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SOCIAL AND SOLIDARITY  
ECONOMY CONSORTIUM

# Enhancing studies and practice of the social and solidarity economy

A reference handbook

Meredith, M. & Quiroz Niño, C. (Coords.), Arando, S.,  
Coelho, L.S., Silva, M.F. & Villafuerte Pezo, A.M.

## Introduction and About the handbook



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The content of the handbook does not necessarily reflect the policies and views of the European Commission.



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# Introduction to the handbook



In 2012, a Consortium led by York St. John University (UK) and involving the Centre for African Studies at the University of Oporto (Portugal), Mondragon University/ Mondragon: Innovation and Knowledge (MIK) in the Basque Country (Spain) and the Cuzco National University of San Antonio Abad (Peru), was brought together to carry out the research project “Enhancing Studies and Practice of the Social Economy in Higher Education”, funded by the European Union’s Erasmus Mundus programme. In 2014, the Centre for Higher University Studies at the Greater University of San Simón (Bolivia) joined the consortium.

The website of the project is <http://www.yorksja.ac.uk/socialeconomy>

The aim of the project has been to try to understand the social and solidarity economic system. The intention - and it was an ambitious one - was to take a broad view, an international view, to find crossovers and tendencies that would enable an understanding of this reality at a macro level, but never to lose the richness and specifics of each region. Although we were from different professional fields and different countries, we had clear vision and common objective: “to make the social and solidarity economy visible within the curricula both within our own institutions and of other institutions interested in the subject”.

With this in mind, one of the practical objectives of the study has been to create a handbook about the social and solidarity economy which takes the thinking and the practice into account from three geographical regions: Europe, Africa and Latin America, in order to promote curriculum innovation in higher education.

This handbook is the result of the collaborative efforts of many people committed to the social and solidarity economy, from various countries and continents; the reader will see this reflected in approaches to the theme coming from Europe, Africa and Latin America. From this, different styles and approaches are apparent in the literature reviews, case studies, teaching activities and documental evidence that make up each chapter. This gives the handbook a richness and versatility that allows it to be used in many contexts. The reader will come across these differences, illustrating lives

running in parallel towards the same goal: to imagine and build a human and solidarity economy, with and for everyone.

We should point out that our aim was never to generalise our interpretations of the information gathered from different geographical areas. We hope instead to create knowledge that is dynamic and dialogical on the theory and practice of the social and solidarity economy and on social capital.

## Specific objectives of the study

The purpose of the work has been to understand and know the nature and the practice of the social and solidarity economy (SSE) through a study of its organisations in the geographically diverse areas of the project. This is with the aim of promoting curriculum innovation within the field within higher education. The specific objectives are:

1. To make known aspects of study and practice, which in our view, must be present in all curricula about the social and solidarity economy:

Ways of knowing (epistemology) and values: how is knowledge generated and validated which constructs a particular economic paradigm? What are the theoretical assumptions, beliefs, and values of the social and solidarity economy? (Chapter 1).

Identity, profile and territory: how can the identity of the social and solidarity economy on an international level in the geographical regions of the Project? (Chapter 2).

Ways of working: what factors, internal and external to the organisations, influence their ways of working? How do their ways of working reflect and put into practice the values and principles of the social and solidarity economy and what are the challenges of this? (Chapter 3).



Professional competences: what is different about the education and training of teachers and students for social entrepreneurship and social innovation? (Chapter 4).

ICT – effective practices: which effective practices can be replicated in the use of social media and community radio to achieve the objectives of the social and solidarity economy (Chapter 5).

Social capital: how do organisations in the social and solidarity economy generate social capital? How can these organisations exercise influence in employment, social and environmental policies? (Chapter 6).

Social responsibility and transformation: what is specific about the social responsibility and social transformation of the organisations of the social and solidarity economy? (Chapter 7).

Universities and ecosystems: practical cases. How can universities offer a favourable ecosystem towards promoting a culture of social entrepreneurship and social innovation? (Chapter 8).

2. To show the role of women in the governance and processes of participation in the social and solidarity economy.

3. To enhance the role of higher education institutions in facilitating intercultural dialogue between academics and members of the organisations of social and solidarity economy from different geographic regions; and so to promote innovation in the curriculum based on cognitive diversity and drawing on existing practice in the field.

## Methodology

The methodological approach to the study has been that of phenomenology, which assumes that reality resides in the mind in the way that the

individual perceives and experiences it. Knowledge can be discovered through the exploration of human experiences.

The following methodological assumptions have guided the study and the construction of the handbook. (Savin-Baden and Howell Major, 2013; Cohen, Manion and Morrison, 2000). The approach has been:

- Ontological, seeking emancipation and a move away from reductionist and mechanistic approaches and oriented towards making people aware of the values of reciprocity, trust and solidarity. It also aims to raise critical and dialogical awareness of the role of every individual and organisation in a world where sustainability depends on everyone assuming their duties and responsibilities, and understanding that our lives are linked to one another and to nature itself.

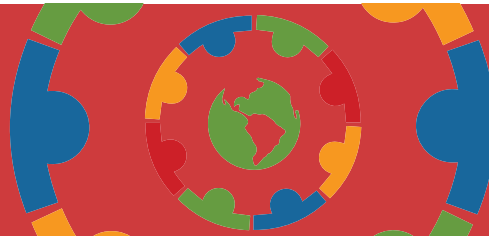
- Ethno-methodological, concerned with how people make sense of their everyday world through their everyday practices. It seeks to understand people's lives and concerns in their own terms.

- Symbolic interactionist: meanings are continuously being constructed and the social context in which actions occur is highly important. This approach emphasises that the individual is in a social context and that it is not possible to understand the individual without reference to this social sphere. Within this social interaction there is a commitment to understand the other's perspective.

The proposed objectives were achieved through an exploratory and descriptive approach, since the intention of the project was to understand the contexts and the people acting under the criteria of social and solidarity economy organisations.

The decision was made by the Consortium to deal with criteria for identifying organisations in the social and solidarity economy, rather than a definition of such organisations. The members of the Consortium





decided to work according to criteria rather than definitions. This approach was considered more conducive to understanding the diversity of the organisations: relying on definitions would run the risk of distancing ourselves from the organisations we wanted to reach and fully understand within their specific contexts. This approach has given enough space for the members of the Consortium to accommodate diverse opinions and continue towards the project objectives.

The methods used were quantitative and qualitative corresponding to different phases of the study.

1,025 organisations from within the social and solidarity economy participated in the project. These were from:

- Africa: Cabo Verde, Guinea Bissau, Mozambique and San Tomé;
- Europe: Portugal, Spain and the United Kingdom;
- Latin America: Bolivia, Mexico and Peru.

The data collected from contact with these organisations has given insights into the nature and profile of the participating entities within the locality of each partner university and its geographical reach. Part of this information is reflected in dialogical section of Chapter 2 of the handbook. The data was collected in three languages from the questionnaire (in English, Spanish or Portuguese, depending on the region in which it was applied).

In addition, interviews were conducted with numerous people working within the social and solidarity economic system. These were used to create the practical cases of the handbook. The use of interviews as a method for gathering data was an interesting learning process and in the final section here will reflect on what we learned.

There were three crucial stages in the project. The first stage was in the design of the semi-structured interview questions. The questions needed to be open-ended enough to not lose the richness of

the experiences within each geographical region, but structured enough to enable commonalities and differences to be drawn out. Each partner sent proposals which would reflect the specificity of their region and context. This needed to produce meaningful data from organisations as diverse as associations of coffee growers in the Andes of South America to the manufacturing cooperatives of the industrialised Basque County in Spain. As a consortium a single guide was developed from this to be applied to all regions.

The second crucial stage was in the application of the interviews. Working with networks was essential in the UK; in Africa, contact with NGOs and other social and solidarity economy organisations was how we reached individual actors; and in Latin America, there was participation from students of Economics and Anthropology at the National University of San Antonio Abad in Cusco, Peru, and postgraduate students at the Greater University of San Simón in Bolivia. Working with students was extremely important; a different world was opening up before them where the practice of values such as solidarity, trust and reciprocity were possible, coexisting efficiently with the market. It was also exciting to see the transformation process in students and teachers as they began to discover the reality of the world, beyond academia, where before economics there are people.

The third crucial stage was a personal challenge for the members of the Consortium. As already stated above, the members come from different countries, different perspectives and academic positions, and from different disciplines. Therefore, attempting to build a discourse that could reflect the reality of all was not easy. It involved a long process of agreements and disagreements which eventually led to the integration of the results of the field work in different models. In these models each partner can see his/her own context reflected. These are the results which we present.

And beyond the results, as a team we are left with the experience of having been a part of a collective





where cultural barriers between ‘north’ and ‘south’ peers, is possible.  
were erased and where, if we are able to sustain the  
essence of being human, dialogue between peers, as

## References:

Cohen, L., Manion, L.. & Morrison, K. (2000) *Research methods in education* (5th edition). London, Routledge.

Savin-Baden, M. & Howell Major, C. (2013) *Qualitative research: The essential guide to theory and practice*. Abingdon, UK, Routledge.



## ABOUT THE HANDBOOK



The handbook is intended to provide relevant information to higher education institutions and other educational settings interested in including the study of the social and solidarity economy in their curricula. We are keen to avoid giving instructions on what the social and solidarity economy is and how to teach it; we know the ‘what’ and the ‘how’ involve an iterative and dynamic process of social construction between teachers, students and members of organisations in the social and solidarity economy.

We aim to encourage the university community to question its role in teaching, researching and outreach into the social and solidarity economy. We also seek to prompt a redefinition of the ethos and mission of universities based on an axiological framework, in order to face the challenges in their own communities and in a globalised society.

The handbook is structured in eight chapters in which we aim to outline the complexity of the topic. **Chapter One** looks at the principles and values underlying the social and solidarity economy as a system. The **second chapter** investigates the identity and profile of social and solidarity economy organisations, in order to then look at their ways of working and what differentiates them from other sectors in **Chapter Three**. In the **fourth chapter**, we tackle the competences, knowledge, skills and attitudes necessary in constructing a curricular framework for the teaching of the social and solidarity economy from an axiological perspective based on the concept of phronesis (practical wisdom). The matter of the effective use of social media and community radio as essential tools for the visibility, strengthening and sustainability of organisations is the subject of **Chapter Five**. **Chapter Six** is an analysis of social capital as vital to the existence of the organisations that we are focusing on. In **Chapter Seven**, we reflect on responsibility and transformation processes within these organisations and in the environments in which they operate, but also on the transformation that occurs in each individual. Finally, in **Chapter Eight**, and through practical cases, we look at the university and the role of the university community in creating - within

and outside the university - an ecosystem for social and solidarity economy organisations. The handbook is supplemented with online resources: videos and other material which complement the chapters. These resources will be updated and developed over time and users of the handbook are invited to send their own additional resources for inclusion.

Most chapters have the following structure (although there are variations in chapters 1, 4 and 8):

**1. Introduction**, with the key questions guiding the content of the chapter and a glossary of basic terms;

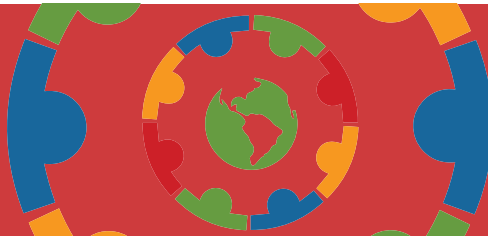
**2. Literature review** for each of the regions covered (Europe, Africa and Latin America). In contrast to conventional handbooks focused on methods and techniques, this handbook aims to provide some axiological and cognitive frameworks for the focus of the chapter for each of the regions of the project (Europe, Africa and Latin America). Referencing these publications has been in accordance with York St John University’s interpretation of Harvard referencing;

**3. Dialogical section** in which a model is presented which reflects what has been validated through the interviews and direct interaction with members of organisations in the social and solidarity economy that captures the result of transdisciplinary work reflecting the reality in each of the three regions is presented;

**4. Practical cases** to show aspects of the reality of social and solidarity economy organisations and exemplify theoretical points and issues raised within the chapter, with questions for dialogue and proposals for action;

**5. Teaching activities** which could be applied in the classroom;

**6. Competences framework**. Chapters 1-7 have a competence framework corresponding to a first stage for teaching staff. The competences have descriptors



and activities to develop these areas. The interaction between the tutor, the student and the social entrepreneur is crucial in the development of these.

## Ideas for using the handbook

This section gives suggestions of the diverse ways in which the handbook could be used in the classroom or to inform curriculum design.

### 1. Following the chapters sequentially:

A course could be developed based on the eight chapters in the sequence in which they are presented. This course would begin with the knowledge and values which underpin the social and solidarity economy, with pedagogical models based on the empirical study carried out, also using the practical cases and pedagogical activities which can be developed within the university and other educational settings

### 2. Extension of the review of literature, emphasising the new creation of local knowledge:

The literature review does not claim to be exhaustive. It can be complemented by the student or tutor from different perspectives and theoretical frameworks arising from the social and solidarity economy.

This work can be sent to for consideration in the second version of the manual, for the blog or as an online resource to accompany a chapter: [socialeconomy@yorks.ac.uk](mailto:socialeconomy@yorks.ac.uk)

### 3. References from different geographical areas:

Analyse the references used in the manual focusing on:

- Number of references used

- Origin of the authors

- Use of grey literature for the preparation of the chapters

- Use of the internet

- National, regional or local references added and an analysis of their contribution to the literature review.

Results can be sent to for consideration in the second version of the manual, for the blog or as an online resource to accompany a chapter: [socialeconomy@yorks.ac.uk](mailto:socialeconomy@yorks.ac.uk)

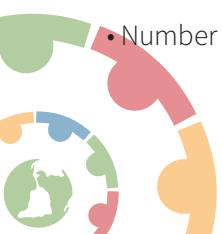
### 4. Pedagogical models for the study, analysis and research of social and solidarity economy organisations:

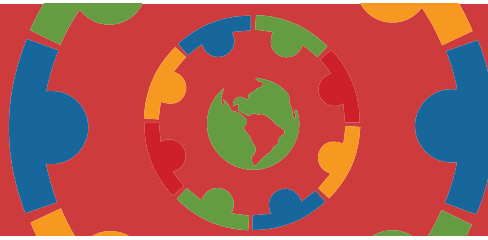
Various activities can be designed from the analysis of the models presented in the dialogical sections of the handbook. Also, other models can be created that complement these according to the reality of the social and solidarity economy organisations in the region.

### 5. Practical cases:

If the practical case presented in the handbook comes from the country where the university is located, follow-up and further exploration would be interesting. Contact members of the Consortium for information if appropriate. People featuring in the practical cases could be invited to the university to speak about their work or lead a workshop or other event.

Other practical cases could be created, based on interviews and dialogue with members of organisations and movements in the social and solidarity economy. Once these activities have been initiated, the Consortium can be contacted to put you in contact with other universities doing similar work and can share outcomes and evaluations of this.





(socialeconomy@yorksj.ac.uk)

These activities can be disseminated and shared via the project blog.

## **6. Pedagogical activities:**

Having carried out some of these activities, please share the processes and outcomes through the project blog or other collaborative platforms. Contact the Consortium about this at the email address given above. Also, please share other educational activities which develop critical understanding of the social and solidarity economy and address dilemmas within it.

## **7. Competences:**

Each chapter of the handbook (except 4 and 8) has its own competence framework. Teachers may include these as standards of teaching and learning; starting with the teachers themselves, before using the activities with students. A diary can be used to record other competences which have been developed while working on the self-evaluation activities.

## **8. Online resources:**

Other online resources could be developed to complement the studies and practice of the topics covered in each chapter. Which videos in any of the three languages of the handbook could be recommended for the website? What audio visual materials can be created to capture the actions that respond to the appropriate chapter?





# Social and solidarity economy (SSE) handbook

## Pedagogical framework

### Chapter 7 and 8: Social responsibility and transformation (SRT) /Universities and ecosystems

What is SRT and how is it activated in organisations/universities?

- Literature review
- 1 pedagogical model based on interviews with SSE organisations.
- 8 practical cases to analyse with proposals for action.
- 1 pedagogical activity.
- 16 competences and 8 activities to develop them.

### Chapter 6: Social capital

How do SSE organisations generate social capital?

- Literature review
- 1 pedagogical model based on interviews with SSE organisations.
- 3 practical cases to analyse with proposals for action.
- 1 pedagogical activity
- 26 competences and 8 activities to develop them.

### Chapter 5: ICT - effective practices

What effective practice in the use of social media and community radio can be identified?

- Literature review
- 1 pedagogical model based on interviews with SSE organisations.
- 4 practical cases to analyse with proposals for action.
- 2 pedagogical activities.
- 32 competences and 6 activities to develop them.

### Chapters 2 and 3: Identity and profile/ways of working

How does the identity organisations mark out the ways of working of SSE organisations

- Literature review
- 1 pedagogical model and statistics about the profile of 1025 organisations
- 9 practical cases to analyse with proposals for action.
- 3 pedagogical activities.
- 47 professional competences and 13 activities to develop them.

### Chapter 1: Ways of knowing (epistemology) and values

How does my professional practice reflect the values of the SSE?

- Literature review
- 3 practical cases to analyse with proposals for action..
- 2 pedagogical activities.
- 16 competences and 11 activities to develop them.

### Chapter 4: Professional competences

Education and training based on phronesis.



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Centro de Estudios Superiores, Universidad Mayor San Simón, Bolivia  
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Universidad San Antonio Abad del Cusco, Perú  
York St John University, UK

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## 1. Colaboradores del proyecto

## 1. Colaboradores do projeto

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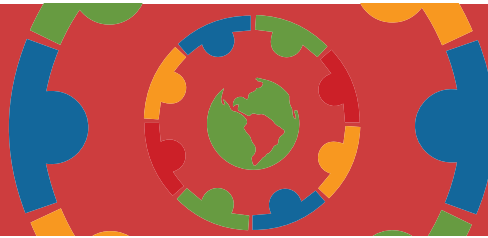
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- Américo Paulo e Lizzie, Núcleo de arte, Maputo
- Associação de Músicos de Inhambane (AMIN), Inhambane
- Associação Juvenil Aires Bonejaz Ali (AJABA), Inhambane
- Beatriz – Xitique de casais, Maputo, Moçambique
- David Nhancale, Associação Amandla, Maputo
- Elvira Gabriel, Associação dos Criadores e Retalhistas de Gado de Manhiça (PFUNECA), Manhiça
- Gito Francisco B. Fazili, Nkolongwe, Niassa
- Grupo de xitique Fukani va nstati (Acordem, Mulheres), Inhambane
- Ismael Ossemame, União Nacional de Camponeses (UNAC), Maputo
- Lídia Anílisa M. Chiziane, Projeto Mbeu (género), Xai-Xai
- Maria Chuma, PAMODZI, Maputo
- Suzete Filipe, Cooperativa de Crédito BayPort, Manhiça
- Tomás Ouana, União das Cooperativas Agrícolas de Marracuene (UCAM), Marracuene

## **Paraguay/Paraguai**

- Patricia Giménez Franco, Erasmus Mundus Students and Alumni Association, Latin American Chapter

## **Universidad Católica Nuestra Señora de la Asunción**

- Erna A. Kegler
- Gert Karbaum

- Mónica Ramírez de Tishler
- Cooperativa Colonias Unidas

## **Peru/Perú**

### **Universidad Nacional Agraria La Molina**

- Gloria Palacios
- Wilder Trejo

### **Ministerio de Educación**

- Alonso Valderrama

### **Universidad Nacional San Antonio Abad del Cusco**

#### ***Estudiantes, Facultad de Economía***

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- Aníbal Melo Cansaya
- Beto Huancachoque Quispe (alumno de la maestría)
- Dael Quispe Huanca
- Edison Olivares García
- Hillary Rubí Villalobos Cáceres
- Reinerd Cárdenas Tito

#### ***Estudiantes, Facultad de Antropología***

- Alex Cusiyunca Phoco
- Edward Arenas Rocha
- John Raúl Uracahua Condori
- Juan José Castillo Chani
- Maybe Ponce de León
- Raquel Meza Condori
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- Armando Rodas, Asociación de Apicultores de la Provincia de Abancay
- Daniel Franco, Yaqua
- Fernando Tamayo Grados, Yaqua

## **Portugal**

- **Área Transversal de Economía Social da Universidade Católica Portuguesa**
- **TESE Associação para o Desenvolvimento**
- Américo Mendes, Área Transversal de Economía Social da Universidade Católica Portuguesa
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- Eliana Madeira, GRAAL, Banco do Tempo, Lisboa, Portugal
- Fátima da Cruz Rodrigues, Centro de Estudos Africanos da Universidade do Porto (CEAUP) e Universidade Lusíada Norte
- Inês Pinto Cardoso, Área Transversal de Economia Social da Universidade Católica Portuguesa (ATES - UCP) e Pari Passu - Responsabilidade Social
- Manuel Gomes Afonso, Santa Casa da Misericórdia de Viana do Castelo, Viana do Castelo,
- Sara de Azevedo Garrido, Área Transversal de Economia Social da Universidade Católica Portuguesa (ATES - UCP)
- Sara Poças, Centro de Estudos Africanos da Universidade do Porto (CEAUP) e Faculdade de Psicologia e Ciências da Educação da Universidade do Porto (FPCEUP)
- Susana Vasconcelos, Associação Social e Cultural de São Nicolau, Porto

### **San Tome and Principe/São Tomé e Príncipe**

- Aureliano Pires, Cooperativa de Cacau Biológico (CECAB)
- Eduardo Alba Espírito Santo, Federação das ONG Sãotomenses
- Manuel Jorge, Marapa

### **South Africa/Sud África/África do Sul Bright Media**

- Cheryl Brennon
- Ingrid Bruynse

### **Spain/España/Espanha Instituto de Asuntos Culturales**

- Abel Ferrero
- Aurelia Gómez
- Bianca Quiroz Niño Juan José Roca
- Iman Moutaouakil
- Natalia San Juan
  
- Ana Fernández, Universidad Nacional de Educación a Distancia

- Francisco Blanco, Universidad de Granada (Ceuta)
- Inmaculada Mora, Universidad La Florida
- Jordi Ortiz, La Marea
- Lander Arretxea, Economía
- Luis Benavides, El periódico
- Verónica Gómez, Universidad de Alicante

### **Sweden/Suecia/Suécia**

- Rishabh Khanna, Initiatives of Change
- Tatiana Sokolova, Initiatives of Change

### **Switzerland/Suiza/Suíça**

- Evi Lichtblau, Initiatives for Change

### **The Netherlands/Países Bajos/ Países Baixos**

- Bas Gadiot, Crosswise Works
- Ine Van Emmerik, Extravaleren
- Tessa Wernick, Fairphone

### **United Kingdom/Reino Unido**

- Adam Myers, Brunswick Organic Nursey, Ltd.
- Alex Sobel, Social Enterprise Yorkshire and the Humber
- Ali Aslan Gümüşay, Said Business School, Oxford
- Andy Buckley, Blueberry Academy, York
- Anthony Day, Envirocrew, York
- Bill Breeden, Skills4Holme, Holme on Spalding Moor
- Biz Bliss, Edventure Frome
- Bob Cannell, Suma Wholefoods
- Bob Stoate, North East Social Enterprise Partnership
- Charles Hanks, York St John University
- Christine, Derwent Valley Light Railway Society, York
- Cliff Southcombe, Social Enterprise Europe
- Damien Handslip, Paperworks, Harrogate
- Dylan George, Miller's Yard, York
- Emily Abbott, Here Now Dementia, York
- Evan, Brunswick Organic Nurseries, York
- Francesca Rolle, Sheffiled Hallam University
- Heather Niven, Science City York
- Helen Hoyle, SEE Ahead
- Jane Cullen, West Bank Park, York





- Jenny Fairbrass, University of East Anglia
- Johannes Moeller, Edventure Frome
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- John Wilson, York Disabled Workers' Cooperative
- June Tranmer, The Healing Clinic, York
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- Viv Chamberlin-Kidd, York Time Bank
- Tim Curtis, University of Northampton
- Tom Waring, St Nick's Environment Centre
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## 2. Survey respondees

