the initiative of the Provincial Government of Tungurahua, the Agricultural Strategy of Tungurahua, and the Technical University of Ambato, to promote a sound and healthy agriculture. In 2013, it obtained public recognition through a provincial ordinance for a sound and healthy agriculture.
6. Cooperative of Production, Collection, Industrialization and Trade of Guinea Pig (COPRACUY)

The Creation and Distribution of Benefits in Cooperatives: Some Comparative Findings

Sergio Salazar Arguedas

Abstract

In Costa Rica, the National Institute of Cooperative Development (Infocoop) has been developing new ways of evaluating the contributions of cooperatives in communities. These new ways are intended to highlight the effects of cooperatives compared to for-profit companies. One specific methodical approach is described in this paper as an input for future cooperative investigation. In the evaluation, the cooperative model increased almost six times the economic benefits for people, due to the particularities of the model and community social capital. The findings show that the cooperative model provides enormous benefits, creating an economic benefit that is important in combating social inequality and striving for a better distribution of wealth.

Key words: cooperatives, social capital, impact measures, differences between cooperative and for-profit enterprises

Introduction

The cooperative movement has been a movement of great worldly relevance since its constitution. The basis of its associative, collective, and solidarity foundations have antecedents in diverse cultures; however, they are all united towards the achievement of collective objectives.

The contribution of cooperativism is developed in the market economy generating opportunities for social groups relegated from labouring possibilities and from the generation of income. These opportunities are not just social and economic, but they reach into other areas of human development such as health, politics, education, public services and the quality of the natural environment. Such benefits have been valued in diverse ways from the point of view of cooperativism, even though recently a tendency that keeps getting more generalised has been detected, a tendency to classify them according to the cooperative principles.

As a consequence, social balances have come up as a tool for accountability. However, it seems that this has been an attempt to summarise the cooperative impacts to a sum of separate

accounts, leaving aside the integrality of the performance that a cooperative has in a culturally determined space and time.

The way we see things, the optimum is to integrate both the quantitative and qualitative dimensions into the analysis of cooperative contributions, generating a critical alternative. As we will see further on, cooperativism depends on social capital to strengthen itself and grow. Summarising the benefits that a cooperative generates for the cooperative principles is losing sight of the wealth that a group of people generates when working collectively.

On the other hand, the State needs to evaluate the investments that it makes in this type of organisation, which is why it needs new ways of integrating the knowledge and reality, trying to collect the benefits that cooperatives generate in different economic and social environments.

As a way of generating new discussions concerning the cooperative phenomenon, great efforts have been made in the National Institute of Cooperative Development (Infocoop) in order to construct alternative approaches for such purposes.

Infocoop is a public entity created in 1973 to support the formation and growth of cooperative enterprises in Costa Rica. And in its 45 years of existence, it has accumulated a credit portfolio that exceeds US \$200 million, serving diverse important sectors of the national economy.

The experience described in this article has to do with the evaluation made to a cooperative 10 years after starting the production project with the support of Infocoop.

The first section presents the analysis of the concept of cooperatives within the framework offered by social capital. Likewise, a theoretical exercise was

carried out on how social capital and cooperativism are fused for the creation and subsequent distribution of surplus in the evaluated activity.

In the methodological section the construction of the evaluation was developed considering the mentioned theoretical elements. The counterfactual scenario of the cooperative and the strategy for the collection and analysis of information were also elaborated.

The development section establishes the results obtained in the cooperative model compared to that of mercantile society, establishing the differences for the communities the cane Agro industry had with one or other forms of organisation.

The final results allow the conclusion that the cooperative model generated more socio-economic benefits than the commercial company model during the evaluation. It also distributed more wealth among the members, thanks to the contribution that social capital and the cooperative combines in generating direct and indirect benefits to distribute wealth.

Relevant Concepts: the Cooperatives as a Manifestation of Social Collectives

Cooperativism is a social and economic movement that emerges as an alternative to the model prevailing in England in the 1840s as an option to the growing conditions of exploitation of workers in those times. That common bond of exclusion or needs of the group which is organised to meet them, is and has been the basis of cooperativism to the present.

Social action, understood as the various manifestations of the collective to strengthen itself internally and externally, is relevant in the optimal functioning of a cooperative enterprise because in that

link lies the essence to seek joint solutions to common problems.

Costa Rica in law invokes this principle by stating that cooperatives

Are voluntary associations of persons and not of capital, with full juridical personality, of indefinite duration and limited liability, in which individuals **organise themselves democratically in order to satisfy their needs** and to promote their economic and social improvement, as a means of overcoming their human condition and their individual formation, and in which the motive of work and production, distribution and consumption is service and not profit (Instituto Nacional de Fomento Cooperativo, 2012).

As shown in this article, cooperatives are the means by which the collective meets its own needs. That is the instrument, cooperatives are not an end in itself. It is the social skills of the collective which facilitate the construction of the cooperative and not the other way around.

One of the tangible products of the collectivity is the cooperative. The other is how it is managed. Management is the most elaborate form where this group and its culture are manifested. That is why in this article it is argued that economic benefits are the result of decisions taken by the collective as a manifestation of social capital and not necessarily by the cooperative model itself.

This force that drives the formation and development of organised groups has been called social capital. Many authors have approached it theoretically, conceptually and methodologically trying to explain the added value and the differentiated results of other more individual, fragmented and isolated forms of organisation. Cooperativism is a product of social capital. For Bourdieu, social capital

... is constituted by the totality of potential or actual resources associated with the position of a lasting network of more or less institutionalised relations of neutral knowledge and recognition. Put another way, it is all the resources based on belonging to a group.

The total capital held by the individual members of the group service them altogether. ... In practice, social capital relations can only exist on the basis of material and/or symbolic exchange relationships, and also contribute to their maintenance ... they can also be institutionalised and socially guaranteed either by adopting a common name, indicating membership in the family, class, plan, or even a college, a party, etc.; or through a large number of acts of institutionalisation that characterise those who support them at the same time as they report on the existence of a connection of social capital (Bourdieu, 2000).

Such a definition recognises the potential of the collective to organise itself into a business and satisfy needs that would not be possible individually. These needs range from economic to more relevant aspects of personal development. Durston conceptualises it as follows:

... Institutions, then, are systems of stable social relations and norms that result from interactions within a group of people, and which tend to produce the satisfaction of the needs of some of them or all of them (benefits for) a lower cost than in an individual way, or that would be impossible to produce otherwise ... (Durston, 2000).

This potential is manifested mainly among people of the community or of an activity that have known each other previously, reaffirming that it is social capital which fosters the cooperative and not the cooperative fostering social capital.¹ The exchanges of trust, communication, expectations and shared visions are institutionalised through the cooperative, which is the means to support their needs. This business adopts the aspirations of the group, evolving towards more elaborate forms of organisation and solidary distribution of the surplus.

This is because the volume of potential social capital of the collective is related to the capacity of connections that one of its members may mobilise or by the volume of social capital possessed by other members with whom it is linked and that can be moved for the benefit of the collective. (Bourdieu, 2000).

The social capital is reflected in the management of the cooperative because in this management the culture of the collective is projected. The cooperative, as a facilitator, generates the impacts and benefits thanks to the legal framework to which it responds, but will be in function of the policies and decisions that are entrusted to it.

It has been found that the greater the efficiency of the cooperative, the greater the benefits it generates. This can be explained in two ways: on the one hand, the cooperatives eliminate a channel of intermediation that lowers costs, bringing with it more competitive services for its members. On the other hand, the accumulation of these surcharges has a specific destination via surpluses, reserves, or capitalisation programmes.