## 2. Participantes encuestados

## 2. Participantes no inquérito *online*:

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- Diego Ledesma, Cooperativa Unión Solidaria de Trabajadores (UST)
- Florencia Rebich, Bachillerato Popular Arbolito Cooperativa UST
- Gabriel Beber, Asociación Civil Pro Patagonia
- Lucas Gabriel Cardozo, Programa de Extensión de Economía Social y Solidaria de la Universidad Nacional del Litoral (Arg.)
- Martin Alberto Fortunato, Cooperativa de Trabajo Indiel limitada
- Mirta Mabel Ahumada, Manos en Red
- Pablo Alejandro Aparicio, Escuela Normal Tomás Godoy Cruz

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- Rosana Andrea Miraglino, Organización Argentina para Sociedades Inclusivas (OASI)

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- Alberto Zoto, Asociación de Productores Derivados de Maní
- Benita Paco Quispe, Bartolina SISA
- Bertha Sancrez, Asociación Civil Centro Intercomunal de Mujeres y su Cultura Iloseña
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- Cesilia Sofía Mamani, Bartolina SISA
- David Antezana Siles, Asociación de Productores de Trucha Organica Phiña Laguna
- Demetrio Calvimonte, Asociación Azapro 93 camas de madera
- Dopè Etacurey Dosapei, Central Ayorea Nativa del Oriente Boliviano
- Doria Chacón, Limoncitos Artesanos
- Edith Fuentes, Artesanía Jireh







- Edwin Fernández O., Gobierno Autónomo Municipal de Capinota
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- Gabino Moreno, La Chiquitana
- Guillermo Vallejo, Asociación Departamental de Productores de Trigo Cochabamba
- Hazael Marza Medrano, MUNAMA-Red Nacional de Mujeres emprendedoras
- Hugo Fernandez Ríos, Cooperativa agrícola Integral La Colmena Ltda.
- Julio la Fuente, Asociación Artesanal Ñuflo de Chávez
- Lidia Ibarra, Asociación de Hamacas Santa Cruz
- María Flores, Asociación de Artesanos del Bicentenario La Paz
- Marina Flores, Artesanos del Bicentenario La Paz
- Marina López, Asociación de Artesanos del Bicentenario La Paz
- Nelly Chalco, Arte Propicio
- Oscar Tordoya Knoch, Oecom Raqaypampa
- Patricia Calisaya, Central de Cooperativas El Ceibo Ltda.
- Paulina Quispe, Arovipaln
- Rocío Quispe Campos, Centro de Rehabilitación del Niño Quemado
- Rodrigo Meruvia Soria, Programa de Educación Emprendedora - Aldeas Infantiles SOS
- Roxana Melgar, Central Ayorea Nativa del Oriente Boliviano
- Roxana Zemo Zuares, Asociación de Productores de Beni
- Sandra Vera, Manos Bolivianas
- Sandra Vera, Manos Bolivianas
- Savina Mamani de Limachi, Centro de Formación y Promoción de Mujeres Aymaras
- Sofía Frías Zuares, Medicina Tradicional Robore
- Sonia Velarde, Aroviplan
- Teodosia Arcaya Herrera de Ante, Flor Primavera
- Virginia Gonzales, Asociación de Artesanos del Bicentenario La Paz
- Virginia Gonzales, Asociación de Artesanos del Bicentenario La Paz
- Yolanda Fernandez, Fundación Boliviana de Afasia Irving Retamoso

## **Brazil/Brasil**

- Pedro Ivan Christoffoli, Universidade Federal da Fronteira Sul

## **Colombia/Colômbia**

- Abelino Arrieta Sánchez, Cooperativa Ambiental Bakata.
- Amparo Tristancho Torres, Fusanpro
- Ana Mendoza, Fundación Mujer y Futuro
- Carmen Bohorquez Rojas, Asociación de Cuerpo de Bomberos Voluntarios de Piedecuesta
- Colombia Pérez Muñoz, Universidad Cooperativa de Colombia
- Fernando González , Hogar Jesús de Nazaret
- Gonzalo Pérez Valencia, Cooperativa de Ahorro y Crédito Creafam -Cooceafam
- Iván Solano Parra, Federación Mesa Cooperativa Social y Solidaria
- Leonar Javier Briceño Ariza, Universidad Cooperativa de Colombia
- Luis Armando Gutiérrez Hernández, Defensa Civil-UCC
- Luis Armando Gutiérrez Hernández, Defensa Civil-UCC
- Luis Francisco Castro Oliveros, Federación Agroambiental Campesina: MERCORED
- Luis Rey, Comuna
- María Alexandra Bautista Bayona, Cruz Roja Colombiana Seccional Santander
- Maribeth Díaz Charry, Fundación Colombia Digna Funcoldig
- Omaira Mercedes Jimenez de Pérez, Universidad Cooperativa de Colombia
- Omar José Chadid González, ECOCAO
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- Segundo Porras Pedraza, Universidad La Gran Colombia - Segundo Porras Pedraza
- Yaneth Rocío Díaz Cadena, Liga Santanderana Contra el Cáncer
- Yaneth Rocío Díaz Cadena, Liga Santanderana Contra el Cáncer

## **Cape Verde/Cabo-Verde**

- Maria Miguel Estrela, Atelier Mar - ONG







## Costa Rica

- Laura Varela Castro, Asociación Colectivo Eco Artístico y de Economía Solidaria

## Ecuador/Equador

- César Marcillo, UONCRE

## Guinea Bissau/Guiné-Bissau

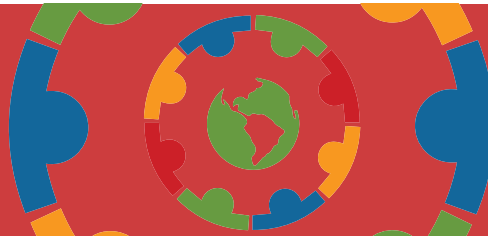
- Ana Bela Bianchi Bull, RSM - Rádio Sol Mansi
- Armando Mussa Sani, RSM - Rádio Sol Mansi
- Armando Sampa, COAJQ - Cooperativa Agropecuária de Jovens Quadros
- Augusto Mutna Tamba, RSM - Rádio Sol Mansi
- Eduardo Elba Espírito Santo, Federação das ONG Sãotomenses São Tomé e Príncipe
- Ivone Gomes, MEL - Mulheres na Economia Local
- Leandro, COAJQ - Cooperativa Agropecuária de Jovens Quadros
- Mariana Ferreir, Artissal
- Miguel de Barros, Tiniguena
- N'busum Midana Sambú, Tiniguena

## Mexico/México

- Adriana Gpe. Herrera Altamira, Sobolotik S.C. de R.L. de C.V.
- Álvaro López Lobato, Organización Regional de Campesinos Sustentables Sociedad Cooperativa
- Álvaro López Lobato, Organización Regional de Campesinos Sustentables
- Angélica Hernández Rodríguez, Grupo Zarframex
- Antelmo García Hernández, Ethos
- Araceli Jurado, Apoyo Integral a Micro y Pequeña Empresa S.C.
- Armando Mauricio Palacios Lárraga, Instituto de Investigación, Innovación y Desarrollo Cooperativo, SC de RL y CV
- Arturo Téllez Martínez, SOBOLOTIK, Sociedad Cooperativa de R. L. de C.V.
- Berenice Elizalde, Instituto Nacional de la Economía Social

- Celia Verónica Vilorio Gómora, Universidad Autónoma Metropolitana, Unidad Xochimilco
- Cooperativa de Transporte de Carga Pesada Wuitzac Xixim Ton S.C de RL CV
- Derli García García S o c i e d a d Cooperativa Lago de Colores
- Elihú Rodríguez Ruiz, Sociedad cooperativa Mume de Tziscaco de R.L. de C.U.
- Elvira Yesenia Ramírez Vanoye, Red de Investigadores y Educadores en Cooperativismo y Economía Solidarias
- Gabriela Cortes Velazquez, Colectivo Contacta en Red
- Georgina Patricia Ramírez Sernas, Caja Solidaria Casa de Ahorro Campesino SC de RL de CV
- Gerardo Miguel Salgado Benitez, Unión y Solidaridad del Valle de Puebla-Tlaxcala SC de RL de CV
- Héctor Valdés Trejo, Consultoría Profesional para la Iniciativa Social; S. C. de R.L. de C.V.
- Hilda C. Vargas Cancino, Programa de Estudio, Promoción y Divulgación de la Noviolencia, UAEMex
- Horacio José de la Cruz, Gallo Giro (Montes azules trópico gallo giro) Flor de Montebello
- Isaac Deneb Castañeda Alcántara, Cooperativa de Salud Panamédica
- José Aceves Ochoa, Programa de Cooperativismo de la Universidad Autónoma Chapingo
- José de Jesús Alejandro Ramírez Funes, Unión de Redes Solidarias totoquihuatzin - Unresto
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- José Eduardo Gómez Ruiz, Sociedad San Francisco Uninajab Comitán, Chiapas
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- José María Lozoya Martínez, Sociedad Cooperativa del Perpetuo Socorro S.C. de R.L. de C.V.
- Julieta Pérez Hernandez, Unión y solidaridad del valle de Puebla-Tlaxcala





- Ma. Oliva, Cesar Soya SC de RL de CV
- Manuel Sánchez Ramírez, Alianza Ciudadana para el Desarrollo Regional Alternativo del Sur de Jalisco
- María del Rocío Arellano Miralrio, Florecer Saludable S.C de R.L de C.V
- Mario Rechy Montiel, Cooperativa Cafoa (Café Orgánico de Amatepec)
- Miguel Ángel Mendoza Juárez, Unión de Productores e Industriales de Trucha Granja Cuapanuaya S.C.de C.V.
- Miguel Ángel Soto Martínez, Caja Popular Mexicana
- Moisés Medrano Rodríguez, Cooperativa Huehuetlaltoli
- Nulti, Pan Integral y Artesanías Mexicanas S.C. de R.L. de C.V.
- Omar Alcaraz Rodriguez, Labizet S.C de R.L de C.V
- Pahpaki Armonía Empresarial S.C. de R.L. de C.V.
- Román Dzul, Feria Multitrucke Mixiuhca
- Rosario Guevara Meza Nocal, Biodiversidad,Comunicacion y Patrimonio Sociedad Cooperativa de R.L.
- Salvador García Angulo, Servicios para el Desarrollo, A.C.
- Salvador García Angulo, Servicios para el Desarrollo, A.C.
- Samuel Gómez Díaz, Cooperativa Jlumaltik (Tejidos de Nuestros Pueblos)
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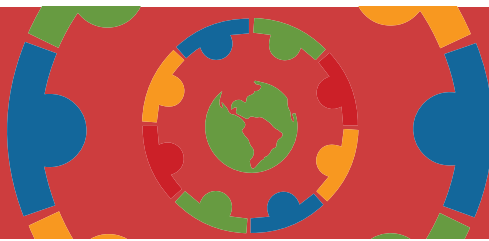
### **Mozambique/Moçambique**

- Beatriz Xitique de Casais
- Lidia Anilisa M. Chiziane, Fundo de Desenvolvimento da Mulher (Proyecto Mbeu)
- Suzete Filipe, BayPort
- David Nhancale, Associação Amandla
- Amandio Fondo, Asscodecha Moçambique
- Americo Paulo, Nucleo de Arte
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### **Peru/Perú**

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- Ada Chanca Ames, Asociación de Carpinteros Los Cedros
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- Alberto Bueno, Banco La Fortuna
- Alberto Saya, Asociación de Motos Lineales - Selva Sur - Los Tigres de Calaminayoq - Distrito de Ayapata.
- Aleja Delgado, Asociación Centro Artesanal Cusco
- Alejandrina Flores Labra, Asociación de Criadores de Cuyes Los Triunfadores
- Alejandro Consa Quispe, Asociación de Ganaderos y Lecheros Asgal
- Alex Bustinza Paza, Asociación de Criadores de Cuyes Los Líderes
- Alexis Torres, Grupo Convergencia
- Alfonso Cotera Fretel, Red Peruana de Comercio Justo y Consumo Ético
- Alicia Parconi Quispe, Comerciantes Ambulantes-Patatata
- Amalia Arque Soncco, Asociación de Criadores de Cuyes Nueva Alianza
- Ambrocio Merma Tacusi, Asociación de Productores de Cuy Tupac Amaru de la C.C. Ccolliri
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- Ana Espinoza Rojo, Asociación de Tejedores de Sumaq Tiklla de Pitumarca
- Ana María Manotupa, Asociación de Artesanos Pisac
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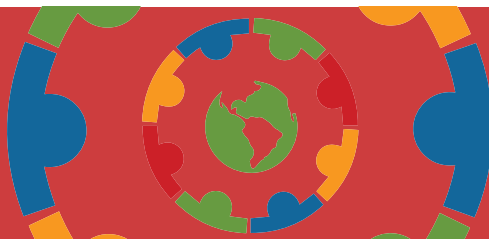
- Antonio Torres Castro, Asociación de Criadores de Cuyes Los Líderes
- Aquilina Castro Navarro, Asociación de tejedores Munay Tiklla de Pitumarca
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- Bartolomé Tillca Ttito, Asociación de Turismo Vivencial y Comunitario
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- Beatriz Huamán Cconcha, Qoricancha
- Belarmino Huaycochea Tupayupanqui, Asociación de Mueblería Maternitano
- Belén Cotiri Conde, Asociación de Criadores de Cuyes Los Claveles
- Benito Coa Pacha, Asociación Centro de Acopio de Leche El Paraíso
- Bernarda Espitia Layme, Asociación de Ganaderos y Lecheros Asgal
- Bertha Pérez Salas, Asociación de Ganado Lechero
- Blanca Pacompilla Yucra, Asociación de Artesanos de Occopampa
- Blas Quispe, Asociación Centro Artesanal Cusco
- Bruno Cárdenas Pillaca, Asociación Agroforestal Rio Las Piedras
- Carlos Vega Sandoval, Asociación Fluvial del Rio Tambopata
- Casimiro Quispe Flores, Asociación de Comerciantes Tres de Mayo
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- Darcy Luna Ttito, Credicusco
- David Luna Condori, Planta Lechera de la Comunidad de Ccolcca - Ocongate
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- Elisabeth, Asociación Centro Artesanal Cusco
- Elizabet Huamán Quispe, Asociación de Artesanas Mujeres Las Saywas de Gqea
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- Emilio Apaza Apaza, Asociación de Comerciantes Tres de Mayo
- Epifanio Quispe Tapia, C.A.C. Manco II
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- Érick Pinto Mendoza, Asociación de Transportistas Fluviales Madre de Dios (Canoa)
- Ernesta Yucra Mamani, Asociación de Comerciantes de Textilería 'Pachatata'
- Estanislao Curinambe Chávez, Asociación de Agricultores Ecológicos de San Francisco
- Estanislau Montañez, Cooperativa de Ahorro y Crédito Qorilazo
- Esteban Huanca Quispe, Asociación Provincial de Productores de Charqui y Chalona
- Eufemia Caballero Enriquez, Asociación de Productores de Kiwicha Orgánica Chueca Mayo
- Eustaquia Sivana Ancalla, Asociación de Mujeres Artesanas Surphuy
- Evarista Aguilar, Asociación Centro Artesanal Cusco
- Fabián Isais Ichu Carrasco, Asociación de Productores de Kiwicha Orgánica
- Fabiola Villazante Florez, CADEP JMA
- Facundo Colquecachi U., Orinojon
- Faustino Díaz Bornas, Asociación de Productores Agropecuarios
- Favio Durán Saavedra, Asociación de Productores de Leche
- Felicia Huarsaya Villasanti, Empresa Textil Elena Guet
- Feliciano Ccahuana Huari, Asociación de Criaderos de Cuy Pampa de Anta
- Felicitas Chávez Núñez, Asociación de Productores Agroexportadores El Majeño
- Felicitas Mamani Yucra, Asociación de Tejedores Munay Tiklla de Pitumarca
- Felipe Nina Cruz, Asociación Centro de Acopio de Leche El Paraíso
- Felipe Nina Cruz, Asociación Centro de Acopio de Leche El Paraíso
- Filomena Mamani Chura, Organización de Productores Artesanales Macusani
- Fiorella López Álvarez, Asociación de Artesanos Señor de Choquequilca
- Francisca Jara Choque, Asociación Tinki Markupata
- Francisco Aragón CCansaya, Asociación de productores de Ganado Brown Swis
- Francisco López Mullisaca, Comunidad Campesina de Cambria
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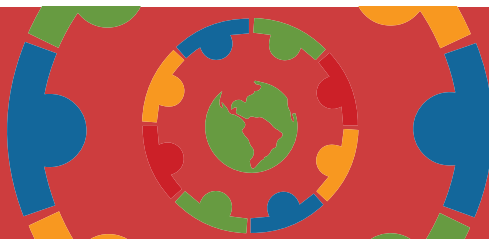




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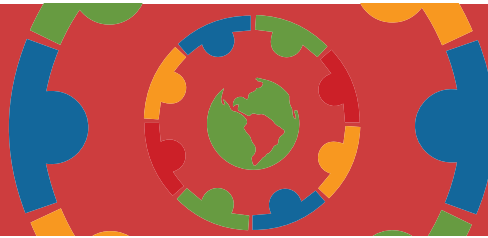
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YORK ST JOHN-ERASMUS  
SOCIAL AND SOLIDARITY  
ECONOMY CONSORTIUM

# Enhancing studies and practice of the social and solidarity economy

A reference handbook

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## Chapter 1: Ways of knowing (epistemology) and values



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## 1. INTRODUCTION

How we see the world influences our behaviour. Our values, beliefs and assumptions inform our activities. Understanding how knowledge is constructed: the values, beliefs, assumptions it is based on, is called epistemology.

This chapter argues that the dominant way of viewing the world in modern times is through rationalist lens, that this single world view is destructive for humanity and that it is blocking consideration of other perspectives. It calls for a re-examination and a re-formulation of ways of thinking and understanding in our complex and multifaceted world.

The chapter aims to provide a framework to examine the theory, analysis and perspective of the social and solidarity economy paradigm. To that end, the elements

### Glossary

**Ecology:** As used by Boaventura de Sousa Santos, author on topics such as globalisation and epistemology, ecologies are theories or systems taking a global view of the world, bringing together the diversity of realities and understanding currently coexisting in the world that must be taken into account. The concept is linked to that of emancipation, giving equal recognition to different forms of knowledge.

**Epistemology:** The term epistemology comes from the Greek ‘episteme’ meaning knowledge and ‘logos’ meaning science or study. As such, epistemology is a branch of philosophy that studies how knowledge is created and proven and the ways in which the individual acts in order to develop cognitive structures. The broad scope of epistemology also extends to the justifications humans find for their beliefs and forms of knowledge, examining the methodologies as well as the causes, aims and intrinsic elements of these beliefs.

**Monoculture:** As used by Boaventura de Sousa Santos, Portuguese professor of sociology and author of works on human rights and democracy, monocultures are systems for interpreting the world

### KEY QUESTIONS

How can we analyse knowledge production in today’s world? Where and by whom is this knowledge generated in the areas under study?

What concepts are used, and on what assumptions are these based, for representing the reality of what is being studied?

What values are identified by those involved in the social and solidarity economy?

which, according to Kuhn (1962), make and shape any paradigm: values, beliefs and assumptions, vocabulary, behaviours and activities, have been considered.

based on no more than dominant hegemonic culture, hiding an important part of reality. Monocultures create absences and silences and are related to the concept of colonialism.

**Reciprocity:** Reciprocity refers to the informal means of exchange of goods and work found in informal local economic systems. Reciprocity is the most common form of exchange in societies where the economy is not based on the market i.e. making, selling and buying goods and services.

**Subsidiarity:** is a principle of social organization. It has been associated by some with the idea of decentralisation. In its most basic formulation, it holds that social problems should be dealt with at the most immediate (or local) level consistent with their solution. The *Oxford English Dictionary* defines subsidiarity as the idea that a central authority should perform only those tasks which cannot be performed effectively at a more immediate or local level.

## 2. EPISTEMOLOGICAL FRAMEWORKS

Modern thinking assumes that the only valid route to knowledge, and therefore to understanding the universe, is the scientific method. This has given rise to the current cultural imbalance.

Such thinking is based in what Boaventura de Sousa Santos calls abyssal: thinking which imposes hierarchy and differences, presupposing a “this side of the line” belonging to us and therefore proven and superior, and a “the other side of the line”, the other an attempt to remove it from reality, to prove its non-existence. This theory is based on the idea of the “impossibility of the co-presence of both sides of the line” (2010, p. 24) which has contributed to what the author refers to as epistemicide (2009, p.10), that is, the elimination of any type of knowledge or social practices that generate knowledge other than those validated by modern Western scientific thought.

Boaventura de Sousa Santos indicates the fact that “the first challenge is to face that the world is made up of missed social experiences; there are some theories telling us there is no alternative, when in reality there are many alternatives” (2007, p.24). Similarly, Morin (1994) states that:

We have gained unprecedented knowledge of the physical, biological, psychological and sociological world. Through science, empirical and logical methods of verification are more and more prevalent ... And yet, incidence of error, ignorance and lack of insight is growing everywhere while our knowledge grows.

We need to gain a radical awareness that:

1. The deepest cause of error is not in factual error (false perception) nor in logical error (incoherence) but in the way we organise our knowledge into systems of ideas (theories, ideologies);
2. There is a new form of ignorance linked to the very development of science;
3. There is a new lack of insight linked to the deteriorating use of reason;
4. The most serious threats humanity faces are linked to the blind and uncontrolled progress of knowledge (thermonuclear weapons, adulterations of all kinds, ecological disasters, etc.) (1994, p. 27)

We must, therefore, become aware of the consequences of the “crippling means of organising knowledge,

incapable of recognising and understanding the complexity of the real” (1994, p. 28).

Probably one of the greatest causes of the world’s unsustainable economic growth involves the confusion between economics and chrematistics. It is a confusion that has led to today’s utilitarian capitalism, characterised by consumerism and hedonism and totally disconnected from Weber’s proposition that suggested the “spirit of capitalism” was linked to a values system rooted in religion, where austerity, money saving, and the rational organisation of free labour lay hidden. Capitalism was founded on moderating to a rational degree the unrestrained hunger for profit present throughout history. The secularisation of wealth, however, is removing the spirit from capitalism and giving way to an unrestrained desire to possess and to consume.

The confusion between economics and chrematistics has led to another, between need and want. Needs have a satisfaction threshold; wants do not, but it is precisely in the satisfaction supposedly provided by want that the expansion of global industry is currently based.

To understand the confusion between economics and chrematistics we must look to Aristotle, who claims that:

The science of acquisition, “chrematistics”, is not the same as that of economics ... The goal of the former is to provide the means, the latter’s to make use of them ... Economic science must provide us with the resources necessary, or useful, for life in every civil or domestic association ... The quality which fulfils the demands of life and of happiness is not infinite. But there is also the real art of acquisition, which puts no limits on wealth or acquisition ... While the one is natural the other does not come from nature but rather is the result of an art or an industry (Aristotle, Book One, chapter III).

Natural acquisition and wealth accumulation are two separate things. The former has to do with economics and its aim is survival; the latter has to do with chrematistics, where money is the aim of the exchange and seeks to be reproduced. “Money is the means and the end of the exchange and wealth resulting from this art of acquisition has no limits ... In contrast, economic science, very different to the art of acquisition, has its limits. Economics is not the



same as the science of wealth .... The aim of the one is possession, the other expansion” (Ibid).

Aristotle places the economy within the group of needs (that are moderated and have a satisfaction threshold), while chrematistics is about unrestrained desires. He sees it as natural to produce goods to cover needs, but not wants.

For Aristotle, the current understanding of the economy would be nothing other than chrematistics and the current crisis moves us once more to look at its origins and reclaim concepts such as the economy for what they really are. Only then is it possible to put the social economy in context, to understand the relationship between the economy and society, and to place the economy in the service of people.

### 3. ANALYSIS OF THE CURRENT PARADIGM

According to Thomas Friedman, we live in a world deeply affected by globalisation. It is not merely a case of a passing phenomenon or tendency, but a new international system integrating capital, technology and information that transcends national borders to create a global market and, in some ways, a global village. It is a system that began with the fall of the Berlin Wall, replacing that of the Cold War (1999, p. 33).

Although the most visible features of globalisation are essentially economic, it is a more complex phenomenon than that. Economic globalisation is part of a greater phenomenon: cultural globalisation. This can be understood as:

the expression of four basic, interrelated phenomena: (i) the universalisation of markets and the progress of post-industrial capitalism; (ii) the spread of the democratic model as the ideal form of organisation; (iii) the communications revolution that led to an information society; and (iv) the creation of a cultural climate called postmodernity (Brünner 1998, p. 27).

Current globalisation accounts for the new kind of post-industrial capitalism extending the logic of the markets and information networks to all corners of the planet. What followed is the uncontested rise of materialist society gradually engulfing the world (ibid, p. 27).

According to Brünner, we are faced with a culture where it is no longer the reality that matters but the language that constitutes it and communicates it. It is not the world that matters but views of the world;

it is not the text that matters but its contexts; it not the truth that matters but rather the eras or genres through which it is expressed.

Every day we are exposed to a greater number of messages. Everything lends itself to overlapping readings and different understandings, to a highly artificial and uncertain climate loaded with symbols and signs that establish a fixed type of culture, which is then packaged and sold.

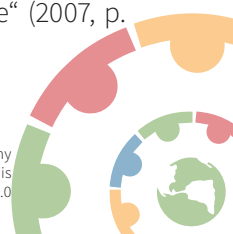
Globalisation seems to have left a mark on the modern world. On the one hand, ease of contact between different parts of the globe has fostered the emergence of universally accepted ideas and terminology that tend towards creating cultural uniformity. On the other, whereas problems under local control once had easily identifiable causes and as such the solutions proposed were also more localised and specific, now we can no longer see them from this local viewpoint since the causes are probably not restricted to the local area and solutions are therefore not so easy to come by.

Boaventura de Sousa Santos interprets the idea in this way:

Our situation is somewhat complex: it could be said that we have modern problems for which we do not have modern solutions. And this gives us the transitory character of our time. We must make a concerted effort to reinvent social emancipation (2007, p. 19).

In fact, an ever-growing complexity is what characterises the challenges of our time and a new perspective is needed to seek answers to these challenges. This is the moment of transition to which Boaventura de Sousa refers, a transition which must be marked by a demand for different models of seeking alternatives which reflect the specific needs of each region, culture and individual.

Charlot writes of three attitudes when facing the consequences of globalisation: “those who want to maintain their current position”, defending their own advantages and privileges and making the other invisible”; those who adhere to “current neoliberal globalisation in the name of initiative, efficiency, freedom and competition”; and a third, which includes, for example, “the alter-globalisation movement, ‘the movement for global justice’ ..., rejecting both the modern world and neoliberal globalisation, maintaining that ‘another world is possible” (2007, p. 135).



Besides taking on a certain attitude or position, however, with the banking and financial crisis of 2008 alongside systemic unemployment and social marginalisation, we have no choice but to rethink the paradigms that sustain development. We must reclaim concepts of social cohesion and unemployment, to fight for fair work policies that are not just based on subsidies for not working, rather to use resources to promote work and employment that is socially responsible and has meaning to people.

Current development must be based on a process where the human is subject, a person, is humanised, free and aware that the quality of life depends on the quality of the interaction with fellow humans and with nature.

Nobel prize winner for economics, Amartya Sen, notes that development is the extension of the real freedoms of individuals and that growth is an important means for extending those freedoms, but freedoms also depend on other influences such as social and economic institutions (utilities, education, medical services) and political and human rights. Political freedoms (freedom of expression and free elections) encourage economic security. Social opportunity (education and health services) encourages economic participation. Economic services (opportunities for taking part in trade and production) can help to generate personal wealth and public resources for financing social services. Different types of freedoms are mutually reinforced. With enough social opportunity, individuals can help one another and shape their own destiny (2000).

Freedom is intrinsic to a person achieving well-being. Acting freely and being able to choose are direct drivers of well-being, and not only because greater freedom may open up better alternatives. The “good life” is in part a freely chosen life and not one the person is forced into, even if it is “rich in content” (Nussbaum and Sen 1998).

Focusing development on the expansion of freedoms leads to a focus of attention on the purpose of development, and not only in certain ways like industrialisation, technological progress, modernisation and growth (in themselves important but not enough), because freedom is so instrumental; focusing on human freedoms “contrasts with the narrowest views of development, such as the growth of GDP” (Sen 1999, p. 3). The end of the 20th century saw the start of a process to reconstruct development

indicators where variables that attempt to rescue the human dimension of development are incorporated – the Human Development Index, for example.

Gustavo Gutiérrez, Peruvian liberation theologian, argues that:

A vast and profound aspiration for liberation animates human history today. Liberation from all that limits and impedes human beings from personal fulfillment, from all that which prevents the access to, or exercise of, freedom ... What is in question, as much in the South as in the North, the West as much as the East, in the periphery as much as the centre, is the possibility of achieving an authentic human existence: a free life, a freedom which is both a process and a historical conquest (Gutiérrez, 1972, pp.53-54).

All this leads us to think we are in a transitional phase towards a new development paradigm where, in Manfred Max-Neef’s terms, we must break with the modern mechanistic paradigm, anthropocentric (subject-object) in style:

A new approach cannot become merely cosmetic repair of a paradigm in crisis. It must from the very start be a doorway into a new way of contextualising development. That means substantially altering the dominant views on development strategy ... [and] recognising the economic and social theories that have supported and guided development processes until now as incomplete and insufficient. It means specifically taking note that in a more and more heterogeneous, and increasingly and inevitably interdependent, world, applying development models grounded in mechanistic theories, with added indicators that make everything the same, paves a clear way to new and more worrying frustrations. That is why development on a human scale, with the broad aim of satisfying human needs, requires a new way of interpreting reality (Max-Neef, 1986, p. 23).

Max-Neef sets out the importance of accepting that different regional development patterns coexist within a single country, rather than insisting on the prevalence of national styles which have so far proved to effectively make certain regions richer at the expense of making others poorer. National styles are thought up mainly with the intention of strengthening or maintaining national unity. It must not be forgotten, however, that unity does not mean uniformity (p.49). He goes on to say:

We must oppose the economic logic inherited from instrumental rationality and permeating modern culture with the ethics of well-being. Oppose the fetishism for figures with the development of people. Oppose vertical

management on the part of the State and the exploitation of certain groups by others with the growth of social appetite for participation, autonomy and more equitable use of available resources (p.62).

Pope Francis argues that we cannot continue with an economy based on exclusion:

Just as the commandment “Thou shalt not kill” sets a clear limit in order to safeguard the value of human life, today we also have to say “thou shalt not” to an economy of exclusion and inequality. Such an economy kills. How can it be that it is not a news item when an elderly homeless person dies of exposure, but it is news when the stock market loses two points? This is a case of exclusion. Can we continue to stand by when food is thrown away while people are starving? This is a case of inequality. Today everything comes under the laws of competition and the survival of the fittest, where the powerful feed upon the powerless. As a consequence, masses of people find themselves excluded and marginalized: without work, without possibilities, without any means of escape.

Human beings are themselves considered consumer goods to be used and then discarded. We have created a “throw away” culture which is now spreading. It is no longer simply about exploitation and oppression, but something new. Exclusion ultimately has to do with what it means to be a part of the society in which we live; those excluded are no longer society’s underside or its fringes or its disenfranchised – they are no longer even a part of it. The excluded are not the “exploited” but the outcast, the “leftovers”. (Evaangeli Gaudium, 53)

We must seek answers that give responsible meaning and a sense of solidarity to an increasingly global economic system where development problems extend to multiple aspects of human life and to planet Earth itself. We live in a time in which reality can no longer be mere ideology nor artificially simplified. We must look at our poverty as humanity, from the poverty of those who cannot satisfy their hunger or that of their child, or who does not have the chance

to look after themselves, or who is always invisible and cannot make themselves heard in a deaf world, to that which breaks the soul of the powerless sufferers of rights violations. In other words, we need to look at ourselves from an objective and human perspective.

This study begins from the assumption that today’s world needs to reclaim values and practices such as solidarity, reciprocity, cost-free exchange, trust and feeling part of nature, which have permeated human lives and cultures throughout time but which faded from view at the beginning of the 20th century.

#### 4. ANALYSIS OF PROSPECTS

To deal with the challenges society faces, Boaventura de Sousa suggests two paths:

- Broaden the present, through the theory of the sociology of absences.
- Approach the future, through the theory of the sociology of emergence.

These alternatives are based on the concepts of monocultures (a dominant hegemonic culture that creates an absence or a silence) and of ecologies (a global view of the world where there are several realities to be taken into account and, more importantly, must re-emerge from the silence they had been relegated to).

Boaventura de Sousa considers epistemologies and attitudes underpinning dominant, short-sighted theories to be monocultures because they only see a limited part of reality, making a large part of it invisible. Ecologies are the theories that reunite the diverse knowledge and realities co-existing in today’s world. The author links the concept of monocultures to colonialism and that of ecologies to emancipation in recognition of different forms of knowledge, with equal rights.

Table 1.1 is adapted from Boaventura de Sousa Santos.





**TABLE 1.1 MONOCULTURES AND ECOLOGIES**

<b>Monocultures</b>	<b>Ecologies</b>
<b>Knowledge monoculture:</b> the only valid means of approaching reality is through scientific knowledge.	<b>Knowledge ecology:</b> the idea of the need for a dialogue of knowledges and a re-evaluation of different forms of knowledge.
<b>Monoculture of linear time:</b> the idea of time in imaginary terms of past, present and future, separated from space and measured by calendars and clocks.	<b>Ecology of temporalities:</b> a positive valuation of different temporalities as ways of living at the same time. Notions of time change under various influences and everything is reduced to simultaneity and contemporaneity in space-time.
<b>Monoculture of the naturalisation of differences:</b> difference and disparity are identified, and different is presumed inferior and therefore denied and rejected.	<b>Ecology of recognition:</b> constructed through the reciprocal recognition and valuing of differences.
<b>Monoculture on a dominant scale:</b> the idea of universal modern thought and globalisation as superior, relegating the local.	<b>“Trans-scale” ecology:</b> revaluing and globalising the local.
<b>Monoculture of capitalist productivism:</b> prioritises the maximisation of profit and the accumulation of wealth above distribution and the satisfying of the population’s needs, while rejecting all other types of productive reason.	<b>Ecology of social production and distribution:</b> revaluing forms of organising production other than orthodox capitalist reason.

**Source:** Santos, B. S. 2007. *Renovar a teoria crítica e reinventar a emancipação social*, São Paulo: Boitempo Editorial: 32.  
Adapted and translated from the original by the authors.

As can be seen in Table 1.1, the five monocultures overlap. They set out what must be accepted as good, and stigmatise everything that exists in parallel, dismissing it as not “a credible, progressive, universal, superior, scientific, global or productive alternative” (2007, p.32).

The short-term view of monocultures creates a group of clichéd typologies which diminishes everything else, seeing it as inferior. The knowledge monoculture sees as ignorant those who do not agree with scientific knowledge and value another kind of knowledge; the linear time monoculture sees as backward those who do not follow processes considered natural and superior; the monoculture of naturalisation of differences creates an image of the inferior, always classifying people in comparison to others and assigning a value hierarchy to them; the monoculture of global scale creates an image of the local, the particular, as something with less value, because it cannot be applied at a global level, which is considered superior. Finally, the monoculture of capitalist productivism creates an image of people as lazy and unproductive.

The author proposes the emergence of five ecologies to challenge and overcome the silencing monocultivist

view. The challenge lies in establishing a dialogue between the different cultures that exist in the world. Along these lines, Boaventura de Sousa proposes a ‘translation process’ - intercultural and intersocial translation of knowledge into other knowledge, of one subject or practice into another. Such a process seeks understanding but avoiding cannibalising ideas, homogenising or seeing the supremacy of certain cultures over others.

This translation process is for creating a single meaning for a world which does not really have one, a meaning for all of us; it cannot be a meaning allocated, created, designed and conceived in the global north and imposed on the rest of the world, where three quarters of population live (2007, p.41).

In our work we are concerned with the “epistemological diversity in the world, recognising the existence of a plurality of knowledge forms beyond scientific knowledge” (Santos, 2010, p.45 ).

Yao Assogba, a researcher from Togo, for example, refers to the possibility of a social economy in Africa. In particular he underlines the importance of the creation of a social science of the popular economy in Africa. For this author it is necessary to have a “reappropriating of concepts and of making an epistemological



break that takes African historicity into account.” He argues it will be fundamental that this new knowledge must be included in educational programs, but also in knowledge about development so as to go “beyond normative and ideological approaches that underly a neo-liberal vision or a critical populist developmentalist vision”. Only with this process, he argues, will it be possible to break with the previous approaches and promote an “alternative globalization” (GESQ, 2002, p. 20).

We are concerned with respecting one another as people whose points of view are worthy of equal consideration. In recognising and respecting difference, we value above all else absolute respect for every human being, the possibility of cultural, social and economic solidarity, and the search for personal realities. From these differences, we begin to see a path towards shared meaning, for building a better, more human

world, where each individual is capable of recognising himself in every other, as a human being.

We are beginning to return to philosophers such as Ubuntu in Africa, the Quechuan Allin Kausay, Sumaq Qamaña of the Aymaras or Mborayhu of the Guaranis to be reminded of our relationship with others and that as long as others are well, so will we be. Octavio Paz describes this masterfully in his poem ‘Sun Stone’: “show me your face that I at last may see my true face, that of another, my face of all of us always.”

**5. VALUES**

Through interviews carried out between 1992 and 2009, Luís Inácio Gaiger and other Brazilian scholars recognised the need to create a conceptual and analytical model of the social and solidarity economy in Brazil. They defined a series of criteria, which we set out in Table 1.2:

<b>TABLE 1.2 VALUES AND SCOPE OF BUSINESSES FOR ECONOMIC SOLIDARITY</b>	
<b>Solidarity Sector</b>	<b>Entrepreneurial Sector</b>
<p><b>Self-management</b> Democracy, Autonomy, Participation</p> <ul style="list-style-type: none"> <li>- direct elections</li> <li>- collective decisions</li> <li>- access to information and records</li> <li>- prevalence of worker-members</li> <li>- equal individual contributions</li> <li>- participation in day-to-day management</li> <li>- equality of men and women</li> </ul>	<p><b>Efficiency</b> Benefits, Results, Quality</p> <ul style="list-style-type: none"> <li>- improvement in quality of life</li> <li>- remuneration equal to or greater than market</li> <li>- economic protection of the business</li> <li>- social protection of the business</li> <li>- financial accounting</li> <li>- market strategies</li> <li>- satisfying working environment</li> </ul>
<p><b>Cooperation</b> Reciprocity, Mutuality, Commitment</p> <ul style="list-style-type: none"> <li>- collectivised means of production</li> <li>- social co-ownership of work</li> <li>- collaborative and mutually helpful practice</li> <li>- inter-cooperative practice</li> <li>- community agreement</li> <li>- participation in movements and organisations</li> </ul>	<p><b>Sustainability</b> Permanence, Eco-sustainability</p> <ul style="list-style-type: none"> <li>- investment plans and funds</li> <li>- social expansion of business</li> <li>- ecological and environmental protection in place</li> <li>- education and qualifications offered to workers</li> <li>- shared visions and links</li> <li>- economic and financial self-sufficiency</li> </ul>

Source: Gaiger and Correa, 2010

In the proposed model, the authors use values and dimensions as criteria for identifying social enterprises, as follows:

In the Solidarity Sector, Self-management is linked to democracy, participation and management autonomy of the business, relating to its individual members as well as other organisations and external forces. Cooperation refers to the values and practice of reciprocity and mutual collaboration ... In the Entrepreneurial Sector, the efficiency of a business

refers to its capacity to protect itself and grow stronger as a result of its operations. It refers to the economic functions required to guarantee business survival in the present and not to endanger it in the future. Sustainability refers to the capacity for generating the necessary conditions to continue working in the medium and long term (2010, p.162).

For the authors, the added value of these enterprises is found in the combination of an entrepreneurial spirit and a spirit of solidarity, and of two forms of logic:



Instrumental logic requires realism and pragmatism, and focuses on the viability of an economic alternative. As a counterbalance, there is expressive and projective logic of ideological epistemologies and values, centred on aspirations for social and personal change, requiring altruism, agreement and, above all, a strong belief in the possibilities and the added value of these changes (2010, pp.166-7).

Values and principles are fundamental to the definition of the social and solidarity economy. For example:

**reciprocity**, based on the disinterested or 'interested' gift (I am giving in order to build a community/society that will protect me); **redistribution**, of vital importance in this transition from an enormous inequality of access to resources and resulting products; **planning** that is conscious of and predicts the possible effects on individuals, groups and entire societies, overcoming the immediatism that currently prevails; and the extraordinarily important principle of self-reliance of self-sufficiency and self-determination (**sovereignty**) not only concerning food but all the basic goods and services life requires (Coraggio, 2010, pp. 17-18).

In the same way, there is a need to determine the values and principles on which the social and solidarity

economy is based. Manfred Max-Neef presents five propositions and one fundamental value principle:

- The economy is to serve people, not to be served by people.
- Development is about people not objects.
- Growth is not the same as development and development does not necessarily require growth.
- No economy is possible in the absence of services which support the ecosystems.
- The economy is a sub-system of the larger, finite system that is the biosphere and as such permanent growth is impossible (2013).

The fundamental value principle of all economics, according to Max-Neef (2013) is that under no circumstances should economic interests take precedence over respect for life .

What this chapter proposes is to set out the basis of an economy in the service of people, which must be informed by philosophy, sociology, anthropology, economic politics economic philosophy and world history.

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## 6. PRACTICAL CASES

### 6.1 SUMA WHOLEFOODS - COOPERATIVE, UK

#### Rational objectives

- To identify the values of the company within the food sector.
- To analyse how these values are put into practice through the cooperative structure, governance and management.
- To learn about the impact of this cooperative within its sphere of influence.

#### Experiential objectives

To be aware of personal values and how they are expressed in personal and professional contexts.

- To consider the impact of having a cooperative of this type within the community.

#### Context

Suma Wholefoods is based in Elland near Leeds, and is the UK's largest workers' cooperative. Founded in 1975, the organisation has seen four decades of steady success and now works from a purpose-built warehouse, has 150 members and 4,500 account holders - from independent retailers and small supermarkets to schools and hospitals - and continues to expand both its membership and customer base. Members are multi-skilled and work in a variety of roles in the organisation's warehouse, distribution and office functions. The products Suma sells - many of which it develops and produces itself, through contractors - are all vegetarian, and many are organic and/or fair-trade, subject to strict auditing trails. It has an annual turnover of approximately £43 million (approx. 50 million euros).

**Mission:** To provide healthy vegetarian foods for consumers and a cooperative work place for our workers.

<http://www.suma.coop/>

#### Content

#### Beliefs and values in action

We are against poverty and human suffering; we want a sustainable future for people and our

planet; we care about animal welfare; we believe in eating a healthy diet.

These statements, placed on the cooperative's website, invite accountability and identify the standards the cooperative aims to meet in its decisions about what it sells, how it is sold and how products are sourced.

#### Social and environmental aspects of food

Its values and worldview are expressed through the social and environmental aspects of food production and consumption promoted by the cooperative.

"It was a revolt against industrialised food - white sliced bread, rubbish beer, horrible chemical food stuffs in the 1970s" explains Bob Cannell, a Suma member since 1981. "It was pretty clear at the time that a profit-motivated food industry was very wasteful. We were looking for alternative ways of organising food manufacturing and distribution, which used fewer resources".



Since Suma was established in 1975 it has only stocked vegetarian foods. In addition, preference is given to fair-trade and organic products, and the company aims to avoid buying from countries or companies with proven poor human rights records. These policies are based on the four issues of concern above and align the values of the cooperative with those based on human and animal rights.

Suma pays scrupulous attention to the quality and impact of its food sourcing and is a leader in resource-efficient food production and distribution in the UK. They work with those producing in quantities too small for supermarkets to be interested, going to collect stock from the producers nationwide and distributing to customers across the country and, sometimes, internationally. The concern around the food miles accrued by such a model is not lost on Bob Cannell, but he describes the issue as "horribly complicated" and is certain that sourcing fresh food locally and other goods from wholesalers such as Suma is the "least resource-expensive food sourcing in Britain."

As he points out, Suma provides a distribution service for small producers and a bulk delivery service for



groups of consumers. “Bulk delivery of store cupboard foods to buying groups plus locally sourced fresh foods is said to be the lowest resource use food distribution method, according to Ethical Consumer analysis.”

### **Values embedded in the structure, governance and management**

The structure of the organisation is also key to its expression of its founding values. Suma is controlled, as well as owned, equally by all its members. As equal shareholders, the members all benefit equally. Surplus distribution policy is decided democratically at members’ meetings and, currently, dictates that profits up to a certain point will be divided 50/50 between the business and the members, and beyond that point the members stand to receive a greater proportion, in bonuses. The benefits for members are extensive: the wage rate (equal among all members) is twice the market average for warehouse work; there is excellent job security, with members recruited in the hope that they will stay for years and years, and a great deal of flexibility, with many members working part-time. ‘The model’, he asserts, ‘is proof that workers can run their own businesses without a management elite and without being beholden to private finance’.

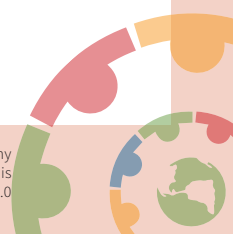
Perhaps most unusually there is variety. Each person is recruited initially ‘to be a good member’ and then trained in whatever skills are needed at the time, before being offered further training, with the result that many members are working in several different roles at once - one day as a delivery driver, the next in marketing, for example. Roles also change over time. Cannell explains, “We expect people to change and develop. So you might start out just wanting to drive trucks, but we’ll insist you learn other skills. Then, in

your mid-40s when your knees start getting creaky, we’ll say ‘Right, now you can do more of the desk job.’ We look at people. We want people to stay here for decades”.

Cannell asserts that there is a social, almost familial setting, with a sense of solidarity and loyalty from members that creates high levels of engagement and well-functioning communication streams that resolve mistakes and gaps very quickly, and has undoubtedly helped build Suma’s reputation for friendly customer service.

### **Values expressed in the community**

Indeed, the cooperative is very conscious of combining the welfare of its members with its wider social impact. Though members have their own and each other’s interests at heart, they are also keen to “live out their ethics” in the community, which are often the same social and environmental concerns as at the heart of Suma. Thousands of trees have been planted to offset vehicle emissions, but also as anti-flooding measures in the local area. Members often do workshops locally on, for example, growing or renewable energy. There is also encouragement from the organisation for members to invest in houses to lease to housing cooperatives. Most directly, the organisation as a whole provides support for small and medium producers. The founding of Suma coincided with growing mistrust of big corporations and private finance as well as rising concerns around the environment and the food industry. It is hardly necessary for Cannell to indicate the potential for a similar movement 30 years on.



## Questions for discussion and action

- What values can you identify in this case study?
- Which, if any, resonate with your own values?
- How are these values practised in Suma?
- How do you express your values in your community?
- What further practical actions can you take to express your values in your personal and professional life?





## 6.2 ATELIER MAR - CAPE VERDE



### Rational objectives

- To identify the mission and values of Atelier Mar, in Cape Verde.
- To understand the distinctive features of the social and solidarity economy (SSE) proposed by Atelier Mar.
- To reflect on the conceptual and practical challenges to the SSE when faced with current hegemonic paradigms.

### Experiential objective

- To be aware of the fundamental role of values, and of valuing different knowledge, in SSE organisations.

### Context

Atelier Mar<sup>1</sup> is an artisan cooperative and training centre, founded in 1979 and recognised as a non-governmental organisation in 1987. It relies on one centre of permanent activity in Mindelo, on the island of San Vicente, and another in Porto Novo, on Santo Antão.

Since its formation, Atelier Mar (AM) has been committed to creating training projects and to discovering and promoting the development of art and craft trades in Cape Verde (ceramics, graphic arts, audiovisuals, wood and stone work, etc.) Trainees are taught and motivated through SSE principles: their skills and cultural diversity are valued and their basic needs met.