Cooperative principles and in general its rules shape the structure of the business, but it is the social capital that maintains the bonds between the members. The cooperative model is itself a formal organisation, but the collective gives it its own culture, it gives it essence. In this context, social capital gives strength to cooperativism and not cooperativism to social capital.

Not considering that aspect would be accepting that cooperatives, by the mere fact of organising themselves as such generate similar impacts and that is not true. It is enough to see the developments in different geographical and social spaces, which respond to the management and consistency of the social capital of the organisation.

In this respect, it must be emphasised that

... Social organisations are a product of the capacity of populations in each time-space" ... Organisations are

neither universal nor trans historical, which does not contradict the existence of cooperativism in more and more spaces of the contemporary global society ... (Huaylupo, 2003, quoted by Huaylupo, 2007).

That is why the collective, using the structure of the cooperative, manifests its social impacts as a projection of the existing social capital in that space-time and it is the work of the assessment to approach the most suitable forms for its valuation.

Finally, it must be recognised that the materiality of a robust social capital, strengthened in the long-term, and made sustainable tends to produce more benefits and distribute them among the communities. Hence the importance that the group keeps the bonds strengthened

by seeking permanent renewal in the medium and long terms.

Being a social product, just as there is a space time for its construction and development, it can face threats that can cause its awakening, harming groups and complete communities in its development.

The diverse organisation that produces and distributes wealth better

Cooperatives are immersed in complex processes of social capital. Its impacts pass through the decisions of the community generating benefits hardly reached by other types of non-associative businesses.

The research has detected five components through which cooperatives play roles to benefit members and other actors. These components are based on the rules that govern them, but it is the decisions of the collective that give life to them because they occur as their consequence, not necessarily of the model. One way to explain it is as follows.

Component	Concept	Cooperative model	Mercantile model
Structure	Organisational model and how it facilitates the integration of its actors.	Participatory model, cooperative. Delegation by committees and counsel.	Non-participatory model. Hierarchical model. Individualist model.
Decision making	Incidence in the strategic decisions of the company.	Democratic, one member one vote. Representation through committee-work in commissions.	Depending on the capital contribution. Direct.
Economic participation	Satisfaction of the need that unites them to the cooperative	Income to members. Cost savings to members. Distribution of surplus among partners. Creation of reserves. Generates income.	Generates cost savings. Profits to investors.
Other additional benefits	Considers other savings or benefits generated through economic participation and benefits communities.	Investments in infrastructure. Investments in health, education, housing. Cost savings.	The interests have a business purpose, It is not necessarily directed towards communities, its purpose is making a profit.
Social investment	It is considered the investment that the associative base or the communities receive, product of the annual surpluses of the company.	Investments in cooperative capital. Funds. Wellness reserves. Labour reserves.	Through specific CSR programmes, if they are defined.

Table: Conceptual scheme of generation and distribution of wealth, cooperative organisation and mercantile society

As shown in the table above, the differences are large between the mercantile model and the cooperative model. Although both produce wealth, they differ also in the quantity generated and in how it is distributed.

The corporation concentrates decisions and wealth in few hands while the cooperative facilitates participation in decision-making.³ In addition, by the fulfilment of its corporate purpose, the cooperative produces indirect benefits

adding new actors in the operational processes.

It can be noticed that the associativity of the cooperative enterprise generates different benefits. The first two components, namely: structure and participation in decision-making generate features that we have classified as non-tangible and can be direct or indirect, of qualitative character.

Tangible elements are described as those benefits that are likely to be valued at

market prices. This allows them to be incorporated into a social economic cash-flow to more accurately consider their valuation and accountability.

The concept of non-tangible identifies those benefits to which it is not possible to add a market value, but it is possible to measure it with other alternative forms using various research tools. Variables such as having true roots, or local identity may not be tangible, but generate many additional benefits in making high impact natural resources for communities.

On the other hand, the classification of direct benefit has to do with the benefits generated by the cooperative and are received by their associative base or collaborators. That is, those generated in the fulfilment of its corporate purpose. Meanwhile the indirect benefits are generated in other actors such as a product of the economic growth of the cooperative, its diversification strategy or other similar elements.

When considering the other three components: economic participation, generation of other benefits and social investment, it should be pointed out that in them the economic differences between the compared models are marked.

In the economic participation, which is the source of fulfilment of the social object of the cooperative, direct and indirect benefits are generated. The direct ones are manifested as savings in costs or other income by the provision of goods or delivery of services. They constitute an overpayment of the collective. These savings take the form of complementary services or new services for the members.⁴

The indirect benefits have to do with the incorporation of other actors to the productive or commercial processes, a consequence of the expansion of the activities. This element is of great importance because it shows two relevant connotations:

On the one hand, it shows the incremental growth of the social object. To do so, it uses other actors to make it happen.

On the other, it generates a productive or service platform that must be projected through business strategies. This implies an economic growth that must be prepared to face these challenges. Strategic planning should consider the development of the corporate purpose in order not to jeopardise the stability of the cooperative. Goldratt makes relevant contributions from the Theory of Constraints in this regard.⁵

In the category of other additional benefits, those that are charged to the wealth that is produced have been identified. They do not necessarily attend to the social objectives, but are invested in additional activities. They are usually charged onto the operating budget and usually benefit economy actors.

Finally, those benefits for the future, materialised as funds, specific items, or reserves have been considered in social investments. They are usually medium-term investments in the associative base, their families, or community institutions that receive support from the cooperative in different ways.

Methodology: the Ways of Evaluating and Comparing the Cooperative Model

Among the most important elements to assess the benefits of the cooperative model, the establishment of a counterfactual scenario was considered. This scenario is relevant in ongoing projects as it is in this context that the scenario becomes strong and research becomes relevant.

The construction of a social scenario with the same target population of cane producers, projected with identical productive, social and economic variables,

was the most suitable to fully identify the social benefits. The variation was in the modelling of the project with a cooperative model and with a model of business enterprise.

Other possibilities might include establishing a “with” and “without a project” situation. It is advisable to use the same target population in this situation since the scenarios with control groups are not very viable due to the social differences that exist.

In the second component of the investigation, the forms of valuation of the accounts of each model were considered. These accounts were made comparable to make their treatment relevant. Market prices, a technique used by traditional financial analyses are easy to manage since financial statements, accruals or budgets are easily accessible sources for the evaluator. It shouldn't be forgotten that the benefits identified reach the economic flow of producers, either directly or indirectly.

In this handling of accounts, it was essential to incorporate the theoretical or methodological aspects of the economic-social evaluation of projects.⁶

This technique establishes variations in the management of shadow prices and market prices, illuminating the latter from the economic-social flow as they are considered distortions for the project. Notwithstanding the foregoing, in the investigation it was found that the communities receive economic benefits of great incident for the community, which justifies their interiorisation in the flow, due to the importance they have for the target population.⁷ Leaving out these benefits is to make invisible contributions that the cooperative model gathers and distributes in the development of productive activity.

The filters used to identify benefits were

questions such as: does this item reach the target population? How does it arrive? Is it a direct or indirect benefit? What is the source for quantifying that benefit? In identifying this route of benefits, the next step was the establishment the flow accounts, both of the cooperative and of the counterfactual scenario.

Subsequently we worked on the collection of information in accounting, budgetary or financial sources that allowed the construction of economic-social flows.

At the end of the process the indicators traditionally known as the net present economic value, the internal rate of economic return and the cost benefit ratio were calculated.

Development: the Results of a Case Study Comparing Business Models

The evaluated cooperative is called Agroatirro RL. This auxiliary organisation was formed in 2003 on the initiative of the sugarcane producers who saw in the cooperative model an option to maintain the agro industry in the area.⁸ It is organised by four grassroots cooperatives: Coopeatirro R.L., made up of 361 producers, Coopecañita R.L. composed of 22 former labourers of the Atirro Mill, Coopehumo R.L. formed by 35 transporters and producers of sugarcane in the area and Coopezucareros R.L. integrated by 24 labourers of the administrative team of the mill. There were also 494 independent sugarcane handlers registered. The other partner is the Infocoop.⁹

The area of influence of the cooperative are the cantons of Turrialba and Jimenez in the province of Cartago, southeast of the Central Valley of Costa Rica. Both cantons have traditionally been agricultural centres, mainly in crops like

sugarcane and coffee; with high social underdevelopment, where cooperatives have played very important social roles.

Turrialba was founded as a canton on 19 August 1903. It is one of the most extended territories of the country as it occupies the 11th place in the nation. It has an area of 1,642.67 km² and a population which exceeds 72,000 inhabitants (Instituto Nacional de Estadística y Censos, 2011).

When considering the economically active population of the Canton, 21% of the population is engaged in agricultural activities where sugarcane cultivation plays a major role in the area, followed by coffee (Instituto Nacional de Estadística y Censos, 2011).

On the other hand, Jiménez was founded as a Canton on 19 August 1903, by means of the same law. It has an area of 286.4 km², which represents 9% of the total area of the province and it's the 43rd in size at the national level. In this canton, 45% of the population are engaged in agricultural activities (Instituto Nacional de Estadística y Censos, 2011).

In relation to the project, the number of people benefited is 2,473, which rises to 4,235 in the harvest season due to the demands in the stages of cutting, loading in carrying of cane. In total, the annual cash flow of the crop exceeds US\$5 million.

When considering the associative basis, it is indicated that 83% of the producers receive less than US\$200 monthly for their production, where 90% of the households have in that activity the main source of income. In terms of household size, 49% have three or four members, and 29% have five or six members. 92% of the families live in their own homes and almost all have at least 25 years of being residents in the area, demonstrating the real roots of this population, with low levels of formal education which also combine the production of sugarcane with the work as

day labourers and subsistence agriculture to supply for their food needs.

The first phase of the research considered the general theoretical approach in the methodological requirements of the work.

Subsequently, meetings were held with the Board of Directors of the cooperative. They explained the scope of the investigation, appointed a technical commission as a counterpart to the work of Infocoop and requested the assignment of personnel in the accounting, financial, productive and social areas to attend the work of conceptualisation.

The work consisted of the identification, classification, and detailing of the benefits that the cooperative generates in the stages of cutting, loading, hauling, industry and commercialisation of sugarcane.

Field visits were then conducted to assess the benefits previously identified. Visits to producers, shops, public institutions, Social Security health areas, local authorities, and political authorities were important to find out from first hand the importance of cultivation in the area and the importance of the cooperative for the population. Then, in meetings with producers, the details of the findings in the field were discussed, taking advantage of the expert criterion of the officials of the cooperatives.

In order to make organisational models comparable, both a "with project" situation and a "without cooperative" situation were generated under the following assumptions for both scenarios:

- Amount of cane production.
- Production costs.
- Similar financial costs.
- Productive efficiency in the plant.
- Area of agricultural production and annual growth.
- Prices of sugar and by-products.
- Annual number of producers.

From these assumptions, the indirect benefits generated by the cooperative model began to be detected. These indirect benefits are given in all areas of the cooperative because they all generate a cumulative surplus.

In the economic participation, it was possible to define the amounts that, in the areas of production, trade, technical assistance, and transportation, are benefits for producers.¹⁰ These areas are directly related to the operational objectives of the cooperative and, therefore, to its social objective.

In a complementary way, these benefits generate additional benefits that facilitate more definite services in the corporate purpose and this is thanks to the savings that have an impact on the producers. Examples are: the provision of technical assistance for the payment of professionals, the establishment of discounts for purchases or the provision of subsidised transportation services all of which are impossible to provide without a collective scenario.

The cooperative model transforms the efficiency of activities into income for its partners. This is so because the surplus

does not leave its associative base, but is distributed among its members. It is because of the above that cooperativism is a generator of impacts that depart from the social object towards other additional benefits, expanding the amount of services provided by the business.

If these direct and indirect benefits are well identified, a social balance analysis can be carried out more accurately, otherwise it would be leaving out a large amount of contribution which the cooperatives generate.

Finally, the cooperative model aims at investing in the medium or long term. In fact, the investments are decided in the plenary of the assembly and its decisions add to the local development in the form of schools, bridges, roads and scholarships for students. This category has been called investments because they are the funds that have been established in the collective after the annual operation of the business.

In the following graphic, we can see in diamonds the line that counts the net flow for the community in a scenario "without" a cooperative project.

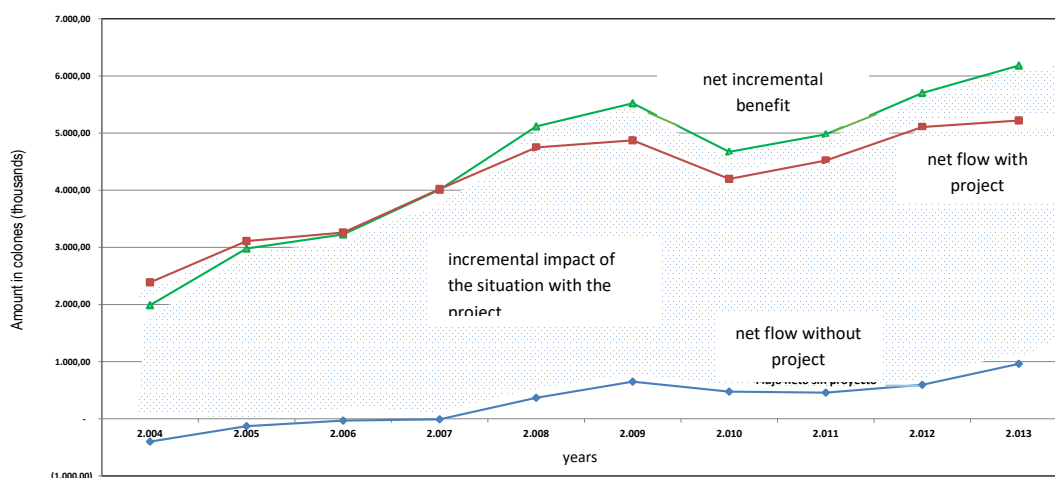


Figure : Calculation of economic and social benefits for beneficiary communities, both models, 2004-2013 in (thousands of Costa Rican colones)

Notice how in the first years, in the line with diamonds' scenario the community recorded losses due to sugar sales, as well as losses due to the possible transfer of the Mill's investments to the Mercantile business.

Between 2004 and 2013, there was a favourable performance for the community with positive economic benefits as shown in the Figure above.

For its part, the line with squares shows the behaviour of the situation "with cooperative project". Note how this scenario starts in 2004 with a positive balance due to the quantification of productive assets in the hands of producers.

In 2005 and subsequent years, benefits growth remain constant, very similar to the performance of the value calculated in the "without project" situation, boosted by the indirect benefits generated by the cooperative business. This increase was due to policy emanating from the board of directors, in order to promote incentives to increase the cultivated area and yields per hectare. Likewise, policies on agricultural imports and transport were generated to cover costs jointly, benefiting producers with lower capacities.

Following the graph, the line with triangles corresponds to the calculation of the incremental net benefit that, for the community the situation with

a cooperative project has created. The area identified with points corresponds to the differentiated contributions of the business association. It can be clearly perceived how the community distributes more economic benefits with its cooperative model.