As well as its artistic side, AM promotes social and community development projects on the two islands, dealing with various matters depending on local needs, for example: basic education, citizenship, professional training, production of civil engineering resources using alternative technologies and local materials, regeneration of eroding arable land and the introduction of new irrigation technologies. A solidarity tourism and community museum studies project was also recently created in the rural communities on Santo Antão best suited to such an initiative.

<sup>1</sup>Atelier, the French for 'workshop', because almost everything the organisation does is essentially that; and Mar because it is by the sea and, as the poet Jorge Barbosa said, has "the sea, the sea within us always."

### Content

#### Mission

AM is an organisation for promoting local culture and participating in the sustainable development of the communities and groups it works with. Its aims are social, non-profit and without religious or political affiliation. It promotes indigenous human, cultural and material resources, active citizenship and people participation (principally by those otherwise excluded) in the process of developing and improving living conditions. In terms of production, in its documentation AM explicitly promotes "social entrepreneurship and the solidarity economy, in a society in which the market produces enormous social inequality." Its mission is to support training, the production and/or distribution of quality goods and services with competitiveness and profitability, so as to generate income for the groups involved.

#### Epistemology and Values

AM tries to adapt its actions to the scale of the target group, its knowledge of the situation, the resources it manages to secure and to a small organisational structure, using "culture as a pillar of development", explained Mami Estrela, co-ordinator of projects at Atelier Mar. AM runs on the following broad strategic principles:

- **Completeness** – "We always see people as complete beings, with various dimensions and various dynamics in their lives," says Mami. "We don't say we



are only going to work on matters of health, or only artisan production. People do not live in isolated compartments .... This integrated view of life and of people linked to community, of problems and solutions, is something which is always present.” This idea of grouping the various dimensions of a problem allows a general and integral appreciation of reality, which in turn leads to better use of available resources and fosters collaboration.

- **Participation and Association** – Emphasising working with people and not for people, Mami adds: “We only do things with people, with those who want to participate. It is not about doing something and then handing it over all ready-made – we do it together.” This methodology allows local collectives and individuals to be involved, either for their own cause, or with an educational, political, social or cultural motive, with a view to the sustainability of their projects. Associations are essential in ensuring a sense of humility: “We are never first in anything. Whenever we start taking part, there is always someone who arrived first, there is always the school or the healthcare unit as a base. So it is important to keep in mind all those representing that site and the people who live there, and to create associations with them.”
- **Territoriality** – Actions are based in a specific territory and, as such, cannot be repeated. Accepting this allows a better understanding of the relations between local institutions, facilitates the strengthening of resources, causes more realistic actions and creates better conditions for participation and reinforcement of local cultural identity.

- **Valuing indigenous resources** – This means recognising local human, cultural and material potential and the potential of collaborations. “People are the best resource we have, and every place has something good that can be improved. We never accept the discourse some people use saying there is nothing, there are no resources, we don’t have anything” (Mami Estrela). This process contributes to boosting self-esteem in the target groups, valuing culture, using existing resources and increasing profitability of the results. Mami speaks in more detail about this process: “When we arrive at the community meetings, we sometimes say: ‘Tell us about your place, what it has and does not have.’ A handout mentality prevails, and this has become a well-worn discourse: ‘We don’t have anything.’ So we agreed that it was forbidden to say that we have nothing, to say that we want help .... Usually nobody says anything for a few minutes because this is precisely the established discourse – and the one institutions want to hear, in order to say ‘Now we are going to help.’ But there is always something, there are always interesting people, there are good things that can be made use of. For example, in the northern Altiplano, which apparently had nothing, there are stones, houses, people – there are loads of things that can be made. That is the focus ... to firmly believe that it is possible, believe with humility, believe that together we are more than the sum of the parts.”

And why dedicate time to Atelier Mar? “Because we believe in this as a way of life, we think this is the right way to live, to be in society. It is not us doing it, we are promoting it because we believe it is the right attitude” Mami Estrela explained.

### Questions for discussion and action

- What 3 things struck you most in this case study? Why?
- Analyse the values identified by Atelier Mar. Comment on these in relation to the organisation’s mission.
- Reflect on the distinctive features of the social and solidarity economy found in this organisation.
- What values within the sector oppose those practised by Atelier Mar? And what are the consequences in the work of Atelier Mar?
- Comment on the case study, presenting the aspects of this example that you find inspiring personally or professionally.

### References:

- Relatório síntese 2011. Atelier Mar ONGD.

[www.governo.cv/](http://www.governo.cv/)

[www.un.cv/](http://www.un.cv/)

## 6.3 ABANCAY PROVINCE BEEKEEPERS ASSOCIATION - APURIMAC REGION, PERÚ

### Rational objectives

- Understand the values that underpin the social and solidarity economy
- Analyse which factors contribute to collaborative working (*associativity*) and which ones inhibit it
- Contrast the values of the social and solidarity economy with other economic systems

### Experiential objective

- Consider how values, as expressed in the mission of organisations in the social and solidarity economy, are reflected in their activities.

### Context

In the 1990s, Peru experienced one of its worst ever crises and the population were forced to look after themselves to survive. As it became clear that doing this individually was almost impossible, associations began to appear, first spontaneously, and then as a result of government backing. Associations were formed as a strategy for fighting poverty in a situation where the State did not have the resources to adequately finance its social policy.

The trajectory of collective action in Peru is a long one. Faced with the failure of the production cooperatives imposed by law, the impoverished population began collective self-management processes with specific aims, above all to gain access to the market and service provision, and to receive technical assistance and training. Part of what characterises some of these processes is the practice of values such as solidarity, cooperation, reciprocity and trust.

The case study presented here is an illustration of this.

### Content

The Abancay Province Beekeepers Association is in Apurimac in the south-eastern region of Peru. It breeds bees for producing honey, pollen, royal jelly, propolis and wax, as well as marketing swarms of Italian and Carniolan honey bees and offering training in the field.

It is made up of 34 members from the nine Abancay districts. 40% of the members are women.

“Since 1985,” explains Armando Rodas Torres, current president of the Association and its founder in 1993, “I have taken part, funded by myself, in bee-keeping courses led by experts from Peru, Uruguay, Argentina, Brazil, Cuba, Mexico, France and Poland, at the National Agricultural University La Molina in the city of Lima as well as abroad. This is where I realised the importance of associations. I was unemployed, so I brought together several individual beekeepers to form an association. To begin with there were only about 10 members. Between 2001 and 2013, some of us took courses at the Valle Grande Institute in Cañete and would come back and replicate the workshops for our members, and for other beekeepers in the Abancay, Andahuaylas, Chincheros, Aymaraes, Antabamba Grau and Cotabambas provinces, supported by the municipalities.”

They were aware that if they wanted to apply to the government or an NGO for help or training, they would be unsuccessful as individuals or as a business. The Association was the alternative. It was also a way of creating self-employment in a time of crisis, lack of work and widespread redundancy in the country. A large proportion of the members are retired, or professionals and state employees who found themselves out of work at that time.

The Association has always been keen to move forward with technology, innovation and the need to go beyond the local environment, so they invited Dr Gillest Rattia de Francia, President of the International Federation of Beekeepers’ Associations, to the region. The Federation, APIMONDIA, is a group of more than 700,000 associations in 90 countries across five continents: “We hosted Dr Rattia on 8th and 9th July 2012; it was a crucial moment not only for us as an Association but for the whole district.”

That training gave them the means to forge ahead, but another decisive factor was the support of the Italian NGO Civil Volunteer Group: A World of Solidarity between 2010 and 2012, which helped them create a business vision and approach the market competitively. They learned to organise local produce

markets and take part in them. The Association now organises the regional honey market every year in the first week of July. To date, they have run 16 consecutive regional markets, with the aid of public and private institutions.

### **Mission**

To provide the urban and rural population with an ecological product that is 100% organic, healthy and high in nutritional value;

To offer members the possibility of a better life, practising mutual assistance, honesty, truthfulness and active participation.

Armando Rodas, President of the Association in the process of bottling and labelling the honey in line with the Codex Alimentarius and good manufacturing practices.

### **Beliefs and values**

- We work together, like bees: all for one and one for all.
- Our products are food for life.
- We must care for and protect the forests. The forest is life and we depend on nature.
- I earn, you earn, we all earn. “For every *sol* we earn as beekeepers, other farmers and growers earn between 10 and 50 times more thanks to the cross-pollination carried out by the bees. People’s health and nutrition improve because bees’ honey and its by-products are a source of carbohydrates, vitamins, salts, minerals and amino acids.”

### **Social and environmental impact of the product**

Albert Einstein said that if bees disappeared from the Earth, humans would only last four more years,” Rodas says. “Because without bees pollination doesn’t exist, without pollination there can be no plant reproduction at all, and without plants there is no food and life is over.” Bees are part of a healthy ecosystem.

The source of raw materials is the forest. “The bees don’t need us to give them food, or water, or vaccines. They do that job themselves. They just need to be near a forest with a stream or running water.”

The Association is against the use of agrochemicals, and petitions regional and municipal governments to afforest and reforest and avoid indiscriminate felling

and burning. They also encourage the planting of native species such as tara, chachacomo, guaranguay and sauco, among others. They are concerned about climate change; their livelihood - as well as life itself - depends on nature.

They have generated jobs directly for beekeepers and indirectly for carpenters, metal workers, mechanics, dressmakers, cobblers, electrical technicians and glass bottle producers.

### **Values within the structure, governance and management of the Association.**

Mutual assistance is one of the principles listed in the group’s articles of association. The essence of the association is built on values such as cooperation, solidarity, respect, honesty and truth. Sharing knowledge and experiences, and the selfless drive among members to ensure everyone is moving forward, is all part of the daily work of the Association.

Each member is in a position to assume any role; no-one is irreplaceable but everyone is indispensable. Training is constantly undergone and if someone cannot attend a session the other members will share what they have learned. Decisions are made democratically in a members’ assembly. There are also coordination meetings. Each member pays a regular contribution of S/.50 (about 14 euros). The



Armando Rodas, President of the Association in the process of bottling and labelling the honey in line with the Codex Alimentarius and good manufacturing practices.

joining fee is S/.100 (about 29 euros)

Members work with their families and on their own land, with their own hives and bees, acquired at their own expense. Small sales are made individually, but members come together to make bigger sales or to receive any help. The quality of the product means they do receive big orders which individually they would not be able to fulfil, so each member offers what he or she can. There is a policy to sell products more cheaply as an association.



Each member is paid according to the quantity of the product sold through the Association. Between 10 and 15% of sales are kept as funds for the Association. The distribution of profits is decided each year in the assembly; usually, they are used to buy hives, harvesters, capital goods and training.

### Values within the community

The Association has a very strong political impact in preventing indiscriminate felling and encouraging reforestation – with native species so as to protect biodiversity.

It is also a model technologically for other honey producers in the region, with whom they share knowledge and training, and an important channel for the development of the Apurimac honey market through organising and participating in local and national markets.

They work from an ecological perspective and to support small producers and subsistence economies in the city of Abancay, helping to reduce poverty and improve the living conditions of the population.

In 2013, the honey produced by the Association was considered the best natural and ecological honey in Peru.



Feria Gastronómica Mistura, Lima los años 2013 y 2014. Evento anual considerado como la mayor muestra gastronómica de América Latina.



They have organised 16 fairs around Abancay.

### Questions for discussion and action

- Do all the principles of associations match those of the social and solidarity economy?
- What are the values that characterise social enterprises?
- How are these values practised in the Abancay Beekeepers Association?
- Is the market at odds with social enterprises? Why?
- What actions would you take in your community to make visible the values of the social economy?
- Organise an activity in the university to make known some organisations in the social economy, highlighting their values, as part of the practical aspect of your subject.

### References

- <http://hdr.undp.org/es/countries/profiles/PER>
- <http://www.inei.gob.pe/>

## 7. PEDAGOGICAL ACTIVITIES

CHAPTER 1 PEDAGOGICAL ACTIVITY: THE PERCEPTION OF VALUES	
<b>Title</b>	The perception of values
<b>Theme/focus</b>	Values is an abstract concept that everyone interprets differently without being aware of this. In the development of a shared project, it is necessary for all participants to understand and share the values on which the project is based..
<b>Size of group</b>	Individual in the first part, then in small groups
<b>Time necessary</b>	90 minutes
<b>Purpose/learning objectives</b>	<p>The main objective is to agree on what should be the values of an organisation in the social and solidarity economy:</p> <ul style="list-style-type: none"> <li>▪ Learn which values are fundamental to organisations in the social and solidarity economy.</li> <li>▪ Learn how to explain the meaning of values. Learn how to share and understand the different meanings each person's values.</li> <li>▪ Learn how to develop consensus about the significance of different values.</li> </ul>
<b>Competences addressed</b>	Be aware of the different perceptions people have regarding the same values. Learn to respect and accept the different interpretations of the same value.
<b>Key words</b>	Values, organisation
<b>Materials</b>	Table of values identified for social and solidarity economy organisations (Chapter 1).
<b>Preparation and instructions</b>	<p><b>1. Preparation</b></p> <p>Elicit answers from the students to the question: what should be the values of an organisation in the social and solidarity economy?</p> <p>Offer an example:</p> <p>The Mondragon gastronomic society has the following values:</p> <ul style="list-style-type: none"> <li><b>a. Sociality.</b> Eating is a social event not only food. We strengthen our community by preparing food and eating together.</li> <li><b>b. Shared work.</b> Eating is a social event, as is the preparation and clean up after work.</li> <li><b>c. Quality</b> is important in all; in the ingredients, preparation, relationships, work.</li> </ul> <p><b>2. Individual work: list of values</b></p> <p>Each student should list between 5 and 15 values that must characterise social and solidarity economy organisations. Clarity is important. Many terms used in cooperative environments and social economy (for example, "solidarity") are vague or have multiple interpretations. Therefore, exercise is not limited to list 10 or 15 words, but that each item in the list should be accompanied by a definition or clarification.</p> <p><b>3. Group work: work towards a consensus for a definition of values for organisations in the social and solidarity economy</b></p> <p>Once the student has listed the values of an organisation in the social and solidarity economy s/he will share the list with other members of the group. The group should discuss the appropriateness of the identified values and agree on the definition of each one. During this process the students should realise that each person may have a very different perception of the same value.</p> <p><b>4. Reading of specialised information and teacher-led whole group discussion about the values fundamental to the social and solidarity economy.</b></p> <p><b>5. Group work</b></p> <p>Students return to review their list of values that had been identified and the definitions agreed upon by the group. Each individual can modify his/her list of values and definitions according to the discussion and their reading</p>
<b>References</b>	<p>Monzón, J.I. &amp; Chaves, R. (2012) La economía social en la Unión Europea. Bruselas. Comité Económico y Social Europeo [Internet] Available <a href="http://www.eesc.europa.eu/resources/docs/qe-30-12-790-es-c.pdf">http://www.eesc.europa.eu/resources/docs/qe-30-12-790-es-c.pdf</a> [Internet][Accessed 15 October 2012].</p> <p>Da Ros, G.S. (2007) "Economía solidaria: aspectos teóricos y experiencias". In Revista Unircoop. Vol 5.1.1-204. pp.9-27. [Internet] Available <a href="http://www.oescj.org.ec/pdf/biblioteca/articulos/Economia-solidaria-aspectos-teoricos.pdf">http://www.oescj.org.ec/pdf/biblioteca/articulos/Economia-solidaria-aspectos-teoricos.pdf</a> [Accessed 10 Abril 2012].</p>
<b>Contact</b>	Enpresagintza, Mondragon Unibertsitatea – activity under copyright - Fred Freundlich - <a href="mailto:ffreundlich@mondragon.edu">ffreundlich@mondragon.edu</a>



**CHAPTER 1 PEDAGOGICAL ACTIVITY: THE POWER OF IMAGE AND VALUES SHIFT**

<b>Title</b>	The Power of Images and Values Shift
<b>Theme/focus</b>	The power of image: When we understand the role of image and values in changing behaviour, we can understand and change our own behaviour and values and help influence others to change theirs.
<b>Size of group</b>	Individual exercise first and afterwards with another person or a group
<b>Time needed</b>	90 minutes
<b>Purpose/learning objective</b>	<ul style="list-style-type: none"> <li>▪ To learn about the power of values and images for behavioural change.</li> <li>▪ To learn how messages create, support, reinforce or change images and values.</li> <li>▪ To learn how values reinforce own image and define particular perspectives.</li> <li>▪ To learn about image and value theory as an organic system.</li> </ul>
<b>Competences addressed</b>	<ul style="list-style-type: none"> <li>▪ Be aware of how personal values influence our and others' behaviour.</li> <li>▪ Be empathic with other people's behaviour, having identified and understood the roots/images and values they reason with and act upon.</li> </ul>
<b>Key words</b>	Images, values, power, behaviour change, messages, reinforcement, support
<b>Materials needed</b>	Illustration of two heads back-to-back intertwined, or draw your own. See diagram below. Photocopy head illustration for each participant. Pens
<b>Preparation and instructions</b>	<p><b>1. Preparation:</b></p> <p>Introduce the exercise explaining what the theme is about, why this is important for us, how it works, how long it would take, together with the exercise learning objectives. The first exercise should always be an individual one.</p> <p><b>1. Describe and explain the theory that informs the practice</b></p> <ul style="list-style-type: none"> <li>▪ Everyone operates out of images and values.</li> <li>▪ Images and values govern behaviour</li> <li>▪ Messages shape images</li> <li>▪ Images and values can be changed</li> <li>▪ Change values change behaviour</li> <li>▪ Describe a practical example as you explain the theory.</li> </ul> <p><b>1. Step by step procedures:</b></p> <p>3.1. Individual exercise using the diagram in the illustration:</p> <ol style="list-style-type: none"> <li>a. Focus on yourself and your present behaviour. Think of a present behaviour that you are not pleased with; that is, behaviour that frustrates or compromises your vision of what you want to be. Choose a behaviour(s) and write it (them) on the line at the bottom left.</li> <li>b. Draw a circle inside the head on the left. In the circle describe the internal or self-IMAGE responsible for that behaviour. (examples: "controller", "just a new-comer", "judge", "clown", "victim").</li> <li>c. Think of the messages that you have received or are receiving that have created this image. Write those messages on the arrows pointing into the IMAGE.</li> <li>d. Now consider the set of values locking that blocking IMAGE into place and protecting it. Name those values (examples: wanting to be well-liked, wanting to be successful). Place those values on the "screen" that protects the blocking IMAGE.</li> <li>e. Now think of the new behaviour that you would like to adopt to replace the unhelpful behaviour. Describe that behaviour in a short phrase on the line at the bottom right of the head on the right.</li> <li>f. Now think of THREE positive qualities that others say you have that can help you shift the IMAGE that is limiting you. Write each of these qualities in the "shared space" of the two heads.</li> <li>g. Decide on a releasing IMAGE that can generate behaviour that will move you towards your vision. Draw a circle inside the head on the right. Describe the IMAGE in the circle.</li> <li>h. Name the values that will hold that IMAGE in place. Draw a screen over the image and write the values on that screen.</li> <li>i. Now decide on messages that you can "beam" to yourself that will support those values and create the releasing IMAGE. Think of visual, auditory, and kinaesthetic ways of doing this. Write these ideas on each of the arrows on the right.</li> </ol> <p>How will you ensure that you are continually exposed to the new messages?</p> <p>3.2. Discussion in pairs</p> <p>In pairs, share and explain your diagram in as much detail as possible following each step. Then ask each other "How will you ensure that you both are continually exposed to the new messages?"</p> <p>3.3 Ask participants to draw the images chosen writing below each image the new behaviour they are willing to change.</p>





<p><b>Preparacion and instructions</b></p>	<p>3.4. Debriefing and group discussion:</p> <ul style="list-style-type: none"> <li>▪ As you were doing the exercise, what were the most unpleasant behaviours you came up with?</li> <li>▪ What messages do you remember reinforcing such behaviours?</li> <li>▪ What kind of emotions did you experience at this stage of the exercise?</li> <li>▪ How difficult / easy was to identify the values that were or are locking the image. What makes it difficult?</li> <li>▪ How difficult / easy was to identify the values that will hold the new images in place? What makes it difficult or easy?</li> <li>▪ How did the new images needed to change the unpleasant behaviour come to your mind?</li> <li>▪ What are the key messages you would like to hear from yourself and others towards you to anchor the new behaviours?</li> <li>▪ Who would you ask to support you in reinforcing the kind of messages and images needed for accomplishing your new image?</li> <li>▪ Who would be interested in starting a mutual support image shift group?</li> </ul> <p>3.5. Next steps</p> <ul style="list-style-type: none"> <li>▪ Plan a skype or face-to-face meeting regularly to assess the progress of behavioural change.</li> </ul> <div data-bbox="667 741 1078 931" data-label="Image"> </div> <p><b>Source:</b> Jo Nelson, ICA Associates Inc. Canada. Article appeared in Wind and Waves, Institute of Cultural Affairs Global Magazine, Volume 3 - No. 3, December 2013.</p>
<p><b>References</b></p>	<ul style="list-style-type: none"> <li>▪ Boulding, Kenneth (1956). <i>The Image: Knowledge in Life and Society</i>. Ann Arbor, MI: University of Michigan Press</li> <li>▪ Packard, Elise; Patterson Miriam., Stallman, Jane. (2009). <i>The Evolving Resource of Imaginal Education:Releasing Maximum Potential of Individuals,Organizations, Programs and Communities</i>. Proliteracy Worldwide and Center for Strategic Facilitation</li> <li>▪ Nelson, Jo (2013) Instituto de Asuntos Culturales, / Canada</li> <li>▪ Quiroz, Catalina (2013). Instituto de Asuntos Culturales, España (IACE)</li> <li>▪ Web: <a href="http://ica-international.org/gm-windswaves/ww-2013-dec/012-imagechange.htm">http://ica-international.org/gm-windswaves/ww-2013-dec/012-imagechange.htm</a></li> </ul>
<p><b>Person to contact</b></p>	<p>Instituto de Asuntos Culturales, España (IACE): I.P. – actividad bajo derechos de autor - Catalina Quiroz Niño - <a href="mailto:catalina@iac-es.org">catalina@iac-es.org</a></p>



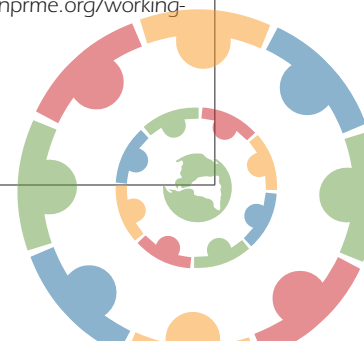
## 8. PROFESSIONAL COMPETENCES

STAGE 1	AREA OF COMPETENCE	Additional explanations and descriptors of competence: <b>KNOWLEDGE, RESEARCH AND UNDERSTANDING OF EPISTEMOLOGY, VALUES AND ATTITUDES OF THE SOCIAL AND SOLIDARITY ECONOMY (SSE)</b>	EVIDENCE FOR SELF-EVALUATION
<p><b>Establishing the foundations</b></p>	<p><b>Epistemology of the social solidarity economy, values and attitudes</b></p>	<p>Demonstrate an appreciation of how the knowledge, values and attitudes of the SSE are in keeping with a just and equitable society based on the principles of reciprocity, participation, re-distribution and subsidiarity.</p> <p><b>Epistemology<sup>1</sup></b> (</p> <ul style="list-style-type: none"> <li>▪ -I assume responsibility for exploring and understanding how knowledge is created within the SSE.</li> <li>▪ -I am aware of how the different current epistemologies are related to values and attitudes within SSE.</li> <li>▪ -I am aware of how interdisciplinary and transdisciplinary studies are crucial to an understanding of the theoretical and practical body of knowledge of SSE.</li> </ul> <p><b>Values:</b></p> <ul style="list-style-type: none"> <li>▪ -I am aware of the importance of the values being recognised in the development and practice of SSE.</li> <li>▪ I promote the visibility and the voice of those who do not have them in my teaching, practices and research.</li> </ul> <p><b>Attitudes:</b></p> <ul style="list-style-type: none"> <li>▪ -I assume the responsibility for challenging notions that prevent the development of opportunities for learning and action within the environmental, social and economic sphere.</li> <li>▪ -I can evaluate my own practice and reflect on how I can demonstrate the values and epistemologies of SSE holding the wellbeing of people as a priority in my daily practice.</li> </ul> <p>1. Epistemology: The theory of knowledge, especially with regard to its methods, validity, and scope, and the distinction between justified belief and opinion. (Oxford English Dictionary)</p> <p>Meaning for the Consortium: systems of knowledge construction, validation and selection for knowledge creation.</p>	<p>As teacher/trainer/researcher of SSE, I:</p> <ul style="list-style-type: none"> <li>▪ Locate the SSE organisations within my community with the students..</li> <li>▪ Organise public sessions with social entrepreneurs to discuss how their organisations' values are put into practice.</li> <li>▪ Write about how social entrepreneurs put into practice their values and epistemologies.</li> </ul>