On the other hand, when considering the flows, the cooperative model generated the net present value equivalent to US\$ 34,016,347, and internal rate of return of 84.84%, and the benefit-cost ratio of 11.24. This amount represented direct and indirect income that was distributed among the beneficiary population, with a maximum of 4,235 jobs and the projected coverage of 16,093 people, considering the size of the households in the area. For its part, the cost-benefit ratio showed that the costs of the project and its operation were covered, generating 10.24 additional monetary units for the community.

The "without a cooperative project" situation shows a decrease in benefits that the community would have received with the commercial company. This "without project" scenario generated a current value of the flows for an equivalent of US\$ 5,827,406 and a benefit-cost ratio of 1.42, indicating that the project costs were covered and generating an additional 0.42 currency units for communities. Although it was true that there was a distribution of wealth among the communities, it was less comparatively than in the cooperative scenario.

Conclusions

It has been shown that the cooperative generated 5.8 times as much social economic benefits for the community and nearly 10 times as many additional monetary units to costs than those registered by the for-profit business, during the same time period that was evaluated. This was due to the combination of the cooperative model with the social capital of the group manifested in the management of the business.

The base of the surplus of the cooperative is generated in the fulfilment of the social object of the cooperative, facilitated exclusively by the economic participation of members. It is the most direct benefit that responds to the *raison d'être* of the cooperative and to the satisfaction of the needs of the associative base.

Subsequently other additional benefits arise from this social object. These benefits can be direct with members or with people who are not, but the contributions to the cooperative surplus are maintained and increased.

Finally, the cooperative generated benefits which were denominated social investment product of the annual surplus of the period. It is the more indirect benefits that can be part of a medium or long-term plan for the benefit of the communities.

With each year lease analysis, it was determined that there were benefits that grew, fell or disappeared from year-to-year. It was found that it was the corporate policies taken within the Board of Directors which facilitated such behaviour. That is why it is indicated that, the social capital, manifested in the decision making within the cooperative, allowed the definition of the type of impacts that were generated annually.

When considering the investments of public funds made by Infocoop in the promotion of cooperatives, from the state position, it is clear that it is more profitable to invest in associative projects since this translates into multiplying effects that are of great benefit in communities that show social backwardness. This creates new lines of research to determine the contributions of cooperativism in reducing social inequalities.

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Notes

1. Stein 2003, quotes Putnam as explaining that trust, reciprocity and cooperation are constitutive elements of the relations and institutions of social capital. The higher the level of trust in the community, the greater the likelihood of cooperative events.
2. In addition, Putnam, in his famous study of Italian social capital, supported the thesis that social contexts and history determine the performance of institutions and the results achieved.
3. Social exclusion seems to be another differentiating factor. As it is well known, public limited businesses operate under the premise of capital contributions whereas in cooperatives, the contribution of their labour or raw materials is enough to trigger economic participation.
4. Cooperativism guarantees that the basis of the surplus generation rests on economic participation. The greater the economic participation that the cooperative generates, the greater the surplus for the member. Any external person who participates economically in the cooperative benefits from a productive platform that others maintain jointly and severally.
5. Eliyahu Goldratt about Theory of Constraints for strategic planning processes. The author develops generic objectives of base growth and incremental growth for such planning. Losing sight of this gradual development could lead the cooperative to make erroneous decisions in those processes of growth of its social object.
6. In this regard, it should be noted that financial evaluation is conceived from the standpoint of the private investor and the social economic evaluation from the point of view of the community.
7. Without taking into account the origin of the analysed accounts, in several valuations of this type, benefits relevant to the population have been identified, such as the axis to Social Security, cost savings or investments that could not be left out because they have a very positive impact on the population.
8. These producers were organised in order that the Atirro Mill, its plant, equipment, lands and right of exploitation of the sugarcane were kept in its property. The other possibility was the purchase of the mill by a merchant company where a negative impact on the area was expected due to the slump in the distribution of income and the loss of incentives for producers.
9. In order to cooperativise this activity in the area, Infocoop provided economic resources under the modality known as associative participation, which is a kind of joint venture with public funds. These resources do not constitute a liability for the cooperative, but are a capital contribution that registers Infocoop as an additional partner, recoverable according to the financial flows of the cooperative. The importance of valuing public resources justifying the investment, led to the construction of the methodology that is developed in the article. In addition, it should be noted that this modality of associative participation was the first of five that have existed in Costa Rica. In terms of public policy, it is of great interest for the Costa Rican State to identify social benefits in communities in order to be accountable for those resources.
10. This identification of benefits from the satisfaction of the social object of the cooperative could only be possible when considering a broad concept of "social impact". As has been indicated, the social capital that leads to organise the cooperative is fundamental in its management, so it was determined that if this social capital is strong, so the benefits grow among its associative base. For the broad concept of impacts that can be generated by a business organisation, the work of Arlette Pichardo Muñiz was consulted, especially the book: Social Impact Assessment, 1993.

Contributions from Cooperatives to Development: Methodological Input for Awareness of the Cooperative Phenomenon

Óscar Alberto Segura Castro and Juan Carlos Céspedes Oreamuno,

Abstract

Understanding the contributions from cooperatives to development entails a different approach to the cooperative phenomenon than traditional measurements of income and generated jobs. With this premise, research was conducted to reveal the capacity of cooperatives to exercise a particular relationship with their surroundings. Through fieldwork, we identify that, rather than producing a specific impact, cooperatives develop a series of social roles within their communities, which allow them to influence the dimensions of development more dynamically, according to the categories of analysis presented by the United Nations Development Programme (UNDP). A particular emphasis is made on the importance of reflecting about the epistemological support within the research processes, for the selection of methods that allow to understand the singularities of cooperativism and its capacity to generate development. Throughout this study, we worked with 11 cooperatives, with a predominant research focus on qualitative methods, based on observation and semi-structured interviews.

Key words: social and economic development, cooperativism, methodology, community development

Introduction

This work derives from the results of a study conducted in Costa Rica in 2014 and 2015, named *“Cooperatives and their Impact on Development: Recognizing pathways and forms of incidence”* (Segura and Céspedes, 2016). The research originated from the need to account for the relation between cooperatives and society, understanding it beyond the usual considerations of aggregate data or macro indicators. The initial concern revolved around how to contribute to knowledge of cooperativism within its dynamics of interrelation with society, considering that cooperatives' capacity to promote human development is historically registered, it continuously transforms and acquires nuances that are unique for every moment and place. This signifies a challenge regarding

methodological planning to approach a research problem of this nature. For this reason, we dedicate this article to expose the main methodological contributions that, as a result of the research explained above, we consider to be helpful in knowing the cooperative phenomenon and its impact on development.

Cooperatives help build a better world, as acknowledged by the United Nations in 2012. However, advancing from such a statement toward concrete expressions that prove how cooperatives reach that positive effect requires an analytic exercise that makes these forms of impact truly intelligible. When it comes to impact, the general trend is to resort to a causal estimate between an action and a result, usually related to a specific variable and with an approximation mainly on a quantitative line. However, this path proves to be unsatisfactory as it leaves a pending task: knowing cooperatives' relationship with their environment, this forces us to unveil the normal daily life of cooperatives in their dynamic relationship with communities. Consequently, a research exercise is chosen instead, which intends to get to know the occurrence systematically before measuring it. By transcending this primary level through a deeper analytic exercise, it is possible to create better conditions for understanding cooperativism as a deeply rooted socio-economic phenomenon with broad effects, capable of boost important dimensions of individual and collective life.

Methodology

The research referenced above was conducted on a group of 11 cooperative organizations, located in the North Huetar Region of Costa Rica. They represent a non-probabilistic sample of typical cases,¹ comprised by organizations of different size, age and production. Data was collected through observation and

application of semi-structured interviews, as well as a review of written records in some of the cases. Furthermore, during the design stage, in-depth interviews were conducted with longstanding cooperative members from the region.

General Information about the Costa Rican Cooperative Sector

Costa Rica is a small country, with a population of fewer than five million. The number of cooperatives during recent years is around 400², comprised of around 800,000 members. For many years, cooperativism has been an important part of several regions' economic and social development in Costa Rica, through its participation in productive sectors such as sugar cane, coffee, and dairy, to name a few. Its participation in the service sector has been critical, particularly in the development of rural areas, through the provision of electricity, for example — improving people's quality of life and facilitating production and diversification of business activities. The same could be said about cooperatives dedicated to the health and financial sectors.

Cooperativism in Costa Rica has a solid institutional structure that, since the 1970s with the promulgation of the General Law of Cooperatives, has allowed for the consolidation of a State agency in charge of encouraging, supporting and financing cooperativism (Infocoop), as well as a national umbrella organization for the representation and defense of cooperatives (Conacoop). Other organizations dedicated to education and training (Cenecoop, R.L.) and to the promotion and development of cooperative projects at a regional scale (like cooperative unions), have also been key within this institutional framework.

Perspectives of the Problem

When there is inquiry about the impact of cooperatives on the development of a community or a country, and the answers are limited to the measurement of one variable — two, at most — there is a risk of falling into a reductionism that crucially limits the understanding of the experience. We are not criticizing the option of measuring as a path that should be avoided; we merely question the reduction of the task to measurement, as if the entirety of the knowledge that could be attained on this subject were dependent on it. Additionally, if aggregated data is what the approach can offer, the specific reality of the communities and their broad, complex relationship with cooperatives could also get lost in the process.

The Center for Cooperatives at the University of Wisconsin presented a study in 2009 with the purpose of measuring cooperatives' added impact on employment and income. Although one of its specific goals proposes the development of an approach to measure the economic and social impact of cooperatives, they acknowledge that the study is useful to illustrate the aggregate economic activity, yet not so useful to analyse the organizational nuances of the cooperative model:

... we measure the magnitude of business activity conducted by cooperatives. Although this is a useful starting point, in our proposal we argued that other kinds of impact are also important, perhaps even more important. Measures of business activity do not address the unique

contributions of cooperatives, relative to other forms of business organization. In principle, the cooperative ownership structure should lead to distinctive firm-level behaviour. (Deller et al., 2009, p. 57).

Just as it was mentioned by the researchers at the University of Wisconsin, further studies are required which allow for a deeper and more integral knowledge of the cooperative phenomenon and its impacts on society, and which allow the capture of the particular way of being and acting of a kind of organization that recognizes itself beyond the economic — that is not merely reduced to an economic unit. The instruments available were not necessarily designed for this type of economic organization.

There are more examples available, and frequently all measurements of the situation are focused on two variables: job positions and income. Around them, we find research of diverse complexity; nonetheless, focusing on the topic of created jobs immediately leads to the question of whether the purpose of these studies is to raise significant differences in the quality of employment created by cooperatives, in comparison with that generated from other forms of enterprise. It is a fact that traditional mercantile corporations generate jobs as well, and without an in-depth analysis of the differences between one and the others, the research could finally be able to differentiate how many jobs are created by cooperatives, and how many are created by other businesses. Without more detail or depth, this seems to be an effort of little enrichment. Regarding income, there are important aspects to clarify as well; even if an individual's

income increases as a result of surplus distribution, or because of cost savings or any other mechanism characteristic to cooperatives, we would know very little about what the member does with that surplus. They could invest it in health care for themselves or their families, in education or home improvements or, conversely, spend that money on a bigger TV set, a more expensive cell phone, or general expenses that will not have any impact on their quality of life.

Contributions from Epistemology

As stated above, we see the need to approach cooperatives in a way that is an alternative to the simple measurement of a few variables, which do not offer on their own a deeper understanding of the effects. There is a popular saying, "What can't be measured, can't be known", and it seems that the logic behind this sentence is the same that supports the conventional research efforts about cooperativism and its impact. This approach is not satisfactory for a social phenomenon which is holistic by definition. The answer to this situation was sought from a different perspective, changing the paradigm over which we initially proposed the research methods. As exposed by Guba and Lincoln (1994), a paradigm is a system of beliefs driving the research process from the first definition of what is real and how that reality is known, previous to the choice of methods and research tools.

This discussion is developed first in the field of epistemology, nurtured by reflections generated from the philosophy around theories of knowledge in relation with two main traditions: one looking for an explanation to phenomena, characteristic of natural sciences and which follows mechanical patterns and patterns of causal relation; the other looks for the comprehension

of phenomena, elucidating its purpose — teleological perspective — and mainly linked to social sciences (Guba & Lincoln, 1994). From the main differences to be highlighted between these two traditions, we note that the explanatory model is more concerned with defining the "how" of phenomena, regardless of the "what for". The comprehensive model analyses the phenomenon while incorporating its purpose. When the desired approach is to get to know the phenomenon of the impact of cooperativism on development, it is necessary to break the traditional Cartesian logic, in which there is an intent to find causal explanations to social phenomena and claim the comprehensive or interpretive tradition. The reductionism we mentioned above is a by-product of an approach to cooperativism from mechanistic perspectives, which are fulfilled with the collection of general measurements and with the possibility of making comparisons, numerical predictions and generalizations.

The ontological foundation of the explanatory paradigm is the consideration that there is an objective reality, previous to the subjects or existing despite the subjects (Ramírez et al., 2004), while the comprehensive paradigm recognizes that the only realm of true knowledge is the human world (Bacarlett, 2008). Subordinating knowledge to measure is remaining locked in the Cartesian logic that true knowledge can only be obtained from the natural world. In fact, according to the statements of Giddens (1993), the only thing we can truly know is human reality, the one created by ourselves. Measurements suppose an objective reality, and even suppose a stability in time, as if social phenomena could be photographed and explained ahistorically. For von Wright, social and cultural reality can only be known by using comprehension and interpretation of human creations (Bacarlett, 2008); and Alvira (1983) affirms that collecting the aspects of the phenomena being studied

without abstracting or quantifying them, allows for a true knowledge of the object.

The criticism we make about the conventional focuses that reduce research to measuring of predefined variables, and our determination to be able to know social phenomena through interpretation (sheltered by the comprehensive or interpretivist paradigm), leads us to use a method of observation for each case that is more dynamic, within its close relationship with its surroundings.³

Our takeaway as the main methodological contribution during the research is the possibility to weave, along with the fieldwork, the application of theories about development, making the instruments to collect information more flexible, and emphasizing the researcher's ability to observe and interpret that information. In this regard, Monteagudo affirms:

Within the interpretivist paradigm, theory is formed progressively, 'rooted' in the field and in data that emerge throughout the research process. Additionally, the researcher prefers to negotiate the meanings and interpretations with the human subjects that conform the studied reality, contrasting with them their own vision of the process (2001, p. 229).

Occasionally, there could be a confusion between the use of research focus and the use of research techniques, qualifying research according to the type of instruments utilized — quantitative and qualitative tools. Actually, the same

authors who postulate the relevance of the interpretive paradigm in the social sciences also insist on the complementarity and the need for both perspectives (explanation-interpretation) at the methodological level; for this reason, in social research there will always be confluence between techniques of a different nature. The fundamental differences with a change of paradigm lie in the type of knowledge produced and, especially, its validity. Giddens states:

Any approach to the social sciences that intends to express their epistemology and ambitions in direct similarity with those of the natural sciences, is bound to fail in its own terms, and can only result in a limited understanding of the condition of man in society (1993, p. 16).