Chapter 1: Ways of Knowing (epistemology) and Values

STAGE 1	AREA OF COMPETENCE	<b>Additional explanations and descriptors of competence:</b>  <b>KNOWLEDGE, RESEARCH AND UNDERSTANDING OF EPISTEMOLOGY, VALUES AND ATTITUDES OF THE SOCIAL AND SOLIDARITY ECONOMY (SSE)</b>	EVIDENCE FOR SELF-EVALUATION
<b>Establishing the foundations</b>	<b>International perspectives and human rights</b>	<p><b>Understand key human rights in different areas of the world in relation to:</b></p> <ul style="list-style-type: none"> <li>▪ Indigenous peoples (United Nations Convention 169 – International Labour Organisation</li> <li>▪ Gender</li> <li>▪ Dignified work</li> <li>▪ Natural resources (United Nations Resolution 1803 (XVII), 14 December 1962)</li> <li>▪ Discrimination and equality</li> <li>▪ Childhood</li> <li>▪ Immigrant workers</li> <li>▪ Climate change</li> <li>▪ - I can relate rights and human obligations in the context of SSE.</li> <li>▪ - I can write case studies on SSE in relation to human rights.</li> <li>▪ - I can relate my practices in SSE to the Millennium Development Goals post-2015</li> </ul>	<ul style="list-style-type: none"> <li>▪ I identify which human rights are assured in my community and which are not.</li> <li>▪ I study the progress of the Millennium Development Goals post-2015.</li> <li>▪ I write accounts of SSE organisations that work in different areas of human rights.</li> </ul>
	<p><b>Principles of Responsible Management Education (PRME), adapted for SSE</b></p> <p><a href="http://www.unprme.org/about-prme/the-six-principles.php">http://www.unprme.org/about-prme/the-six-principles.php</a></p>	<p><b>Demonstrate knowledge and critical analysis of the six PRME principles applied to SSE</b></p> <ul style="list-style-type: none"> <li>▪ Aim: To develop the students' ability so that they might in the future generate the sustainable values within their enterprises and in the wider society and so that they might work towards an inclusive and sustainable global economy.</li> <li>▪ Values: To incorporate the values of global social responsibility to our academic activities and programmes of study.</li> <li>▪ Method: To create educational frameworks, resources, processes and pedagogical environments in order to make possible effective learning experiences for responsible leadership within SEE.</li> <li>▪ Research: Carry out theoretical and empirical research which might allow us to improve our understanding of the role, dynamics and the impact of enterprises in the creation of sustainable value in the social, environmental and economic spheres.</li> <li>▪ Partnership: Interact with social entrepreneurs in order to increase our knowledge of the challenges they face in meeting their social and environmental responsibilities and to explore together effective ways of meeting these challenges.</li> <li>▪ Dialogue: We will facilitate and support dialogue and debate between educators, social entrepreneurs, the government, consumers, the media, civil society organisations and other interested groups on critical themes related to global social responsibility and sustainability.</li> </ul> <p><b>Activities:</b></p> <ul style="list-style-type: none"> <li>▪ - I can analyse the theme from different social, cultural, environmental and economic perspectives.</li> <li>▪ - I critique in a constructive way how the PRME principles apply to my daily work (teaching, administration, facilitation).</li> <li>▪ - I take the initiative to create improvements in my own practical work based on the PRME objectives and principles together with those related to SSE.</li> <li>▪ - I understand and claim that our organisational practices should reflect the values and attitudes that we communicate to our students.</li> </ul>	<p>As teacher/trainer/researcher of SSE, I:</p> <ul style="list-style-type: none"> <li>▪ Visit and search the PMRE website more than once.</li> <li>▪ Have registered my organisation on the PRME website with appropriate authorisation. The logo and the key information should appear on the PRME website.</li> <li>▪ Have adopted the 6 PRME principles in my post and faculty, adapted to SSE.</li> <li>▪ Attend workshops organised and recognised by PRME</li> <li>▪ Form part of a working group within the local PRME showcasing SSE.</li> </ul> <p>See examples at <a href="http://www.unprme.org/working-groups/chapters.php">http://www.unprme.org/working-groups/chapters.php</a></p>







YORK ST JOHN-ERASMUS  
SOCIAL AND SOLIDARITY  
ECONOMY CONSORTIUM

# Enhancing studies and practice of the social and solidarity economy

A reference handbook

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Coelho, L.S., Silva, M.F. & Villafuerte Pezo, A.M.

## Chapter 2: Identity, territory and profile



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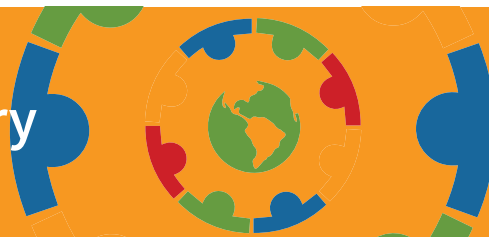
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## 1. INTRODUCTION

The objective of this chapter is to convey the different meanings and identities of the social and solidarity economy. We will discover the different conceptual and operational approaches of a variety of international organisations, with links to the geographical areas of this project: Europe, Africa and Latin America. The diversity of definitions and identities created are part of a continual process. What is certain, to an extent, are the principles guiding the models in these three areas and elsewhere.

There are certain international organisations paving a way not only towards developing a conceptual approach but framing the social and solidarity economy (SSE) as a model for economic development that will achieve the institution's aims, both macro and micro. The United Nations is one example, with the fulfilment of its Millennium Development Goals.

In the European Union, it is important to emphasise the attention given in the last ten years to the social economy as a tool for social cohesion and in tackling unemployment, especially among young people. This can be seen in the passing of specific laws and specific fiscal processes developed in recent years.

Latin American social economic ideas are particularly evident in the Andes, where forms of self-sustainability prevail in order to combat the poverty generated by neoliberal economic policies applied in the 80s and 90s, as well as being traditional forms of collective action based on ancestral values.

### Glossary

**Stakeholders:** The group of people who interact within the context and the development of the mission and vision of social enterprises and businesses.

**Articles of association:** Legal documents that validate the foundation and operation of the organisation within existing law.

### KEY QUESTIONS FOR THIS CHAPTER

- How is the social and solidarity economy's identity seen at an international level and in the various geographical regions covered in this project?
- What criteria allow us to differentiate between the identities and profiles of organisations in current economic systems: public, private and social.
- How does the question of territory link to that of profile and identity?

Similarly, we will share the experiences of Portuguese-speaking countries in Africa in relation to the social and solidarity economy, drawing attention to the crucial importance of informal groups and the support that other nonprofit organisations, in particular local NGOs, provide in consolidating and formalising practices in the SSE. This is in spite of the lack of political and economic recognition of the social and solidarity economy.

The practical cases accompanying the chapter indicate the impact of the sociocultural, political and environmental baggage within the organisation's profile and identity. The teaching activities and online resources aim to highlight the profile and identity organisations making up the SSE system in each country and to give an understanding of their complex action and interaction with the public and private sectors. At the end is the competence framework based on points developed in this chapter.

**Asset lock:** Term used for the permanent holding of assets that may only be used to accomplish the organisation's mission and must be transferred to another named organisation in the case of liquidation.

**Civil society organisations:** Groups of citizens making up various organisations of their own accord. Not part of the public or private sector and usually have a



mission of advocating for causes that will build a fairer, more human society of solidarity.

**Democracy:** a system of government in which all the people of a state are involved in making decisions about its affairs, typically by voting to elect representatives to a parliament or similar assembly (Oxford English Dictionary).

**EMES:** A network of research centres from different European universities specialising in research into the social and solidarity economy.

**Worker-owned businesses:** Organisations that are completely or majority owned by the people who work in them.

**Mondragon:** A town in Spain's autonomous Basque Country whose name is the origin of the Mondragon Group, and international group of cooperatives.

**Participative democracy:** A form of democracy that seeks direct participation in informing and developing opinions, for example making final decisions within an organisation. It is different from representative democracy, which is based on the election of a small group of candidates for specific posts.

## 2. LITERATURE REVIEW

### 2.1 GENERAL PERSPECTIVES

A practical vision of the social economy was proposed by the Scottish researcher Pearce (2003) (see Diagram 2.1). The conceptualisation of (private, public, social) systems rather than sectors underlines the fact that each has its own set of values and ways of working, such as shown in Chapter 1 and it is complemented in this second chapter concerning identity, profile and territoriality. Pearce identifies the underlying values of self-help, mutuality and social purpose as the fundamental characteristics of the third system. The social system considered the triple bottom line of impact that must consider the economic, the social and the environmental.

In the diagram, the orientation towards the market (moving towards the left of the diagram) and the non-commercial parts of the social economy (moving towards the right of the diagram) are identified. Pearce believes that this is a spectrum, which means that organisations can change over time in their ways of generating income. He also recognises that hybrid

models of more than one of the systems, are also possible (2009, p. 26-28).

According to Pearce (2003), the identity and profile of each system presented in his diagram relate directly to the values and principles of the people and organisations within that system who practise these in order to achieve their aims. As such, the first system covers the private sphere and works towards the goal of generating profit; the people and institutions.

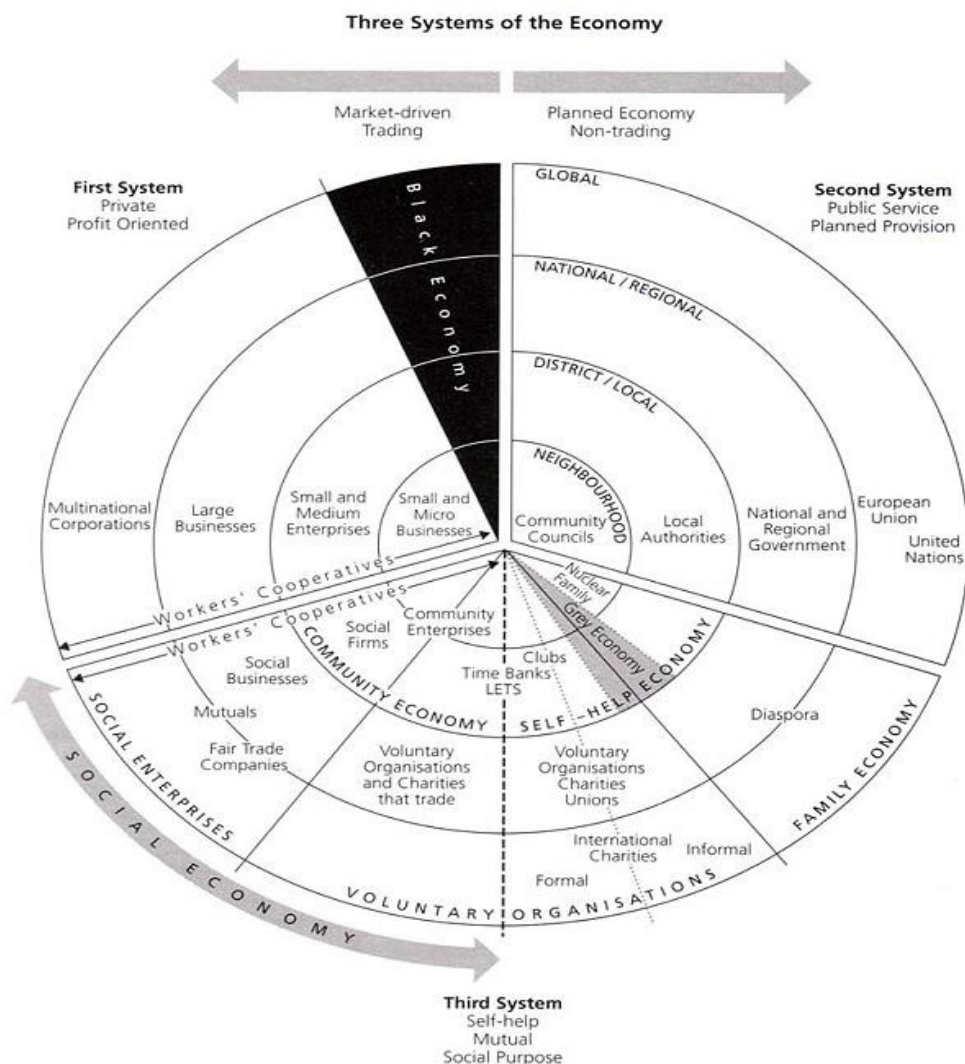
in the second system are identified based on public service and an economy of planned provision with the redistribution of resources as its purpose.

The third system is based on values and principles that see people and organisations shift towards helping one another, self-help and, above all, a social mission. It is characterised by civil society taking action to cover basic needs and to satisfy them in a collaborative way to fulfil this social mission.



**Figure 2.1 The three systems of the economy**

(Source: Pearce, 2003)



The following table (Table 2.1) gives a typology of the three systems based on five criteria defined by Dash

(2014, p.7), which present a comparison of the basis on which they operate.

Table 2.1 IDEA-TYPE CONSTRUCTION OF THE THREE SECTORS OF THE ECONOMY			
	Public	Private	Social and solidarity economy
<b>Dominant actors</b>	State	Market	Community
<b>Rationality</b>	Distributive	Competitive	Cooperative
<b>Relationship based on</b>	Authority	Exchange	Solidarity/reciprocity
<b>Governance principle</b>	Control	Freedom	Participation
<b>Value creation</b>	Public goods	[Material*] wealth creation (*Chapter author's addition)	Blended values (social, ecological, moral and economic)



Any identity is influenced by the values that form and maintain it, and the identity of the social and solidarity economy is no exception. As considered in the previous chapter, the values and principles on which it is based are framed in the following propositions (Max-Neef, 2013):

- The economy is to serve people, not to be served by people.
- Development is about people not objects.
- Growth is not the same as development and development does not necessarily require growth.
- No economy is possible in the absence of a supporting ecosystem of services.
- The economy is a sub-system of the larger, finite system that is the biosphere and as such permanent growth is impossible.

Bearing this in mind, the multiple meanings and identities of the social economy are reflected in terms such

as: third system, third sector, green economy, living-well economy, common good economy, community economy, popular economy, work economy, all identified by five characteristics that define their mission and vision, while also differentiating them from other economic systems. For Fleber (2012, p. 57), they are:

- Human dignity
- Solidarity
- Ecological sustainability
- Social justice
- Democratic participation and transparency

It can be seen in Table 2.2 how these characteristics are also reflected in the conceptual and operational approaches made in terms of the social and solidarity economy by international, intercontinental and world organisations, giving weight to all five aspects in their respective fields:

TABLE 2.2 CONCEPTUAL AND OPERATIONAL CHARACTERISTICS OF SOCIAL AND SOLIDARITY ECONOMY, ACCORDING TO INTERNATIONAL ORGANISATIONS	
Organisation	Description
<p><b>United Nations: Research Institute for Social Development:</b></p> <p><b>UN Inter-Agency Task Force on the Social and Solidarity Economy and UN Department of Economic and Social Affairs</b></p>	<p>Diverse organisations, businesses and networks sharing characteristics in terms of development objectives, organisational structures and values. The Social and Solidarity Economy tries proactively to mobilise and redistribute resources and surplus in inclusive ways that satisfy people's basic needs. ... The SSE promotes environmental protection and the economic and political empowerment of disadvantaged people and others implicated in social and environmental justice. ... Profits tend to be invested locally and with social aims. The SSE also highlights the ethics of economic activity (UNRISD, 2014, p.x).</p> <p>Social economy institutions and organizations play an important role in promoting livelihoods and job creation in the fight against poverty. Social economy enterprises offer an important source of employment in the face of global unemployment and underemployment problem" (UNDESA, 2015).</p>
<p><b>International Labour Organisation (ILO)</b></p>	<p>Today, the Social and Solidarity Economy is part of the lives of many people, since it promotes values and principles intimately linked to the needs of people and of communities. With a spirit of voluntary participation, mutual help, independence and self-sufficiency, and through businesses and organisations, it seeks to balance economic success with social equity and justice, at both a local and a global level (ILO, 2014a).</p> <p>There is also a clear link with the Decent Work agenda, since the social and solidarity economy promotes: a) labour rights: social businesses promote and defend the basic principles and rights of work; b) Employment: social organisations employ a large number of people, particularly in the local area, helping vulnerable groups to better integrate in society; c) Social protection: social businesses give access to social services for people and collectives overlooked by formal social security systems; d) Social dialogue: social and solidarity economy organisations give representation to those with no link to unions or employment organisations, through cooperatives and associations (ILO, 2014b, p.5).</p>



<p><b>Organisation for Economic Co-operation and Development (OECD)</b></p>	<p>The term social economy refers to associations, cooperatives, mutuals and foundations. Social economy organisations run under the principle of interest groups, not shareholders, and are generally regulated by democratic governance and management.</p> <p>The term social entrepreneurship is defined as enterprise with the aim of providing innovative solutions to unresolved social problems. As such, it tends to go hand in hand with social innovation processes aimed at improving people's lives and social change (OECD, 2010 in OECD, 2014a, p.143).</p>
<p><b>International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC)</b></p>	<p>The set of private, formally-organized enterprises, with autonomy of decision and freedom of membership, created to meet their members' needs through the market by producing goods and providing services, insurance and finance, where decision-making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has one vote. The Social Economy also includes private, formally-organized organizations with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them (Monzón and Chaves, 2012, p.23)</p>
<p><b>EMES (2015)</b></p> <p><b>International Research Network</b></p>	<p>Jacques Defourny, co-founder of EMES, gives the following definition of the social economy:</p> <p>In today terms, the social economy gathers enterprises of the co-operative movements, mutual benefit and insurance societies, foundations and all other types of non-profit organizations which all share some principles making them correspond to the "third sector" of modern economies. Indeed, social economy organisations differ from the private for-profit sector as their primary goal is to serve members' needs or a broader public interest instead of maximizing and distributing profits to shareholders or members. They are also clearly distinct from the public sector although non-profit organisations may receive public subsidies to fulfil their mission: they are self-governed private organisations with the rule "one member, one vote" in their general assembly.</p> <p>Jean-Louis Laville, co-founder of EMES, offers the following definition of the social economy:</p> <p>The solidarity-based economy includes the set of activities contributing to the democratisation of economy on the basis of civic commitments. This perspective of analysis is characterised by the fact that it envisages these activities not only from the point of view of their legal form (associations, co-operatives, mutual societies...) but also through the twofold dimension – both economic and political – which constitutes their specificity.</p>
<p><b>RIPESS</b></p> <p><b>International Network for the Promotion of Social Solidarity Economy</b></p>	<p>The social solidarity economy (SSE) is an alternative to capitalism and authoritarian economic systems controlled by the state. In the SSE, ordinary people have an active role in determining the course of their lives in every aspect: economic, social, cultural, political and environmental. It does not only include organisations and businesses but also citizen movements aiming for the democratisation and transformation of the economy. RIPESS uses the term social solidarity economy to encompass both the solidarity economy and the more radical elements of the social economy. Values: humanism, democracy, solidarity, inclusion, subsidiarity, diversity, creativity, sustainable development, equality, equity and justice for all, respect and integration between countries and towns, and a pluralist solidarity economy (2015, p.2).</p>

All of these create a diverse mosaic of organisations and businesses seeking positive and radical change

within society and, in most cases, unifying those two meanings: social and solidarity.





## 2.2 EUROPEAN PERSPECTIVES

### A brief historical perspective

According to Defourny (2009), the concept originated in the 19th century, when various types of organisations including cooperatives and mutuals were formed as a response to the challenges and problems the economic system was creating at the time. Their aim was to organise production and consumption, allow credit access and have more equitable and democratic basic health services.

The British researchers, Ridley-Duff and Bull (2011, pp. 26-27) place the earliest cooperatives in the late 18th century Scotland and in the US. Later, the Rochdale Pioneers in the north of England pooled their resources and opened stores, buying and selling items they could not afford individually. They established a set of principles in 1844 around democratic membership control, the economic participation of members and concern for community, which are still highly influential in the cooperative movement today.

The UK was not alone in developing associations in the 19th century. In Italy and Spain pioneering experiences have been identified from the first half of the 19th century. Monzón and Chaves (2012, p.15), citing to Reventos (1960) give an example of the Association of Weavers as the first trade union in Spain and the Mutual Association of Weavers founded in 1840 as a mutual provident society. These authors also refer to De Jaco (1979) who identifies mutual associations in Italy which had a strong presence in Italy in the middle of the 19th century. The Società operaia di Torino is named as the first consumers' cooperative, founded in 1853."

For these two authors (ibid, p.16), the social economy was revived in the second half of the 19th century by the economists John Stuart Mill and Léon Walras. Both men highlighted the importance of the moral side of democracy in production processes as well as economic profits.

In the middle of the 20th century, as cooperatives, mutuals and associations helped tackle "socially important themes of cyclical unemployment and potential bias in power relations" (Monzón and Chaves, 2012, p.17), economic models were principally developed in the traditional private sector and the public sector. The end of the 20th and beginning of the 21st

centuries saw the rise of neoliberal capitalism and the shrinking of the public sector, an "experiment in which the markets and money were left to their own free will to find their own path around the world without much political interference" (Hart, Laville and Cattani, 2010, p.1). CIRIEC (2000), cited by Monzón and Chaves (2012, p.18), draw attention to the growing importance of cooperatives, mutuals and associations in "creating and sustaining work and righting serious economic inequalities."

The *non-profit* sector has its historical roots linked to the philanthropic and charitable ideas that were deeply-rooted in 19th century Britain and in the countries it influenced. This and US philanthropic foundations gave rise to terms such as the *charitable sector* and the *voluntary sector*, which are included in the wider concept of the non-profit sector. In essence, this approach only covers private organisations which have articles of association forbidding them to distribute surpluses to those who founded them or who control or finance them (Monzón and Chaves, 2012). In this respect it is a subset of the social economy.

The concept of *social enterprise* first appeared in Europe in 1990 in Italy. New entrepreneurial initiatives arose primarily in response to social needs that had been inadequately met by public services. At the same time, the concept was being developed in the US with the work of Greg Dees in relation to the *social entrepreneur* (Defourny, 2014).

Evidently, concepts of the social economy can vary, as can the terms used to define it. The aim of this chapter is not to create or to validate any one of these definitions but to explore the perspectives and organisations that adhere to the values and principles known, in this project, as *the social and solidarity economy*.

### The importance of the social economy in Europe

The following figures demonstrate the importance of social economy organisations (European Commission, 2015):

- There are 2 million social economy enterprises in Europe, representing 10% of all businesses in the EU. More than 11 million people – about 6% of the





EU's employees – work for social economy enterprises.

- Mutual societies account for 25% of the European insurance market.
- There are 250,000 cooperatives in the EU, owned by 163 million citizens (one third of EU population) and employing 5.4 million people. Cooperatives hold substantial market shares in industries such as:
  - » Agriculture - 83% in the Netherlands, 79% in Finland, 55% in Italy, and 50% in France;
  - » Forestry - 60% in Sweden and 31% in Finland;
  - » Banking - 50% in France, 37% in Cyprus, 35% in Finland, 31% in Austria, and 21% in Germany;
  - » Retail - 36% in Finland and 20% in Sweden;
  - » Pharmaceutical and health care - 21% in Spain and 18% in Belgium.

The following sections will cover the profile and the identity of organisations within the social economy, as well as their reach in specific geographical areas.