Both the immediate judgments about the data and the previous establishment of what one intends to observe during fieldwork, are some of the limitations that explanatory research paradigms imprint on their methodologies; as Bacarlett says, "Forgetting the art of perceiving" (2008, p. 19). The focus proposed prioritizes the experience of the research subjects; therefore, observation and dialogue with them are critical for data interpretation.

While knowing social phenomena involves interpreting human actions according to their intentionality and context, for the purpose of research, the function of the chosen method is to unveil the intent from cooperatives' specific actions. It has been identified that, in its intention to produce benefits to others — from a

notion of otherness — the cooperative takes on different roles beyond the functions that are directly related with its production project. The method allows the establishment of a relation between actions — by cooperatives — and impacts — on their surroundings, through instruments that look to gather from key informants the intentionality behind the actions, not scheduled in most cases.

While the study certainly did not intend to establish a comparative vision between cooperatives and other companies, to exemplify this topic it is worth mentioning that there are substantial differences between the intentionality in the actions of cooperatives, and the intentionality in projects of social responsibility by mercantile enterprises when it comes to developing activities to benefit communities⁴. The experience of cooperative principles and values supports the actions and endows them with an intentionality related to the common good, making them more dynamic and versatile in the creation of roles to affect the dimensions of development.

Findings from the Developed Proposal

In the previous sections, we have framed the starting point, the epistemological and methodological perspective we deemed to be appropriate and essential to approach the ways in which cooperative enterprises “help build a better world”. To know this contribution in a more precise and empirically intelligible way, it was proposed to identify the “impact routes”, through which cooperative enterprises provide their contributions to the improvement of society. Implicitly, this would allow knowing global impact from these particular routes. The work done showed, among others, a key finding to understand this phenomenon. It became evident that it was not correct to refer to

those visible impacts from the cooperative enterprise-society relationship just as *impact routes*. This category suggested a specific relationship but, mainly, it did not express the dynamics of entanglement and day-to-day interaction adequately detected as a form of the complex relationship of cooperative enterprises with their areas of influence.

This is an empirically detected limitation that required us to rethink how to better describe in a more precise way an element that was crucial for the study conducted. As a result of fieldwork and analysis, it was identified that the way in which cooperative enterprises impact their primary areas of influence is closer, rather than isolated impacts, to the form of roles. These are *systemic* ways, that is to say, of cooperatives as part of a broader system to which they belong and from which they assume certain dynamics of action that could be formulated as a formal policy or just be incorporated within the cooperative’s daily life, or a combination of both. This way of action enables them to function as agents whose actions are more easily recognizable by others. This is how complex forms of interrelation have become evident, going beyond only the specific forms, which refers to a way of existing in which whether it is by their own initiative, by the way they are perceived by third parties — local or external — or a combination of both, cooperatives adopt roles that characterize them and allow them to participate in a certain way in the life of a region beyond specific points of reach. Initially, we must see this as a fundamental, primary finding that leads us to accuracy in the way we understand the relationship between cooperative enterprises and their closer areas of influence.

The social roles of cooperatives and the dimensions of human development

Identifying the relationship between cooperative enterprises and their primary

environments through roles — meaning in the context of a highly dynamic systemic relationship — is arguably a fundamental first finding. It serves as a foundation from which it is possible to understand the cooperative phenomenon in a wider sense and in its complexity; it is a starting point from where a group of other findings begin to weave, like the so-called *social roles of cooperatives*.

Aside from identifying a form of relationship like the one described, we will refer specifically to some of those social roles of cooperatives that were detected. As indicated before, the trend has been to emphasize somewhat fixed variables when it comes to analysing or measuring cooperatives' contributions to society, which are generally pre-established. We will not restate why we have wanted to approach in a different way. Certainly, there was progress through a paradigm that has allowed new reaches that become an interesting contribution to the understanding of cooperativism as a social, economic and political phenomenon.

The social roles of cooperatives that were identified in the context of the original research were 26, and classified according to four "dimensions of development": health, education, income, and public goods and services/collective capabilities⁵. The first three dimensions are subject to those established from the 1990 Human Development Report by UNDP. Following the statement by Amartya Sen (2000) about the impact of public goods on human development, an additional dimension was included to

contemplate this aspect. These 26 roles are linked to one of these dimensions, although as it will be seen below, this condition of primary association is more dynamic, thus more complex as well.

Multidimensionality and its empirical correspondence

Amartya Sen stretches that, empirically, the dimensions of development can have high degrees of interrelationship, meaning it is analytical distinction that works in this sense, but in reality, these dimensions are highly dynamic. It is said, then, that there is a component of "multidimensionality" when an action directly linked to one dimension, also impacts another as a consequence of the action itself. A contribution in education can prevent teenage pregnancy, for example, which is directly related with the health dimension. We have been able to confirm this as well for the particular case of the social roles of cooperatives that were detected in the study. Certain dimensions of human development, like income and education, have few roles directly interrelated; but once they are observed globally, considering the secondary impacts generated primarily in other dimensions, they are significantly enhanced, especially by the *public goods and services/collective capabilities* dimension. This means these dimensions are highly receptive to roles. At least two qualities can be distinguished empirically: Dimensions with higher role reception as a result of a direct link — primary impact — and other dimensions which are role recipients as a product of an indirect link — secondary impact, as shown below.

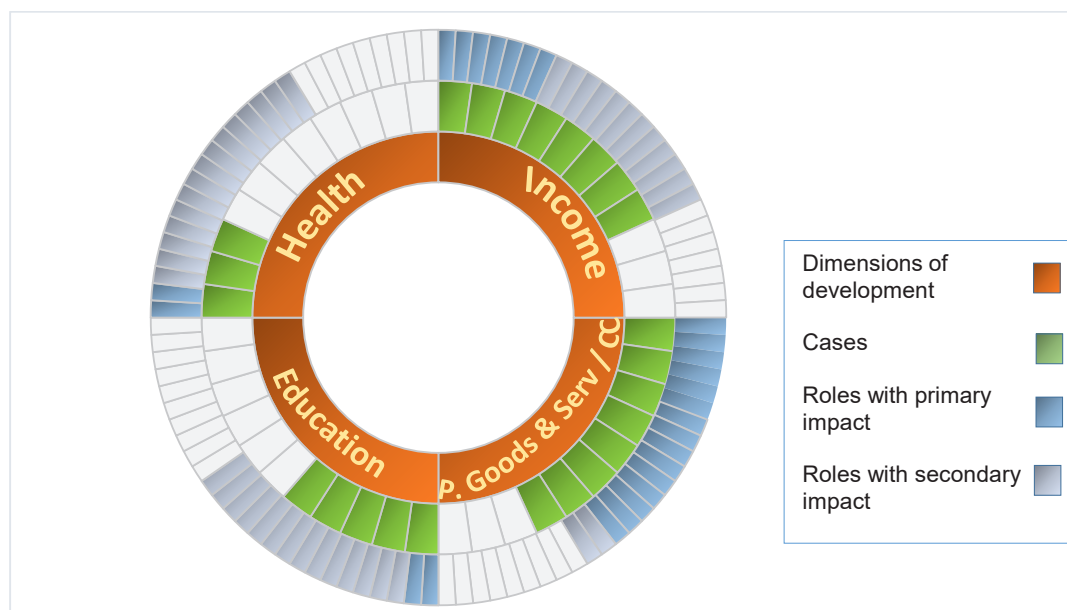


Figure 1: summary of relationships: roles-cases-dimensions of development⁶ (primary impact and secondary or multidimensional impact)

Health and education possess that “recipient” quality of secondary impacts, so does the *income* dimension to a lesser extent. However, the public goods and services dimension shows an opposite behaviour: many primarily related roles, and very few secondary ones. This is a relevant finding; it shows the multidimensional reach from the *public goods and services/collective capabilities* dimension. It is the most “multidimensional” dimension, as it possesses many primarily member roles and those, simultaneously, are secondarily related to other dimensions. According to Figure 1, it is suggested that these roles radiate to the rest of dimensions that show an inverse behaviour. Therefore, just like Sen suggested theoretically, it was possible to verify empirically the elements’ significantly high multidimensional potential — the social roles of cooperatives — linked to this collective/public dimension.