## Profiles and identities of social economy organisations

### Cooperatives

The International Labour Organisation (ILO), in its Recommendation 193, defines the cooperative as “an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.” Article 3 establishes that “The promotion and strengthening of the identity of cooperatives should be encouraged on the basis of: (a) cooperative values of self-help, self-responsibility, democracy, equality, equity and solidarity; as well as ethical values of honesty, openness, social responsibility and caring for others; and (b) cooperative principles as developed by the international cooperative movement ... voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and concern for community.”

The two key features of the cooperative model highlighted by Ridley-Duff and Bull (2011) are, firstly that “members should contribute to, and then share in the economic surpluses generated by their enterprise”

(p.26). In cooperative stores, members receive a dividend. In producer cooperatives, members get a share of profits. Secondly is the commitment to democratic membership: intended to “prevent elites appointing themselves to positions of power and holding these without the consent of the communities they serve” (p.28).

### Mutuals

According to the European Commission (2015), in Europe two types of mutuals exist:

- **Health (providence) mutual** - predate modern social security systems and cover risks such as illness, disability, infirmity, and death. These are usually subject to specific legislation.
- **Insurance mutual** - cover all types of risk (accident, life insurance, etc.) and are normally subject to general legislation regarding insurance.

According to the Spanish Business Confederation for the Social Economy (CEPES) (2015a), mutuals are not-for-profit societies of people, with a democratic structure and management, that offer voluntary insurance alongside the public provision of social security.

The mutual as a specific type of insurance organisation, is based on the fact that the insurer and member are one and the same. A mutual, then, complies with the principle of identity or unity, characteristic of participation-based businesses, by carrying out its main activity exclusively with its members. This democratic management ensures that insurance premiums go entirely towards guaranteeing the claims of the collective.

### Worker-owned companies ('Sociedades Laborales, Spain)

According to CEPES, worker societies are unique to the social economy, and require at least 51% of social capital to be in the hands of member workers. They are traditional commercial businesses (public and private limited companies) but differ from these in their worker-focused nature and must use the acronym SAL (anonymous workers company) or SLL (limited workers company). In 2013, there were 11,000 worker-owned companies in Spain, creating almost 64,000 jobs (CEPES, 2015b).



## Social enterprises

Doherty, Haugh and Lyon identify these as “hybrid” organisations, combining enterprise with an embedded social purpose (2014, p.417).

According to Monzón and Chaves (2012), the Anglo-American spectrum of approaches range from those who consider social enterprises to be the commercial company counterpart of private non-profit organizations with a social purpose, to those whose definition of a social enterprise centres exclusively on social innovation and satisfying social needs, whatever the form of ownership of the enterprise (public, private capital-based, or social forms of ownership). Defourny (2014) argues that most recent works in the UK are less focused on the definition and frontiers. Rather, they

acknowledge the very wide diversity of forms, contexts and dynamics. Pearce, however, warns that there is growing concern about “essentially private organisations masquerading as social enterprises” (2009, p.22) and advocates more precise definitions.

In the Continental European tradition, the main approach to social enterprises is summarised in the studies and proposals of the EMES network. It is based on a series of indicators, as seen in Table 2.3, which can be divided into economic and social. It is not intended to form a definition, rather it sets out indicators the fulfilment of which will vary greatly in different contexts (Defourny, 2014).

TABLE 2.3 ECONOMIC AND SOCIAL INDICATORS OF SOCIAL ENTERPRISES	
Sphere	Criterion
Economic	A continuous activity producing goods and/or selling services
	A high degree of autonomy
	A significant level of economic risk
	A minimum amount of paid work
Social	An explicit aim to benefit the community
	An initiative launched by a group of citizens
	A decision-making power not based on capital ownership
	A participatory nature, which involves various parties affected by the activity
	A limited profit distribution

Table adapted from Defourny (2014, pp.25-28)

Social enterprises are legally recognised in various forms in some European countries, including Italy, Portugal, France, Belgium, Spain, Poland, Finland and the United Kingdom (Monzón and Chaves, 2012).

## Associations and foundations

According to Monzón and Chaves (2012), associations and foundations are in the non-market sub-sector of the social economy supplying services to individuals, households or families and usually obtaining most of their resources from donations, membership fees, subsidies, etc.

The European Commission (n.d.) defines associations as a “permanent grouping of natural or legal persons whose members pool their knowledge or activities either for a purpose in the general interest or in order to directly or indirectly promote the trade or professional interests of its members.” The main characteristics of

associations are: voluntary and open membership, democratic governance and the payment of fees by members, rather than a capital contribution.

Foundations, on the other hand, have their own source of funds which they spend according to their own judgement on projects or activities of public benefit. They are run by trustees and may undertake research, provide grants and fund voluntary work.

## Current EU perspective

The Committee on Employment and Social Affairs of the European Parliament (2009) formulated the following definition and explanation of the social economy and its reach within Europe’s social and economic fabric:

The social economy is characterised by its respect for common values:



- the primacy of the individual and social objectives over economic gain;
- the defence and implementation of the principles of solidarity and responsibility;
- the conjunction of the interests of its user members with the general interest;
- democratic control by its members;
- voluntary and open membership;
- management autonomy and independence in relation to public authorities;
- the mobilisation of the bulk of surpluses in pursuit of the aims of sustainable development and of service to its members in accordance with common interests.

The social economy comprises cooperatives, mutuels, associations and foundations, as well as other businesses and organisations that share the essential characteristics of the social economy.

## 2.3 LATIN AMERICAN PERSPECTIVES

In Latin America what is understood by the *social and solidarity economy* as a concept is still in the process of construction. Its practice amongst the population has emerged as a strategy for collective action for survival derived from ancestral values in times of economic crisis within the countries. The institutionalisation of the concept comes from the legislation from respective governments, each with different aims and objectives and from these spring a diversity of meanings. However, it is clear from the practice that one of the practical objectives of the social and solidarity economy organisations is to gain access to markets. By uniting, members can compete within markets as a way of generating income for survival, rather than uniting as an end in itself.

### The evolution of the concept: multiple approaches

Before the arrival of Europeans in America and prior to the Rochdale experience, indigenous Latin American peoples practised “diverse ways of cooperation that were mixed with models brought by the conquista-

## Conclusion

The profile and identity of any social and solidarity economy organisation are a product of the local context and the culture from which it emerges. Defourny and Nyssens maintain that researchers should “humbly take into account the local or national specificities that shape these initiatives ... Supporting the development of social enterprise cannot be done through just exporting ... European approaches. Unless they are embedded in local contexts, social enterprise will just be replications of formulae that will last as long as they are fashionable” (2010, p.49).

This chapter has given an overview of the diversity of identities, profiles and definitions of organisations in the social and solidarity economy in Europe and does not claim to be exhaustive. Ridley-Duff and Bull argue that definition is not an abstract intellectual exercise, rather “it is a dynamic process engaged with on a daily basis by people deciding how to develop and identify their enterprise, what the rules for economic support are and ‘how far these rules can be bent’” (2011, p.57).

dors. Mayans, Aztecs, Incans and other pre-Columbian cultures combined working with property in multiple collective and individual forms, while developing systems of solidarity social welfare.” (Martínez, 2002, p.43). “Both the idea and the practice of cooperation to the fulfilment of individual and community needs are present throughout the history of humanity. Since the earliest human societies, man has seen in cooperation (and solidarity) a way of subsistence” (Martí, 2014, p.101).

Many of these traits remain alive in people’s collective imaginary and are still being practised in a sort of symbiosis together with the practices and values of the modern world.

Martínez (2002) quoting Pineda (1994) asserts that during the 17th and 18th centuries there were many religious cooperative organisations that arrived in America. In the first half of the 19th century, in Mexico and Venezuela there were already savings and credit banks. These cooperatives were then taken up by European immigrants in Argentina and Brazil (of Italian, French, and German origin), Paraguay (German)



and Chile and Peru (British). Then came the development of a unionist and participative trend, also from immigrants, with consumer cooperatives, credit and funeral services (Argentina, Chile, Uruguay). Finally, a social trend emerged of Latin American thinkers and politicians that promoted cooperatives with social purposes (Peru, Ecuador, Costa Rica).

### Social and solidary economy

In the last few years the term *social and solidary economy* has been agreed upon as an expression that brings together traditional social economy with new ways of self-managed associative work—predominantly related to the expression of solidary economy (Hintze, 2006).

What is understood as the social and solidary economy in Latin America entails multiple and diverse meanings, with a strong transformational meaning and content and loaded with a distinct political and ideological component (and sometimes caught in the discussion about whether capitalism as a system would endure or not.)

On the one hand, some hold the view that socio-economic organisations that involve self-managed labour cannot avoid to some extent being subjected to market forces, being drawn in (*co-opted*) to the capitalist system and end up serving it as social pressure on the labour market and/or the state diminish. Other perspectives, on the other hand, place emphasis in their emancipatory and counter-hegemonic potential (Hintze and Deux, 2014, p.444) when they constitute themselves as a social and economic organisation. That is to say, they establish an alternative to the dominant development model through the practice of collective organisation and association in order to generate jobs and income for those who were out of the labour market<sup>1</sup>. Coraggio (2008) points out that there is no way to overcome exclusion without the development of a whole new societal model that is driven by the desire to create a wider conception of life and livelihoods and that places the fulfilment of everyone's legitimate needs at the heart of the process.

Sarria has a more pragmatic approach:

**well into the 2000s and as the national scene changes, the difficulties for the solidary economy to become a social, economic and strategic proposal become evident.**

<sup>1</sup> In a context of economic crisis, employment crisis and an increase of inequality in the region.

**. . In fact, the solidary economy as a policy of development loses its strength in a context of economic growth, with a reduction in unemployment and extreme poverty. This is particularly the case as national priorities tend towards market integration, complemented with social policy that, by improving the living standards of the poor, strengthens mass consumerism and the capitalist model of accumulation. In this sense, it becomes evident that there are diverse interpretations of the role of the solidary economy in the different parties of which it is made up: some of them seem more interested in market integration rather than a wider change in ways of living and consuming (2014, pp.428-429).**

Another point of this debate has been around the term social economy, solidarity, popular or work economy. Coraggio (2008) states that *popular economy* is that which refers to the set of activities that workers carry out according to their work capacities and other resources for their own reproduction and that of their families. It is part of a capitalist economy and comprises other functions such as reproducing the labour force that is required by capital.

In this respect he notes that each domestic or Popular Economy unit, the workers guides the use of his/her work and other economic practices, in order to achieve the reproduction of its members under the best possible conditions. In doing so, s/he is willing to compete with other domestic units, even at the expense of the other's survival, behaviour induced by the market and by the capitalist State (Coraggio, 2011, p. 120).

Unlike the Popular Economy, labour economics presents as alternative system, with other rules, more democratic power relations, other values and a different strategic sense: to optimise the reproduction of everyone's lives, with levels of dialogue and cooperation, collective decision-making, and the recognition of needs and definition of strategies for collective management" (Ibid, p. 120).

According to the same author, social economy is a term that is still marked by the traditional form of cooperatives, mutuals and associations, constituted and codified by the system as ways of working together along non-capitalist lines. Although it began as an emancipatory project by workers during the 19th century, its gradual evolution within the capitalist market system has brought about, to a considerable degree, behaviours that are quite far from a cooperative ideal.





He argues that the social economy is “a transitional proposal of economic practices of transforming actions, aware of society, that wants to generate from within the current mixed economy towards a new economy, an alternative economic system, organised by the principle of improving the lives and livelihoods of all citizen-workers” (Coraggio, 2007, p.37).

The economy based on labour conceived by Coraggio (2007, 2008) (in contrast to the economy based on capital,) is an organised system of production and division of labour, of circulation and distribution, as a legitimate system to fulfil needs. It is ultimately based on freely associated work and with a socio-political objective that are put forward by different interest groups that are fighting for aspects of an improved life and livelihoods for all people and communities.

Razeto (2002), one of the first scholars to talk about solidarity as a productive factor, establishes it should not be referred to the solidary economy, but rather an economy of solidarity, understood as:

**... the introduction of solidarity as an active element, productive force and matrix of economic relationships and behaviours, in the processes of production, distribution, consumption and accumulation. An active agent of solidarity, not marginally but centrally, is enough to determine the birth of a new way to develop economics, that is to say, the establishment of a special economic rationale, different, alternative, which would allow: new ways of enterprise based on solidarity and labour; new ways of distribution that articulate fair exchange relationships with conviviality, cooperation, reciprocity and mutualism. They would promote new ways of consumption that integrate social and community needs to a network of fundamental needs for the overall development of man and society; and a new way of wealth creation, centred on knowledge, labour skills, social creativity, community life and values, capable of ensuring sustainable development in social and environmental terms.**

For Razeto, solidarity (named by this author as factor C<sup>2</sup>) and associative work (that carried out with other workers) are the two main productive factors that can replace and make up for the lack of other resources or productive factors in societies that do not possess them.

The debate still remains, and no one can be sure of the future direction of the social and solidary economy in Latin America or in the world. The question arises: can

crises or cracks in capitalist economy open up space for new ways of organisation, production and reproduction of life that brings about a higher quality of living together? There are no simple answers or steps to answer this question, but it is clear that it will not be possible to develop another economy without another politics, another way of being and an alternative public policy (Deux, 2014).

By reviewing different definitions of solidary economy (Coraggio 2008 and 2011; Vuotto and Fardelli 2014; Razeto 1986 and 2011; Guerra 2010) and moving beyond ideological standpoints, there can be an approach to its definition from Latin America, as follows:

The solidary economy is an economy centred on the person and on job and income generation. Its main purpose is to produce goods and services that respond to economic and social needs, individual or collective, from structures that ensure: a process of democratic management, free association, self-management and cooperation amongst workers, collective ownership of capital and its means of production, participation and individual and collective responsibility of its members and users. Solidarity is distinguished as a central element of the economic process. It is constituted from non-individualistic values of solidarity and mutual help which are self-managed. It combines economic, social, cultural and educational functions and activities according to social transformations. Therefore, its contribution is expressed in its insistence upon local development and in communities, especially in the creation of sustainable jobs, the development of an offer of new services, the improvement of quality of life, etc.

Organisations of solidary economy and other forms of associativity seek to carry out joint purchasing through them, to increase bargaining power in the market. They also set out to manage the spread of risks through collective systems of protection, the self-supplying of credit, among others.

## Causes of the emergence of social and solidary economy

The causes for the emergence and development of social and solidary economy are diverse. Razeto (1997) points out the following causes or “paths”:

1. **The path of the poor and popular economy. It emerges in situations of exclusion and poverty in which the popular economy becomes a real process of economic activation and mobilisation**

2 C for *Compañerismo* (fellowship in Spanish), *Cooperation*, *Community*, *Compartir* (share in Spanish), *Communion*, *Collectivism*, *Charisma*.



- in the popular world. The popular economy combines resources and capacities in labour, technology, organisation and traditional commercial relationships with other modern ones. The result is a heterogeneous multiplicity of activities oriented towards ensuring subsistence and daily life.
2. The path of solidarity with the poor and social development services. It arises from the situation of privilege enjoyed by those who are not excluded or marginalised, neither are they poor. Notwithstanding this, they are aware of their own situation and that of others and incorporate solidarity in their economic undertakings. They commit part of their resources and time to make donations that allow creation and functioning of foundations, associations, and non-profit organisations.
  3. The path of work. Workers who are unemployed or underemployed experience the same issues, needs and practical situations. This means their similar conditions of life lead them to face their circumstances through collective action, in an associated and autonomous work.
  4. The path of social participation and self-management. Social participation entails a permanent exchange of targets, experiences, ideas, interests and goals of each subject. It is a process through which there is a collective attempt (in a cooperative and solidary manner) to get the best for those who will get support, commitment and participation.
  5. The path of transforming action and social changes. It arises from the awareness related to the change in social structures, where disadvantaged actors find a space to be heard. It is here where their demands for better conditions are considered, and where the contribution of each person's talent and creativity is valued.
  6. The path of alternative development. Fostered by those who feel the need of another type of development: one which is more comprehensive, based on values such as justice and solidarity.
  7. The path of ecology. This starts with those who become aware that environmental issues are generated by the way economy is set up, who create organisations that try to reverse some of the environmental damage.
  8. The path of women and family. The crisis in the family and the situation of discrimination against

women have encouraged attempts at different forms of economic action, mainly coordinated by networks of women and/or families.

9. The path of peoples who have an ancient tradition. This is part of the struggle of ancient ethnic communities and peoples—who have suffered exclusion and marginalisation—to recapture their identities, to validate their early cultures and their own communal ways of economic management.
10. The spiritual path. This emerges from different groups that hold a humanist and spiritual philosophy. They feel the need to commit to a communitarian or associative way of living in the creation and development of collective economic practice. These would be based on fraternal values, and on the logic that wealth has to be at the service of human and social development, opening up space for solidarity in economic forms.

## Cooperativism

Cooperativism in Latin American deserves particular consideration, as its origins, age, size, sector, organisational structures, degrees of legal formalisation, penetration and success are very heterogeneous across the region. Traditional cooperation behaviours were mixed with modern cooperativism, and often ended up subsumed by it. Traditional ways of mutual help were superimposed by cooperative ways unknown until then; as in the case of Peru during the 1970s, where ancestral cooperation was not in conflict with private and collective property.

In Martínez's terms, the introduction of cooperative ways and models which were foreign to the continent and badly adapted into specific contexts generated "a sort of unbalanced fusion between cooperative types" (2002, p.168) which ended up in the disintegration and neglect of state support, despite its strong prior encouragement.

The same author continues:

However this heterogeneity highlights an overall profile. The first characteristics is that modern Latin American cooperativism is important and mainly associated with the middle income population ... Its historical origin is abundant in middle classes and skilled urban workers. In rural areas, it usually involves historic colonies of settlers or smallholders, often beneficiaries of agrarian reforms ... A sec-



ond characteristic of cooperatives in Latin America is the insufficient degree of organisation, whose causes are found in two types of factors:

- Its origin is mostly external to the region and discontinuous, and being unresponsive to the initiative of the cooperative members has limited the further autonomous development. Successive national governments have fluctuated in their policies, driven or not by interests unrelated to the region. First, they maintained strong public bodies specialising in the promotion and control of the cooperative movement. Later, they transferred abruptly almost all those functions to the cooperative movement, leaving the State for a final monitoring and recording.
- The relative brevity of the period of development: less than a century. For that reason, an identity and common operating procedures have not been established (Martinez, 2002, pp.167-168).

Cooperativism seems to be more successful with strategies that respect individual private property to which every family has a right. This is why during the last few years the biggest success is not in cooperatives based on production, but in those involved in consumption, labour, finance and commerce.

### Social enterprises and non-profit associations

This refers to an organisation that originates with the aim of solving some social or environmental problem. It is economically sustained thanks to an entrepreneurial dynamic that involves selling products or services. Given that in Peru, as in other Latin American countries, there is not a specific legal way to identify them, they can be registered as profit or non-profit organisations.

Conversely, a non-profit organisation and a social enterprise share an environmental or social purpose. However, the first one depends mostly or totally on donations, whereas the second one generates its own funds and has a business management.

Lastly, a social enterprise does not compete with governmental social programmes, as these are the natural tools governments possess to fulfil their redistributive

obligation, and are financed by the taxpayers. Social enterprises are private endeavours that attempt to solve problems which have not been tackled by the state. State resources are not used for their funding, but rather resources generated in the market (Fuchs, Prialé y Caballero, 2014, p.5).

### Non-profit civil associations

Many social enterprises have been generated by non-profit civil associations. The reasons for this are that they have needed to obtain self-finance and they have responded to the mission they set for themselves.

Non-profit civil organizations, normally known as NGOs, refer to collectives formed by members of civil society who promote processes of development and democratisation in and from civil society with a perspective focused on rights. Some common characteristics of these collectives above the great diversity that characterise them, according to Caceres (2014, p.5) are:

- **The result of a free decision from a collective of citizens.**
- **They are non-profit.**
- **They are independent from the state.**
- **They promote some collective interest in the public sphere.**
- **They have a perspective of *social justice* and/or *social transformation*, therefore, they take account of a political will to change.**
- **They take a stand on rights, including gender equality and interculturality.**

### Institutionalisation of the social and solidarity economy in Latin America

The history of solidarity economy in Latin America and the Caribbean dates back to before the European colonisation and has its first manifestations in the form of collective work that were developed in different cultures—in many cases known as *minka* and *ayni*. However, their institutionalisation according to the legislation of each country in the region begins only after the last decade of the 20th century (with the exception of Honduras, 1985.) The practice preceded legislation.

However, there were also some previous experiences, such as in Venezuela (Cooperatives Act of 1910), in





Chile (Cooperatives Act of 1924), in Argentina (11.388 Act on the Legal regime of the cooperative societies of 1926) and in Peru (236 Supreme Decree of 1944).

### Conclusion

In spite of the differences in terms of the law, operation and function of the entities that form the social and solidarity economy, it is possible to talk of a distance travelled. However, there is still a great deal to do in terms of legislation, action, advocacy and evaluation. It seems necessary to invigorate strategies and syner-

gies both within and between sectors, as they would allow continuous creation and validation amongst protagonists and movements of the third system together with a responsibility to carry out research. The task is to contribute with comprehensive proposals for public policy and to promote more visibility and presence. Likewise, it is necessary to articulate ways and mechanisms to create and access local markets, as well as national and international ones, by democratising processes of production, commercialisation, consumption and of savings.

## 2.4 AFRICAN PERSPECTIVES

### Understanding in an African context

As already mentioned in the previous chapter, the social and solidarity economies in Africa have considerations and precepts that are difficult to translate, in the sense used by Boaventura de Sousa Santos (2007). Researcher Yao Assogba of Togo, cited by GESQ (2002), tells us that the understanding of the social economy in Africa, as “an ancillary and informal sector, is difficult to define”. Fall and Guèye (2009) explain that the European practice of the social economy can be found in concepts such as the *popular economy*, the *real economy* or the *informal economy*. In this regard Amaro believes that given African contexts, “the most common term to use is community economy” (2005) to convey the diversity of realities to be studied.

Jahier discusses these realities in the African context, highlighting the ancient practices of survival which often go ignored and undervalued and which form the basis for a popular economy whose lack of recognition has limited their development (Groupe d'économie solidaire du Quebec (GESQ), 2002, p.20). As his *Perspectives on Africa's Social Economy and the Role of the European Economic and Social Committee to Help its Development*, explains, “In Africa the social economy is a sector which has so far been largely ignored by the international community as a whole, including the European Union. Its specific nature is not recognized and therefore it is not actively addressed in policy and consultation processes and decisions” (Jahier, 2010, p.1). He adds:

**On a continent where between 80% and 95% of the population works in the informal sector, the social economy can be a crucial tool for the development and the progressive transformation of the living conditions**

**and the job market because it raises these to a credible standard of social protection. The social economy lets people operate in the market and make a decisive contribution to the continent's social and economic development (p.1).**

Therefore, it is important to first know how to better react to this reality in an appropriate way. Yao Assogba explains:

The various forms of solidarity were born locally in communities, and arose from social events (like weddings, for example), and are seen today in farmers' and workers' movements”. The evolution of these forms would have created a so-called “African social economy” which can be defined as “the expansion of countless small production and selling activities that are conducted by various family, clan or ethnic groups”. According to him, these activities would develop according to a logic that differs from that of capitalism—organised by the individual who has the labour and who aims to improve the living conditions of people or localities. “Therefore, several logics are present, such as the subsistence economy and the production economy—the connections to social reproduction and cohabitation. The central point is the importance of affective relationships (GESQ, 2002, pp. 20-21).

According to the Senegalese researcher Abdou Salam Fall, you cannot view the practices of social and solidarity economies in Africa without placing them “in the historical context unique to the region, where the economy was historically oriented toward the needs of the colonial metropolis, a reality always present”, even after the fall of the colonial regime. For the author, the daily search for strategies to combat poverty “created unimaginable stockpiles of wealth” in the popular economy, in the informal sector, and in social



movements, etc. The author therefore believes that it is possible to use an “inclusive but multifaceted concept, linked to business activities that, while it expands its scope, maintains its human dimensions and seeks to accumulate in order to redistribute” (GESQ, 2002, pp.36-37). Along the same lines as Assogba, Salam Fall also highlights the character and identity of these economic practices:

It is an economy that relies on networks where trust, based on the sharing of expertise, is the guiding principle. They are activities that arise from a business tradition not framed in the sectors in which wealth is created from lineages or ethnic or other groups .... This is a system of social responsibility defined by the community, and which produces countless valuations for goods or not, as well as space for inventing new production and redistribution values (GESQ, 2002, pp. 36-37).

Soumahoro (2007) from the Ivory Coast, claims that while in Europe or America being involved in the informal sector means being on the margins of a formalised system, in Africa “it is the informality of the system which means people adopt a strategy of necessity and survival within an integrated social dynamic” (p. 157).

Marques (2010), citing Favreau and Fréchette (2002), finds that in the economic events of the twentieth century that devastated the southern countries - “the worsening economic crisis, the restructuring imposed by the IMF in most of the countries in Africa, Latin America and Asia, the phenomena of poverty and social exclusion, among other factors” - were the impetus in the communities for the emergence of “new forms of solidarity and mutual help in order to solve the problems in which they were finding themselves” (2010 , p.24). In this context a recovery of traditions of “common solidarity” (those that were practised in daily life within families and clans) would have emerged (França, 2002, p.16), which is generally known as a *popular economy*, especially in Latin America.

Marques (2010), however, explains that there are authors who distinguish a popular economy from a solidarity economy. Citing Arruda (2006), Marques, considers that a popular economy is clearly different from a social economy, whose dominant mode of interacting is one of cooperation and which has as its core values a conscious solidarity with all human beings, respect for diversity, and reciprocity; whereas a spontaneous grassroots economy is still dominated by *homo economicus* and *consumens*.

In other words, for Arruda, social and solidarity economies are a rational and thoughtful human quest for a fairer economy “with a sense of reciprocal altruism”, whereas a popular economy is a pragmatic economy that tries to improve livelihood without concerning itself about how it fits ideologically. The concept of a solidarity economy is, according to that, a “demanding” concept that, on the one hand, “recognizes the existence of popular wisdom in economics, which in and of itself helps people to meet their material needs and immaterial needs”; while on the other hand “considers it essential that people be conscious actors” (Marques, 2010, pp. 25-26).

Continuing the debate about the best concept that can transmit the plurality and diversity of the African reality, Borzaga and Galera (2014), underline that the concept of ‘social economy’ can only be applied to the African reality if its borders are revisited in a way to encompass the diversity of traditions that exist in African countries (informal groups self-help and mutual aid, for example). They therefore propose that instead of an approach made through the legal forms and a regulatory approach, that a practice-based two-pronged approach should be taken focused on the factors that explain the success of the social economy in Europe: the fact that these organisations arise in response to the needs of a particular community; and that they have a community identity” (p. 5).

## Typologies of associations

Looking at ancestral practices for the roots of the current social and solidarity economy, Varela (2010) attempts to give an overview of pre-independence associative forms which are still in force today in Cape Verde:

- **Tabanca** - Complex sociocultural and recreational association whose aim is solidarity, achieved through mutual help and the lending of mutual assistance. It is funded through contributions from its members who pay monthly dues, and from donations from either members or third parties. These resources are used for cultural activities that assist members in cases of illness or death; members being farm workers, construction workers, etc. Providing support in case of death or illness has gained autonomy with regard to Tabanca, manifesting itself particularly in the countless mutual assistance associations, funeral homes, and savings and loans, among others, which still remain.



- *Djuda* - Solidarity and support for conducting activities that require strength or skill and that cannot be done by very young, elderly, sick or the disabled; it is also exercised in relation to people with family or close emotional ties.
- *Djunta-mon* - Form of mutual aid, properly accounted for, which means that all the work done by a person for another has a counterpart, either through a payment of like work or of similar nature. There is therefore an obligatory reciprocity. However it is not regulated by the government. It occurs especially among families with little economic power.

According to Dias (2007, p.38), these forms of community cooperation have emerged as a way to “confront the difficulties - cyclic or chronic - dictated by the environment”, since populations in Cape Verde were very dependent upon farm work, blue collar jobs, and at the mercy of the whims of the land, weather and agricultural plagues, among other factors; and of population composition of the islands of Cape Verde (small scattered clusters in an environment that is, at times, hostile). In addition, says the author, this cooperation was also needed as a buffer from colonial authority “that did not serve the population but rather served itself *from* the population”. He concludes, therefore, that one of the driving factors of the emergence, perpetuation and multiplication of these modes of cooperation was the absence of the government.

Fonteneau and Develtere (2009) present and discuss the following existing categories on the African continent: cooperatives, mutual aid societies or mutual aid groups, associations and other community-based organizations and social enterprises.

## Cooperatives

In Africa, cooperatives were introduced by the colonial powers and were adopted by the independence movements in the post-independence period. They then became, in the context of the independence movements, the most important form of economic organisation. However, “the new, independent governments created very close links with the cooperatives, which came to be used as instruments of mobilisation and control of various social and economic levels” (Jahier, 2010, p.3).

Dias, researcher of the cooperative movement in Cape Verde, validates this interpretation by saying that in its first phase, after achieving independence in 1975,

cooperatives were promoted by the government and the party, especially as an instrument supporting the rural population in solving the problem of the distribution of essential goods. The importance attributed to the sector, and based on the Constitution . . . recognizes three forms of property: public, private and cooperative (Dias, 2007, p.46).

The beginning of the second phase coincided with the establishment of the National Institute of Cooperatives (NIC) and with an improved organisation of the sector. Several authors (Dias, 2007; Varela, 2010) believe that within these two phases are found some of the characteristics that elicit mistrust from the population and weaken the cooperative model - a certain political paternalism on the part of government, the political party and the NIC, the excessive bureaucracy when constructing new cooperatives, the population’s limited knowledge about the proposed model and other skills necessary for good management - the fruit born from a process that is totally driven “from the top, down” without full commitment from members.

In the 1990s the influence of economic liberalism reached the vast majority of African countries, causing cooperatives to lose the connotations with government that they had previously possessed. In some countries this fact allowed the recovery of “autonomy, voluntary nature and internal democracy, which are characteristics of the cooperative model”, thus the cooperative entered into a “new phase of renaissance and expansion” (Jahier, 2010, p. 3). In other countries, namely Cape Verde, openness to the new ideological matrix was a setback in the cooperative movement, eliminating the “third type of property” statute in the 1992 Constitution (which places it instead within the realm of private property), and “stripped away the legal and administrative benefits from those who had enjoyed them, while the government began an accelerated process of *withdrawal* from the cooperative sector, culminating in the extinction of the NIC in 1997 and 1999. This also meant the removal of all references to the cooperative sector in the Constitution, leaving mention only to the public and private sector as economic actors. Cooperatives come to be governed by the Commercial Code, which considers them, for all purposes, as mere private companies” (Dias, 2007, p.52).

However, according to Varela, at present several indicators can be verified that point to a revaluation of the cooperative and the social economy. These are



presented as important answers for the “need to find solutions for an economic initiative with a human face, that respond to the need for progress for society in Cape Verde.” However, he continues, “we must overcome the prejudice, which is absolutely wrong, that cooperatives are a ‘thing for poor people’, resurrecting the idea [...] that well-conceived and well-managed cooperatives can be an important and successful weapon in the fight against poverty” (Varela, 2010, p.11).

Jahier (2010) cites data from Fonteneau and Develtere (2009) and states that the majority of African cooperatives are in customer hands and operate in the agricultural sector, as well as in the credit sector. There are also active cooperatives in the sectors of construction, insurance and distribution. It is estimated that, today, about 7% of Africans are members of a cooperative (Pollet, 2009).

### **Mutual aid societies and other mutual assistance groups**

Mutual aid societies are mainly aimed at providing social services for their members and their families, by sharing risks and resources and operating in the arena of social protection; emphasizing health and funeral services. “The numbers and the ramifications are significant - it is estimated that at least 500 mutual societies operate in West Africa, reaching several hundreds of thousands of people,” according to Jahier (2010, p.4). Also noteworthy in this category are the organisations and/or similar groups, both formal and informal, that likewise operate in other sectors. That is the case of the *Tontines* in French-speaking Africa, the *Rotative Savings and Credit Association (ROSCA)* in English-speaking Africa, or the *Abota* (Guinea-Bissau), *Kixikila* (Angola) and *Xitique* (Mozambique), and in Portuguese-speaking countries of Africa, all of which will be presented in Chapter 6.

### **Associations and other community organisations**

Another very numerous group in Africa is made up of associations that operate in both rural and urban areas and in many sectors. The profile of these organisations is highly varied and includes voluntary organisations, community, non-governmental organisations (NGOs), and nonprofits, among others.

Ki-Zerbo, a historian from Burkina Faso defends these kinds of organisations, stressing that “there are community-wide investments, and a responsibility on the part of families, that are neither in the *private-private* capitalist sector nor in the nationalised economy” (2006, p.165).

The number of associations in the field of social economy increased exponentially with the democratic process in the 1990s, thanks to a better legal framework and relaxation of bureaucracy.

Highlighting the case of Guinea-Bissau, a typology of specific association has arisen in the north of the country: the *Filhos e Amici da Tabanca* (Lopes, 2012, p. 88) (translated as *children of the friends of the village*). These associations are important in several countries in West Africa (Fall and Gueye, 2009), as a result of the social concerns of the inhabitants of the communities. This is especially the case among the ethnic groups with modest economic power, and are created for the following purposes identified by Lopes (2012): 1) the recognition of unmet needs; (2) the recognition of the inability of the State to respond to these needs; (3) the recognition of the existence of means - though limited - which enable difficulties to be alleviated; (4) the very strong sense of belonging to a place and a community (p. 89). Animated by these objectives, these organisations which are funded by work within the community and by migrants from the community who live in other countries, try to respond to the following social problems: education, health and infrastructure, in particular roads that reduce the isolation of the village.

Special attention should be given to NGOs, which, in most cases, act as a bridge between Northern and Southern hemispheres. The great challenges for these organisations include: lack of autonomy, due to reliance on external funding; and the exportation (and often imposition) of the Northern model, without consideration of the different context in the South. This adversely affects work and impact in the field of developmental cooperation. Also of note is that these organisations are often the engine for the emergence of other social economy organisations, such as associations or cooperatives, since many of their projects include improving the skills of actors in the South so they might organise and access international funding. Thus, NGOs, especially in the area of development, can be considered drivers





of the transition from informal activities to formalised ones within the sector.

Barros (2012), a researcher from Guinea-Bissau, highlights this fact. Studies on associations of Guinea affirm that these organisations are focused on ends rather than means and generally work with formally constituted organisations. This has increased the number of formally constituted associations, both in the capital and in rural areas (p.74). However, he also warns of the danger of this, since the existence of specific lines of credit can contribute to emptying the associations of their own agenda of priorities, thus effectively taking control of them (idem).

### Social enterprises

Fonteneau and Develtere, citing Mori and Fulgence (2009) note that, in the case of Tanzania, and probably in most African countries, “the concept of social enterprise is not well known in Africa even by economic actors whose activities meet the criteria of social entrepreneurship” (2009, p.12).

### Foundations

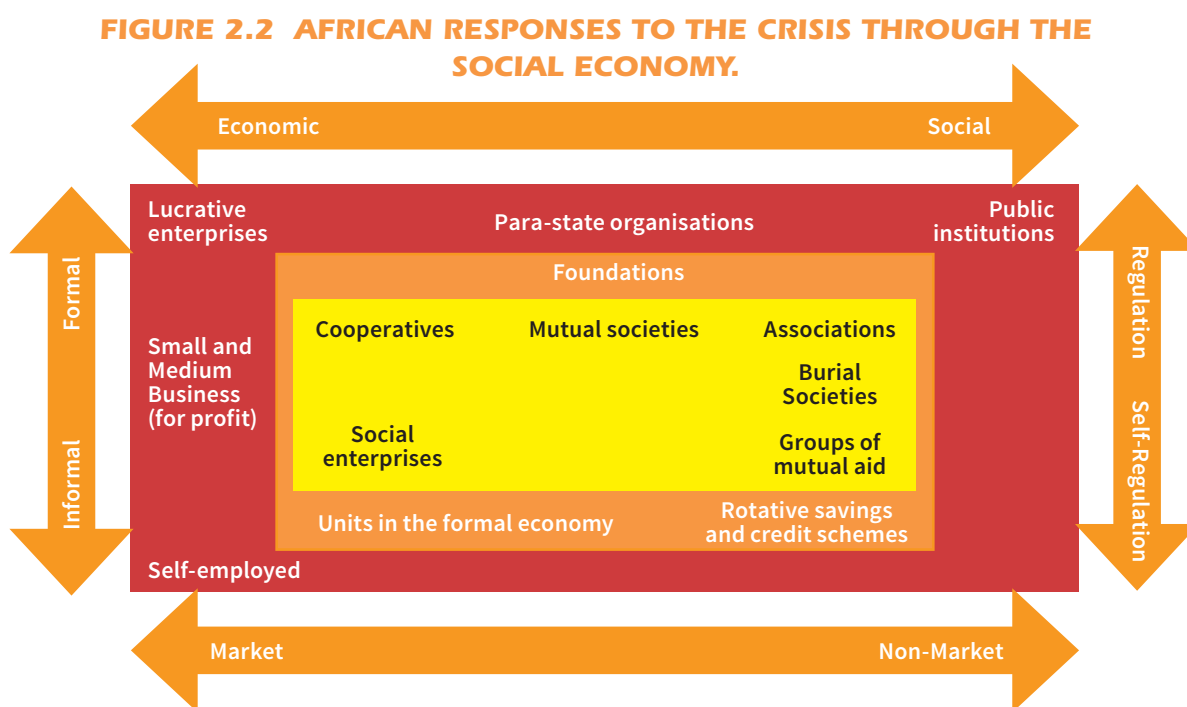
Fonteneau and Develtere discuss whether foundations should or should not be considered to be social economy organisations in several countries of the world, stating that this question has not yet been analysed within an African context. However, they con-

clude that “many foundations support social economy structures in Africa, and that in Europe, for example, they tend to be classed as social economy organisations” (2009, p.13). They also raise the question about the informal economy, considering its importance in the African economy, and its relationship with the social economy, concluding that the potential difference or relationship between the informal economy and the social economy will depend on the mission, values, and principles of governance of the organisation.

Figure 2.2 shows the economy in Africa: in the red area are the organisations that are not included in the social economy; in the yellow area are those which are clearly part of the social economy; in the orange area are those which need to be analysed case by case.

### Conclusion

By reviewing the literature it is understood that social economy organisations, whether formal or informal, have a significant economic and social impact in Africa. On the one hand, they create jobs and provide direct and democratic participation in the distribution of resources; on the other hand, intervening in society, particularly in the poorest areas where state interventions are rare, these organisations ensure access to goods, services and a degree of social protection for the most vulnerable groups, with a direct impact on reducing poverty (Jahier, 2010, p. 5).



Source: Fonteneau, B. & Develtere, P. (2009, p.8 , Adapted from Ninacs, 2002).



Assogba supports this idea by saying that two conditions are necessary in order for the African economy, which he calls the popular economy, to become a viable alternative: i) recognition of the popular economy in Africa as a unquestionable alternative form of growth and development for the African states, by transferring power to these organisations; ii) a new

relational model of solidarity among organisations of the social and solidarity economy in the North and South “(GESQ, 2001, pp. 20-21).

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## 2.3 DIALOGICAL SECTION

### Profile of organisations in the social and solidarity economy

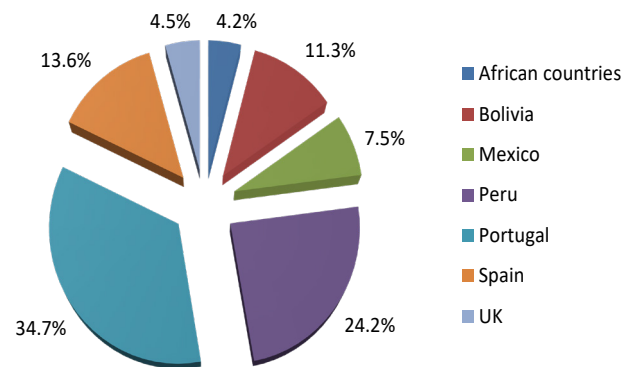
#### Field study in Africa, Europe and Latin America

Each University in the Project took responsibility for administering a questionnaire for a particular area, carrying this out via different university networks, co-operatives, local social enterprises, etc. The very fact that the areas are so different provides an opportunity to present a wide spectrum of activity which can show the directions of the social and solidarity economy (SSE) at an international level. Members of just over 1000 organisations completed the questionnaire in the countries indicated below.

In Fig. 2.3 can be seen the parts of the world that took part in the questionnaire on identity and profile. The largest proportion of the questionnaires came from Portugal and Peru (with 37.4% and 24.2% respectively). These were followed by Spain (13.6%) and Bolivia (11.3%). Whilst the percentages for the other countries are lower, the data gathered has allowed us to carry out a detailed study of each, and so the remainder of the diagrams feature only one country, with the exception of the African countries (Mozambique, Guinea Bis-

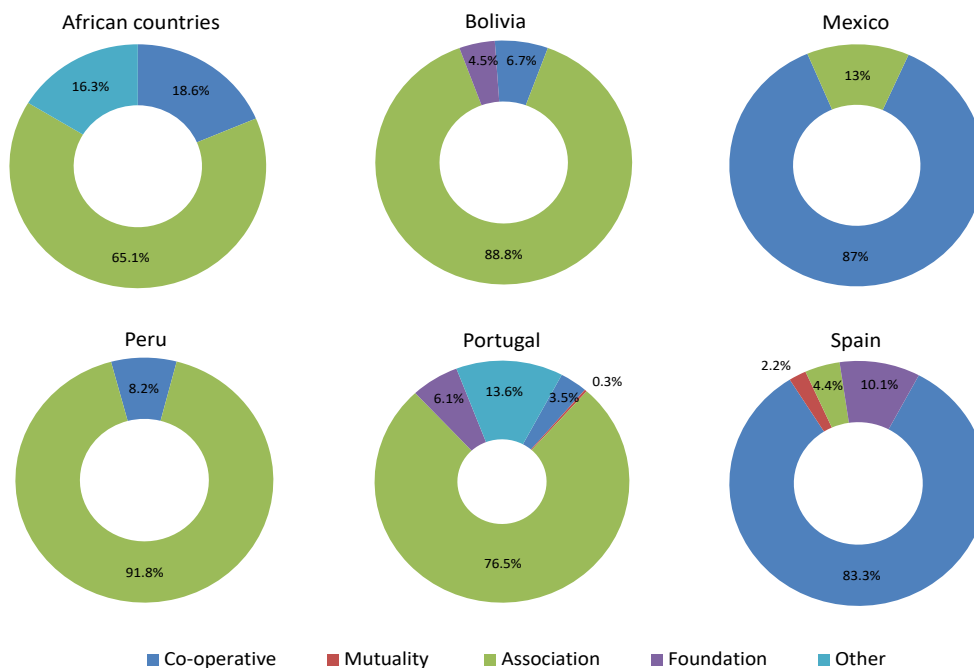
sau, Cape Verde and San Tome) for which an insufficient number of responses was obtained to the survey to consider them separately, but as they share a common profile they have been analysed together.

Fig. 2.3  
**Origin of the organisations that completed the questionnaire**



In terms of the legal status of each organisation, in Fig. 2.4, it is understood that, as in the African countries, countries like Bolivia, Peru and Portugal most organisations prefer to classify themselves as associations, whereas in Mexico and Spain, the term cooperatives is preferred.

Figure 2.4  
**Legal status (African countries, European and Latin American countries with the exception of the UK)**



The fact that the majority of the organisations of the African countries are legally constituted as associations (65.1%) or as cooperatives (18.6%) is due to the fact that, in these countries, the options are limited within the SSE domain. Through carrying out our study, we have identified a large number of informal groups – that are not established in a legal sense – and NGOs that can also be included in the term ‘associations’. As a result, the percentage which corresponds to those organisations that have declared themselves belonging to another legal status, makes clear the need for more classifications which might cover the range of organisations in a particular country.

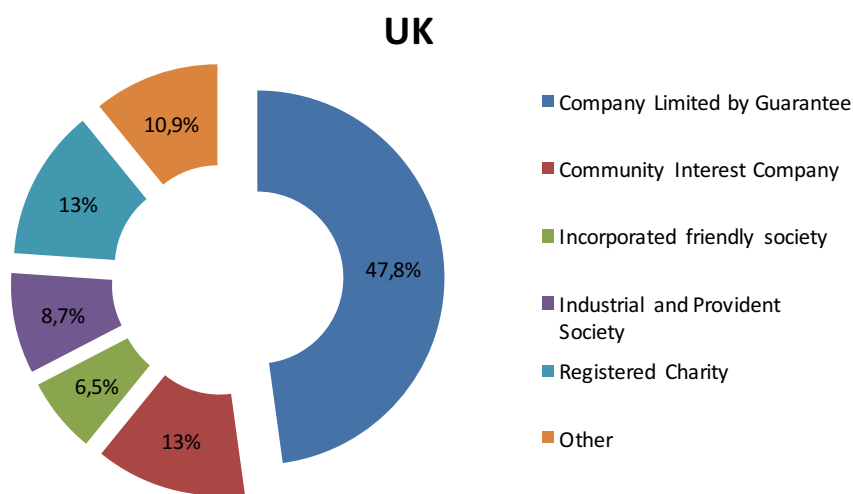
Something similar occurs in Portugal where the legal status of SSE organisations are limited. In this study, we have been able to determine that, at the present time, the legal status used to classify most of the Portuguese organisations has remained the same as decades ago. The high percentage of associations (76.5%) is also due to a peculiarity in the Portuguese

system: the existence of what are called Private Social Solidarity Institutions (IPSS according to the Portuguese acronym). These institutions are to be found throughout the country and can have very different goals, although almost all of them are in the areas of social support where the State either cannot or does not want to intervene in a direct way.

As for the other two countries in which the association is the legal status that dominates (Bolivia and Peru with 88.8% and 91.8% respectively) it is important to point out that, in most of the Latin American countries, the State encourages the creation of associations in order to undertake collective actions such as the fight against poverty.

Whilst for the above mentioned countries it has been possible to find equivalent terms for the legal status, in the UK this has not been possible. As a result, the percentages corresponding to each have been represented in the following diagram thus:

Fig. 2.5  
Legal status (UK)



Historically, the British government has used a wide variety of terms to describe the legal status of social and solidarity organisations (a little known term in the UK where terms such as ‘social enterprise’, ‘cooperative’, ‘charity’ and ‘third sector’ are better understood as general concepts). Organisations can adopt a particular legal status and combine it with that of a cooperative or that of a charitable organisation. This allows them to have both a commercial identity (a *trading*

*arm*) and a non-profit identity within the same organisation enabling it carry out commercial activities at the same time as raise funds from donors. Furthermore, it is worth pointing out that some of these legal classifications are used by institutions of very different sizes. Amongst the organisations surveyed, there were small social enterprises with fewer than 10 employees right up to large financial institutions classified as co-

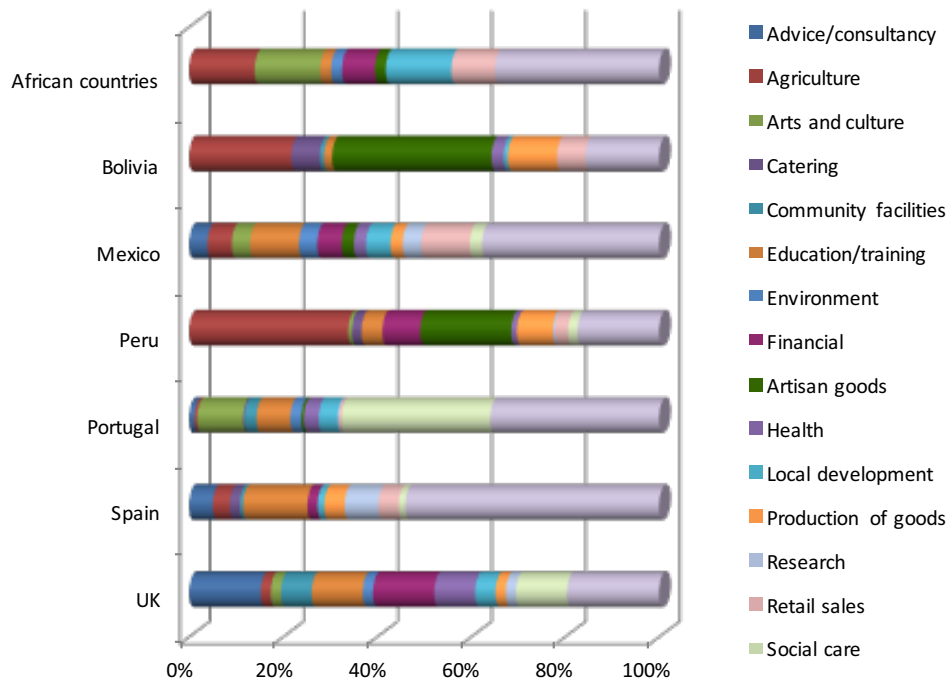


operatives or mutuals with annual incomes in the millions of Euros.