These are simple associations, like implementing actions towards improving the infrastructure of public primary schools. We understand in this a direct benefit to public infrastructure that

will, consequently, have an impact on the quality of education when given better physical conditions. In this way, the role *contributions to development or improvement of public infrastructure*, shows a complex behaviour regarding its potential of expansive impact to other dimensions when the purpose of that infrastructure is considered. We show the social roles of cooperatives’ potential of multiple impact linked primarily to the dimension *public goods and services/collective capabilities*.

One of the aspects that emerge from the findings exposed here, are the ways — and how they are interrelated — in which cooperatives affect human development. This is how we can get to know the potential for transformation cooperative enterprises have, in those specific aspects linked with people’s better living conditions. Identifying them according to a criterion like human development not only is key to knowing how cooperatives help build a better world, but it allows the pinpointing of specific potentials of social roles linked to one or another dimension of human development.

Complementarity between the social roles of cooperatives

Roles are categories we have established to build a bridge between the empirical world and the analytical world to facilitate — initially to the authors — some extent of knowledge about the phenomenon approached. For this reason, significant efforts were made in the distinction of social roles in cooperatives. In this context, some roles are identified as “complementary” as they create dynamics of direct interrelationships that are empirically verifiable with other roles.

This relationship mode was named *complementary interrelationship of social roles*. It identifies particular roles that are empirically associated to achieve one or various effects in the cooperatives’ areas of influence. To differentiate some roles from others and establish that relationship it is necessary to sharpen the inquisitor look, since with a less keen lens they could be seen as stages that are integrated in a sequential mode, but all belonging to one same social role. The criteria to differentiate social roles are double: The first lies in the resources required to perform each role, different resources — tangible or intangible — are required; the second refers to the fact that performing a role does not suggest an obligation to perform the others.

Some of these social roles are *Detector of needs and local issues*, and *Supply-generating platform to third parties about local problems*; *Active integration of national-regional forums* and *Regional positioning in topics of public interest*. These two examples allow to see how each role is articulated to complete a wider impact, one strengthens the other. However, beyond the specific examples, these relational dynamics between roles are not only relevant in and of themselves, but also relevant as they grant awareness of the complexity that underlies the relationship cooperative enterprise/society. All this sets

the pace to understand we are witnessing a phenomenon of very diverse impacts, which are also embedded in the dynamics of life and relationships that are not easily noticeable, but through an approach that enables a reading able to capture this universe and this intricateness.

Size, age or stability: what is the determining factor?

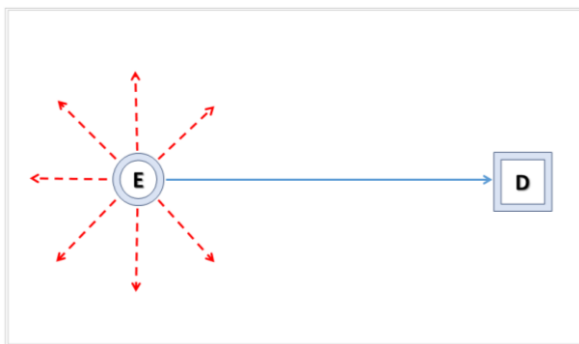
At this point, the link between social roles of cooperatives and impact to human development marks a certain logic that allows an understanding of the incidence potential of cooperative enterprises. That is, the more social roles cooperatives perform, the more consistent their impact will be on human development within the areas they affect primarily. But what quality makes a cooperative organization produce a higher number of social roles?

The study identified two trends, additional to a qualitative consideration that was also deemed relevant as an explanatory source. Both trends are related to size and age; the larger and older cooperatives tend to perform more social roles⁷. Nevertheless, these are not mutually exclusive worlds; among the case studies there were cooperatives identified as *small* or new with a high role performance rate. Despite this trend, it was possible to verify through a statistical test for small samples, lower than 30 cases — A Student’s T test — that only age was actually significant as an element to explain a higher role performance. This means a significant trend was established statistically for the cases analysed regarding the lifetime of the cooperatives. On the opposite side, even though it seemed like a trend similar to age, size ultimately lacked significance.

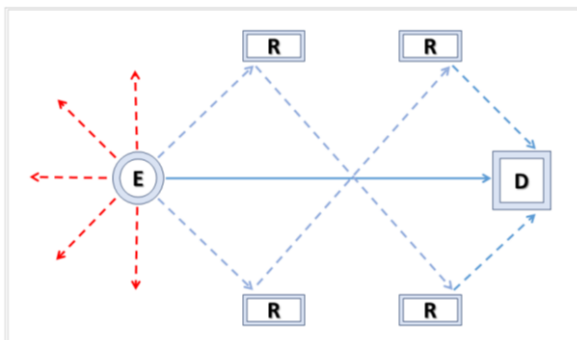
Along with this criterion, and mainly due to the type of fieldwork completed, the cases with the least roles performed still had spontaneous references — by the informants — to organizations’ internal issues. Challenges ranged from

the inability to adapt to the markets or administrative issues, to diverse internal conflicts within the organization. In any of these cases, facing questions related to projects, programmes or activities linked to any of the aforementioned dimensions of development, the answer was directed to give account of the problems, that is, why it was not possible for them to aim for any external impact. We do not pass any judgment about this; instead we assign it as a trend response found in the three cases with the least roles performed. This coincidence spurs the need to recognize the weight of socio-economic stability⁸ for a cooperative enterprise as an essential element to develop roles with the potential to impact human development.

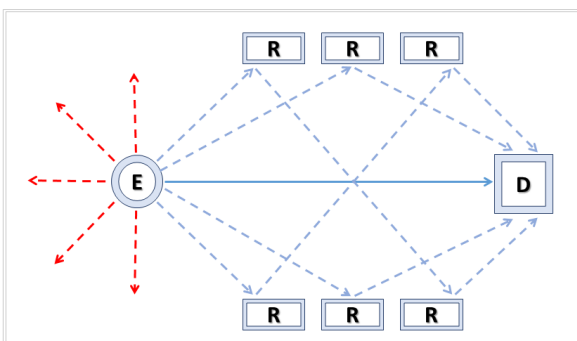
It is visualized that socio-economic stability enables, in most cases, the necessary age to facilitate a better performance in terms of social roles and, consequently, of impetus to human development by cooperatives. It is presented as an important aspect that cooperative enterprises achieve stability with time and strengthen their capacity of generating external impact. Seniority does not guarantee that a cooperative or any other kind of enterprise has a clear path to exist forever, but it does mark a highly relevant feature in determining the vigour of a cooperative organization to reaffirm as a strong promoter of human development in a region like that utilized as context to conduct this study.



A business conducts actions that affect its environment. Some of them can impact development positively in the communities.



We identify that cooperative businesses perform social roles, which augment their effect in community development.



The more social roles a cooperative business has, the more dynamic its effect on community development will be.

Figure 2: Dynamics of social roles in cooperatives

The political action of cooperative enterprises

The Costa Rican context is particular in terms of institutionalization of cooperativism, on one hand, as a socio-economic practice and, on the other hand, as a social and political bloc. This scenario poses dynamics that are not always easy to understand and even to digest by the cooperative movement itself and, consequently, for third parties. Institutionalization necessarily creates political dynamics that must be handled appropriately, in order to avoid disturbing the essence of a movement of this type. There is a space for complex analysis there that is not pertinent to elucidate, but to recognize. Both in the initial research and in this article, there is a specific reference to the political dimension that exists resulting from cooperativism as a baseline socio-economic practice.

By referring to political action from cooperatives, it is necessary to highlight a relevant dimension of their daily practice, in the determined areas of primary influence. First, because cooperative organizations show a facet of their political beings that is not very understood and visible; second, because it places them differently within the social and political context as they become transcendent actors in the detection of local issues, the dissemination of local relevant information — problems and needs — the coordination of solutions alongside public and private entities, among other roles. We must begin by recognizing, even before the so-diverse political action, that this is only viable while cooperative enterprises are constituted as political subjects with a strong legitimacy to third parties, whether they are public or private. More specifically, it became evident in some cases that cooperatives, being recognized locally as authentic community representatives, give voice and bargaining power not just to their members, but to other members of the community, through participation in regional deliberation forums on topics of public interest. One of the most outstanding

examples of cooperatives' political function is in the participation of cooperatives from Costa Rica's North Huetar region in the discussions about water. Cooperatives assumed a leading role in organizing discussion forums and negotiations with public and private entities to create an agenda on water resources. In this case, we see a revindication of politics as a tool to produce solutions to public problems, not from partisan or governmental structures, but from the platform of cooperatives.

New Perspectives from the Discussion

The discussions regarding the validity of the state promotion of cooperativism scheme, as well as promotion of other forms of economy of an associative basis — which we could generally relate to social and solidarity economy — mainly from neo-liberal discourses, are usually approached harshly, even with proposals of incentive eliminations with the excuse of equality and free competition. To present macroeconomic indicators and aggregated data to justify the support of these alternative forms of enterprise, from a classic vision sustaining that economic growth is the only source of development for societies, means to embark in a struggle with disadvantage from the beginning.

The modern State has been functional to the capitalist production system (Góngora & Ramos, 2013, p. 131), with everything it entails, because it has assumed the rationale professed by neo-classical economy. Cartesian logic and science's universal rationality, characteristic to the modernity paradigm, are manifested in economic theory and political praxis. The State being a social representation, it is understood that what ultimately moves political decisions is the will of the people leading its institutions, with their respective interests and worldview. On this subject arises the question, what are

the current manifestations of a State with remnants of the modern paradigm, critical of promoting businesses of associative nature? They are basically related to tax structures, promotion and encouragement of the free market, and the limited creation of specific legislation in support of this sector. From the dominant private sectors, what are those manifestations? Without a doubt, groups interested in maintaining a neoliberal economic paradigm — with minimal government intervention — promote attacks to discredit and even ridicule an economy incorporated into society and politics, and therefore, more democratic. To these sectors, the invisibility of this form of economy is one of the ways to achieve a greater market concentration, and keep their capacity of incidence over policies to promote production that are more favourable for them.

Finally, the main question after these reflections is, how do you encourage the creation of public policy to strengthen and promote an alternative business model — as a socio-economic phenomenon — without truly understanding first its current manifestations and its impact on development? Comprehension must happen from the inside first, and then communicate and expect comprehension from the outside. Pretending to modify institutionality, used to the logic of production within the dominant economic paradigm, using the same arguments of its rationale, is a mistake. In order to promote cooperativism and other forms of associative-based production, including the sector's needs within the political agenda, it is necessary to understand the phenomenon from another perspective, letting the decision makers see the other reality that is generally not seen with their lens.

Conclusions

The purpose of this research was guided by the need to unveil the dynamics of the relationship between the cooperative and its surroundings, in a way that can be known in a geographical and historical context. In this sense, there has been a theoretical and methodological advance to capture the richness of this relationship. Identifying social roles of cooperatives means a broader, but more precise way to understand the interaction of cooperative businesses with the spaces to which they relate; a relationship characterized by a high response from cooperatives to public problems. This has been due to the communication channels that emerge from the democratic structure of cooperative enterprises and the members' consequent connection with the corresponding areas of influence.

There was a discussion on the role performance in cooperatives that are strengthened, rather than size or age, by the stability in the associative base and the sustainability of the enterprise productive activity. It is understood that only a cooperative that has solved its permanence in business, as well as cohesion between its members, can survive through time and achieve the diversity of impacts we have found.

Suggestive reflections have been achieved regarding the political dimension of cooperatives. These findings are relevant in relation to the knowledge of the cooperative as a socio-economic phenomenon, and the possibility to forge a path that fearlessly considers the complexity of this kind of organizations, and demands theoretical and methodological perspectives that are not reduced specifically to the productive; it is partially important in a world of impacts which, as we have shown throughout this article, are plenty and highly diverse in nature and effect.

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Notes

1. Hernández Sampieri (2014) explains that samples for typical cases are utilised when the purpose of fieldwork is to achieve depth and quality of information, rather than quantity or capacity to generalise and standardise. Through this sampling strategy, the cases that serve best to the objectives of the study are chosen at the researchers' discretion, according to their characteristics.
2. Data gathered from the IV National Cooperative Census, there were 376 active cooperatives by 2012. Additionally, just over 200 school cooperatives were registered. Through the following years, with the constitution of new cooperatives and the dissolution of others, the number of cooperatives had a mild increase, reaching about 400 active cooperatives to date.
3. From this perspective, it is assumed that phenomena cannot be understood if they are isolated from their contexts (Monteagudo, 2001, p.229).
4. Milton Friedman's vision, which claims the only social responsibility of business is to increase its profits, easily supports businesses' tendency to implement single actions to benefit communities, with the final intention of improving their reputation among consumers. According to Vives (2015, p. 46) what Friedman actually meant was that businesses should not be compelled to assume other responsibilities, solving society's problems. In conformity with this thesis, businesses are free to develop projects to help communities as long as they do not affect their financial goals. This makes us wonder, after all, what its original intention was.
5. Regarding this category, it must be clarified that it only has an operative purpose per se, as it allows to collect the wide array of collective expressions that are present in communities' lives. It is, therefore, an operative instrument that captures such variety, whether it is a public good or service — property of the State or not — or collective knowledge generated and which has the potential to be applied to a population's living conditions. It is anything of common use instead of private, that develops ways of knowledge for collective doing. It does not entail connection or interdependence between the subcategories "public goods and services" and "collective capabilities".
6. As a result, from the research, it was determined that the 11 cases in the study performed a total of 26 social roles, primarily related to one of the four dimensions of human development mentioned above. Figure 1 shows, for every dimension of development, the amount of cases exercising roles of primary impact. Additionally, the amount of roles with secondary impact to every dimension are included.
7. During the stage of information analysis, the chosen cooperatives for the study were classified according to two criteria: size and age. This means there was a group of cooperatives (according to age) with less than 10 years of existence and another group with more than 30 years of age. Similarly (according to size) a group of cooperatives with less than 40 members was created, as well as another group of those with more than 100 members.
8. Stability in this context refers to a certain proven capacity of cooperatives to fulfil the socio-economic purpose for which they were created. It relies on the steadiness of the group of members (able to work together throughout the project's operation) and the sustainability of the economic activity.



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