In terms of the main sector in which the organisations included in the survey were operating, 37 sectors were

considered. In Fig. 2.6 only those that are present in most of the countries are included so as to identify the areas in which the social economy organisations in the different countries operate.

Fig. 2.6  
Principle sector



In African countries the main areas of activity for SSE organisations from which data has been collected are agriculture (and activities resulting from this), art and culture and local development (they represent about 45%) which correspond to the traditional sectors of those countries. The fact that agriculture continues to be the main area of activity may be due to the tendency to want to preserve the traditional values, encouraged often by funding from other continents. As for local development, it is sufficient to say that it covers a range of different activities. It is also relevant to point out that the percentage corresponding to other sectors, 25.6% of the organisations surveyed do not correspond to the 37 sectors identified, which is a large number, clearly demonstrates the diversity in terms of SSE and the need to continue research in this area, paying particular attention to those countries that up to now have not been studied extensively such as the African countries.

SSE organisations in Bolivia and Peru are located in different sectors of the economy, from subsistence agriculture right through to organisations which are tied

to the international market (e.g. the Peruvian cooperatives for the production of coffee, maize, cocoa and other products). The sectors where there is the highest concentration is agriculture followed by the artisanal where more than half the Bolivian and Peruvian organisations operate (55.6% and 53.3% respectively). The financial sector in Peru stands out with its savings bank cooperatives and municipal savings banks as does the industrial production in Bolivia.

If we focus our attention on Mexico, it can be seen that the leading sectors are education/training and wholesale with 10.4% each. However, they occupy second and third position. The leading sector amongst the SSE organisations in Mexico is tourism with 27.2% which is not a sector in which many organisations surveyed work in the other countries and so is not represented in the diagram.

In Portugal, most of the activities carried out by SSE organisations are in the area of social action (31.6%) largely due to the characteristics of the IPSS which, as was mentioned above, these are deep-rooted or-

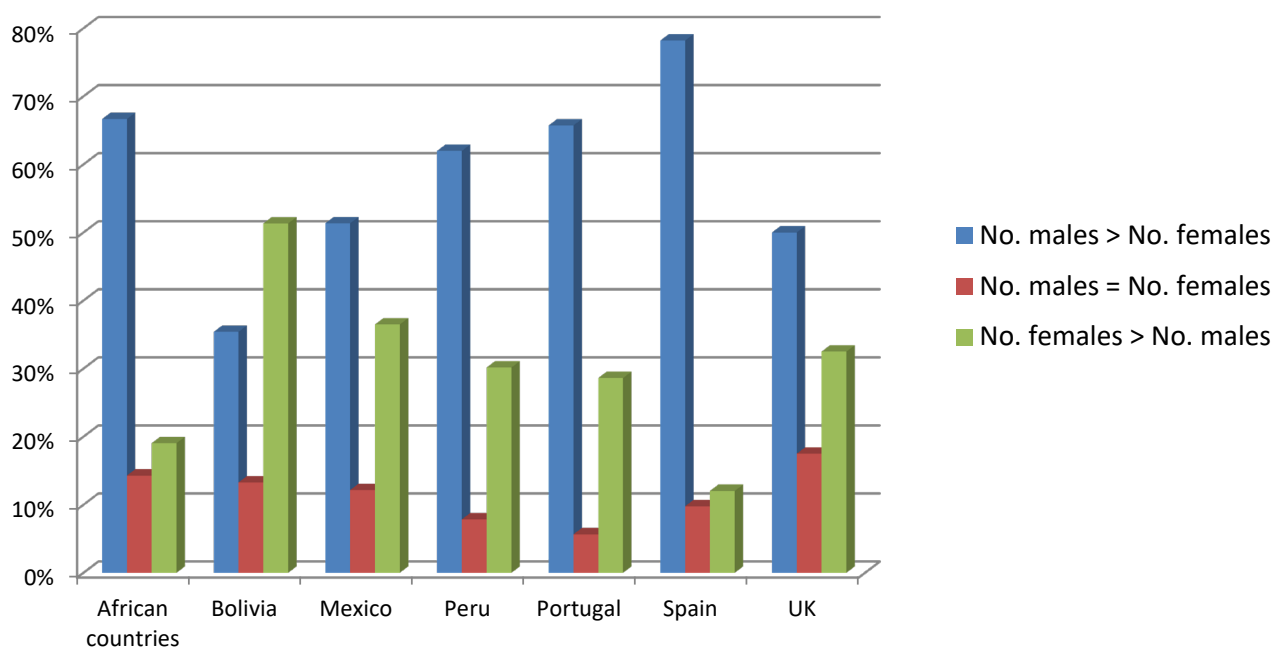
organisations within the country. It is also worth pointing out, although to a lesser degree, those organisations that are engaged in activities associated with the arts and culture (9.8%) as well as those dedicated to education/training (7.2%). There is also a significant percentage corresponding to other sectors, amongst which there are different types of organisations which are related to leisure or associations of voluntary fire-fighters. These are peculiar to Portugal.

In the case of Spain, whilst the percentage of SSE organisations working in the education/training sector is worth pointing out, what deserves more attention is that of manufacturing, being the principal sector of those companies surveyed in the country (24.5%) since it is uncommon in the other geographical areas in the survey.

As for the UK, the sectors where there are the highest concentrations are consultancy (15.2%), finance (13%) and education/training and social action both with 10.9%. There is also a high percentage engaged in the health sector (8.7%). In addition, although less significant, several organisations are committed to local development and others who offer opportunities for work and training for those who have difficulty accessing the labour market. These are focused on the production of goods.

If one of the aims of the present study was to analyse the role of the woman in the SSE sector, in Fig. 2.7, it can be seen for the different countries whether it is common for the number of women who are part of the management exceeds that of men.

Fig. 2.7  
**Workers on the Board of the organisation**

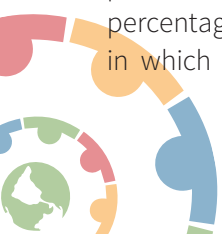


Except in Bolivia, in all countries there are more SSE organisations in which the board members are made up of more men than women.

The statistics for the African countries that have been obtained in this study (67% of men occupy management positions) resonate with the problems that African women have traditionally faced in arriving at positions of power in whatever domain. Besides, the percentage corresponding to those organisations in which women have a greater presence in terms

of posts of responsibility (19%) should not be taken lightly since, in this case, it refers to organisations for the promotion of gender equality or women's associations.

In Mexico, the percentage of organisations in which the number of men in management positions is higher than that of women is also the highest with 51.4% and at the same time it is also the country in which there is the least variation. This difference is greatest in Peru where 62% of organisations have male managers or





board members above all in the financial sector and manufacturing cooperatives. The number of women who occupy posts of responsibility is greater than that of men in 30% of Peruvian organisations. This is especially in the area of artisanal production and the small scale agro-fishery production and change areas. These are areas where women work together to support the family income.

The difference observed in practically all countries, with the predominance of men in management positions, is even more marked in Spain where 78.2% of the SSE have more men than women in management positions.

The perspective found in the public and private enterprises in Portugal, as far as equality of opportunity is concerned in terms of access to management positions, there does not appear to be a change when we look at SSE organisations. The study reveals that in 65.7% of the organisations surveyed there are more men than women in positions of responsibility. It must be noted that although the number of women who are working in the social sphere is greater than that

of men, the boards continue to be made up of mainly men.

In the UK, almost 50% of the organisations surveyed have more men than women on their boards. This predominance of males is very noticeable in mutually managed financial institutions, although in other types of organisations, the dominance of one gender over another is not noticeable.

Finally, Bolivia deserves a special mention. It is the only country out of the countries studied in which more than half of the organisations (51.3%) have more women than men on their management boards.



## 4. PRACTICAL CASES

### 4.1 NATIONAL FARMERS' UNION (UNAC), MOZAMBIQUE

#### Rational objectives

- To identify the values of the National Farmers' Union (*União Nacional de Camponeses, UNAC*).
- To analyse its role in the African economic context.
- To understand how it operates and the identifying features of UNAC.

#### Experiential objective

- To be aware of the specific role of UNAC in combating poverty.

#### Context

Mozambique gained its independence in 1975 and saw civil war until 1992, between supporters of the two major national parties: FRELIMO, which had led the fight for independence, and RENAMO.

After independence, the transition government led by FRELIMO created "Machamba do Povo" ("Land of the People"), collectives which, according to Ismael Ansumane, honorary president of UNAC, aimed to "break elitist power, setting engineers side-by-side with peasant farmers, uniting them as Mozambicans to fight for and develop their country." These collectives introduced ideological cooperativism to Mozambique, to the extent that "there came a time when farmers and peasant families identified in their minds the cooperative as part of the State, of the Party."

After the Rome General Peace Agreement put an end to the civil war, however, capitalism and the market economy gradually emerged as the predominant model.

"In the context of a liberalised economy and the coming ideological multi-party system", Ismael explains, UNAC became official, with the aim of "building farmers' consciousness internally" and inciting active participation in a "completely non-partisan movement", to achieve development in Mozambique.

#### Content

<http://www.unac.org.mz/english>

UNAC was started officially in 1994, despite having existed since 1987, and not "in the charge of the Government or of FRELIMO" as was the case with cooperatives, but "on the initiative of farmers themselves", in order to take on a key role in building a fairer and more prosperous society of solidarity (the organisation's mission).



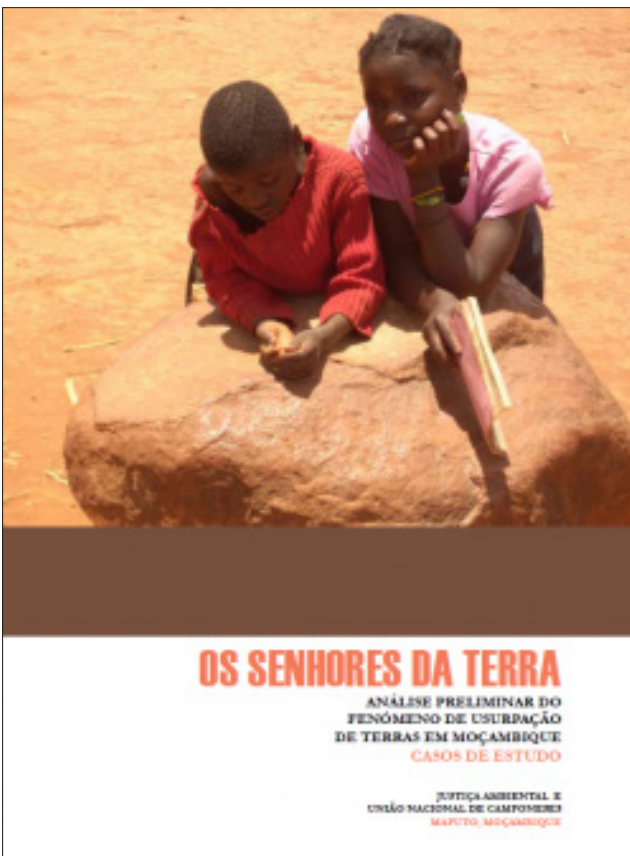
The movement operates throughout the country and does not want to be recognised as "the organisation that works to support farmers" but rather the organisation that fights for "peasant farmers to be the protagonist in something". Its general aim is to "represent farmers and their organisations to guarantee their social, economic and cultural rights by strengthening farmers' organisations and participation in defining public policy and development strategies with a view to guaranteeing food sovereignty, always taking youth and gender equality into account."

All farmers, whether or not they have formed associations, cooperatives or another form of local organisation, can be members of UNAC, without discrimination on the grounds of skin colour, race, sex, ethnic origin, religion, level of education, social standing, physical or mental health, or political views.

UNAC is organised into Provinces (Provincial Unions) which in turn are composed of various districts. These member organisations represent the union and the unity of farmers in a common strength and vision, making the movement visible and active, in different physical spaces and in the country's development policy framework. UNAC currently has 86,000 individual members, grouped into 2,122 associations and cooperatives. These in turn are organised into 83 district unions, seven unions and four provincial hubs. UNAC's commitments are as follows:

- Access to and control of land for farmers;

- Strengthening of farmers' organisations;
- Defence of common goods (water, seeds, environment, biodiversity);
- Active participation of farmers in policy-making processes;
- Promotion and development of local markets;
- Active participation of women and young people in the national political agenda;
- An increase in awareness and strategies in the fight against HIV/AIDS;
- Political and organisational training for farmers.



The profile of UNAC collaborators has changed over the years but have always been characterised by their commitment. Ismael Ansumane accepts that “gradually we had to go looking for young people who had some academic training or intellectual capacity, activists but also civil servants. UNAC needs civil servants but those who

are activists, who we can identify with” and who are in tune with “the identity” of the movement.

UNAC has fought for recognition, from society and the State, of the important role this section of society - peasant farmers - undertakes. It has done this through a dialogue promoting the spread of joint action that identifies with farming support policies. To reinforce this fight, UNAC became a member of Vía Campesina, an international farmers' movement, and is a member and collaborator in several forums nationally (e.g. Women's Forum) and internationally (Community of Countries with Portuguese as an Official Language).

One example of UNAC's biggest fights is the right to land. It is a fundamental concern in a region where this represents the population's essential survival tool as the people live basically on what they produce. In 1997, in the process of Land Law revision, UNAC managed to make itself heard and had a part in securing access to land for the Mozambican people. Article 3 of Law no. 19/97 states that “the land is the property of the state. It is a universal means of wealth creation and the social well-being of the whole population. It is for the use of the people and may not be sold, transferred, mortgaged or seized.” According to this legislation, it is the Mozambican State which establishes the conditions of land use. However, it has led to a surge of land occupations and the relocation of people due to the monopoly of foreign business under government or local authority protection, to the detriment of communities. The consequence of this forced displacement is often total abandonment of the area, leaving families without the means on which to survive, or a place to work.

In 2011, UNAC published the book “Men of the Land: Preliminary analysis of the land grab phenomenon in Mozambique”, with the aim of denouncing the large projects set up in Mozambique in the agribusiness, tourism and mining sectors which are creating more and more conflict and aggravating the poverty, shortages and vulnerability of rural communities.

### Questions for discussion and action

- What three things struck you most about the case study? Why?
- Reflect on the importance of movements representing a social group and on their organisational models.
- Search on the UNAC website to find out the role of women in the organisation.
- Identify the main successful features that mean UNAC achieves its mission and fulfils its objectives.

### resources

#### Video

UNAC - The National Farmers' Union in Mozambique (with English subtitles):

<https://www.youtube.com/watch?t=24&v=gYqUKfGqryE>

#### Other resources

The United Nations in Mozambique:

<http://www.mz.one.un.org/eng/Como-Trabalhamos/As-Nacoes-Unidas-em-Mocambique>

Case study elaborated by Inês Cardoso, Centro de Estudos Africanos, Universidad de Oporto in collaboration with the York St John - Erasmus Social and Solidarity Economy Consortium.



## 4.2 YOUNG APPRENTICE FARMING COOPERATIVE (COAJQQ), GUINEA BISSAU

### Rational objectives

- To identify the mission and the objectives of COAJQQ.
- To recognise the essential role of COAJQQ in its community.
- To learn COAJQQ's strategies for achieving financial sustainability.

### Experiential objective

- To understand the importance of holistic intervention on the part of a social and solidarity organisation in serving the community

### Context

The Young Apprentices Farming Cooperative, COAJQQ, started in 1998 in Guinea Bissau, in the city of Canchungo in the Cacheu region. The initiative was created by a group of three young graduates, from Cuban universities, in agronomy, forestry resources and veterinary science. The initiative came from a feasibility study carried out by the group, which concluded that it would be of use to the region to start a project in agriculture, given the country's potential in that field.



Working in a region that is very isolated, with no connections to the rest of the country (two bridges, João Landim y São Vicente, have now been constructed and mobility is easier), the study had to be carried out very carefully.

Despite these restrictions, the group decided to continue, aware of the agricultural potential the northern region represented for Guinea Bissau.

The main area of activity for the cooperative is Food Security and Sovereignty (in fishing, livestock and agriculture), and trying to unite development culture. These are all matters which, according to Leandro Pinto Júnior, executive director of COAJQQ, “are insepara-

ble”. COAJQQ’s main members are farming and fishing groups and associations.

### Content

#### Mission and objectives

COAJQQ’s mission is “to join forces to support communities and try to give them the skills to produce and manage their projects,” because, as Leandro Pinto Junior attests, “community is the primary material.” Their main objective, then, is to include the whole community by way of active participation, always with the particular interests of each organisation in mind. COAJQQ aims to contribute to profitable, diversified and sustainable agriculture that responds to the needs of the country’s population.

They try to foster an increase in agricultural productivity, the development of new competences for peasant farmers and the improvement of the population’s eating habits, always preserving the region’s cultural and environmental characteristics. It is hoped that improvements in agricultural viability, the capacity to take products (both processed and unprocessed) to market and management skills will diversify and increase family incomes and increase their chances of subsistence and of investment.

The work of COAJQQ is recognised by the community, which is directly involved in the cooperative, and by government representatives. But in order for such recognition and trust to exist, “huge dedication and transparency is necessary within the organisation; an enormous effort must be made because transparency and good management are an essential model to follow.”

#### Action in solidarity

COAJQQ has always had a very clear social and solidarity dimension in its sharing of resources, knowledge and technical competences - the training they provide for community good and societal enrichment, for example.

The solidarity model is also evidenced by the inclusion of women from other associations. Space is opened up for them to participate in training, to have the chance



to put new knowledge into practice (making the most of fruits by turning them into jams, for example) and to use COAJQ's technical means. It is all about reciprocity: "we involve women from other associations who come to participate in the training .... They come here to learn but they also contribute their labour during the training day."

COAJQ also accepts volunteers, who are involved in the activities. It is expected, however, that the volunteers can really offer added value, and therefore the voluntary work must be carried out in areas which the cooperative sees it is lacking or that need developing. "We ask for help in those areas where the cooperative's needs are greatest, so the cooperative can be strengthened," Leandro Pinto Júnior explains.

## Financial and economic sustainability

### • Production and marketing of goods

The goods the cooperative produces, from making drinks and jams out of fruit to poultry breeding or the use of fruit trees (lemons, guavas, palms) produced by COAJQ in nurseries, are not only for selling but also to demonstrate the possibility of diversifying the community's diet. The cooperative also aims to make a profit from cashews, as an alternative to chestnuts, also using the fruit which is of no interest to the very lucrative cashew trade. Among the products derived from cashews are juices, jams and champagne; this surprising inclusion is not yet widespread and indicates the great innovation of the organisation). The cooperative also sells seeds and other supplies that, before COAJQ was founded, had to be bought in the capital, which increased peasant farmers' production costs.

Production takes into account the volume absorbed by the market, reaching some parts of the Cacheu region (Canchungo and São Domingos, for example) as well as the capital, Bissau. The products can be found in supermarkets, petrol stations and the Bissau shop 'Cabaz di Terra'. This shop, a collective space run by various Guinean social and solidarity economy organisations, acts as a display of the products of Guinean biodiversity, strengthening social capital between organisations.

### • Services

This is an area that has been part of the organisation since it was founded. The cooperative offers services to 39 associations in the field of food security and sovereignty, with 2,145 peasant farmers and 133 fisherfolk as members. Mechanical hulling of rice, hiring out the Rotavator and technical support are very important funding sources. It is interesting to note that often these activities create non-monetary benefits as a result of direct exchanges. As well as giving peasant farmers access to these services, COAJQ stocks up on primary materials to use in processing. Technical training is another important source of income for the cooperative. The radio station 'Uler a Band', as well as the free service of cultural enrichment and information it provides to the community, it also sells airtime for advertising products or communicating the activities of other organisations, such as international development NGOs, for example. COAJQ is also supported by member fees.

## Future concerns and challenges

The greatest concern will continue to be food security and sovereignty and the development of farmers' competences. It is important, therefore, to increase training opportunities, transmitting basic knowledge that improves production output and knowledge of the internal market. Training and supporting peasant farmers is seen as a very important project that must be continued. Modernisation of production methods and techniques would also be beneficial. To do that, "high quality horticultural seeds and genetically improved - and therefore more profitable - bird species" must be obtained, Leandro Pinto Júnior explains.

COAJQ runs an agricultural space in which it attempts to diversify the community's dietary options and the profitability of poultry breeding, growing fruit trees and horticultural products (using modern techniques such as drip irrigation). COAJQ hopes to transform the farm into an agronomy school with a very practical approach, which will guarantee access to the region's peasant farmers, who may be teachers as well as students, transferring their skills and demonstrating that scientific knowledge is just one type of knowledge that serves development, and not the only one.





### Questions for discussion and action

- Identify the main objectives guiding the work of COAJQ.
- Give your opinion on the strategies COAJQ uses to guarantee its financial sustainability. Suggest others that could be used.
- Analyse COAJQ's policies and evaluate them according to the principles of the cooperative movement.
- Choose one of the future challenges identified by COAJQ and comment on it, suggesting how it could be overcome.
- Search online for alternative teaching experiences in which teaching is based not only on academic qualifications but on experience. Give your opinion on these and relate them to the values of the social and solidarity economy.
- What solidarity and/or support actions would you be prepared to carry out in order to support initiatives such as COAJQ and what would you do to implement them, with the institution's permission?

Case study elaborated by the York St John - Erasmus Social and Solidarity Economy Consortium in collaboration with Leandro Pinto Júnior



## 4.3 HOLY HOUSE OF MERCY, VIANA DO CASTELO, PORTUGAL

### Rational objectives

- Identify the specific characteristics of the Holy House of Mercy
- Analyse the procedures/practices of the Holy House of Mercy, Viana do Castelo
- Relate the characteristics of the Holy House of Mercy at the present time to its history and its links with the Catholic Church

### Experiential objective

- Raise awareness of the specific characteristics of the Holy House of Mercy

### Context

The houses of mercy were founded in the reign of Manuel I (1495-1521) at a time of great prosperity for Portugal. The first was founded in Lisbon on 15 August 1498 (the feast day of the Assumption of the Virgin Mary to Heaven) with the support of Queen Leonor. The houses of mercy arise from two basic sources: its links with the catholic church reflected in the iconography of the Holy House of Mercy in which the people are shown protected by the protective mantle of the Virgin Mary and its links with the local elite supported by privilege and royal protection which turned them into local centres of power in the kingdom.

The organisation is based, from the outset, on a strong appeal to charity according to the 14 works of devotion and mercy set down in the Christian catechism. Its finance came, apart from its support from the Crown, from the bequests of benefactors who, at the time of their death, and to atone for their sins, left large inheritances to the institution.

Towards the middle of the 18C, the management was in the hands of senior government officials and represented the main way in which social action was carried out by the Portuguese Crown. Having undergone a great deal of turbulence and difficulties during the political changes of the 19th and 20th Century in Portugal the houses of mercy survived maintaining

their charitable nature and their links with the Catholic Church.

In 1977, the Union of Portuguese Houses of Mercy was founded (UMP according to the Portuguese acronym)



recognising its autonomy and freedom of action which only has to meet the needs of the State. According to the UMP publication in 2000, there are approximately 384 houses of mercy which uphold the Christian spirit but, in practice, they are adapted to the 'current

forms of protection and social solidarity which respond to the human desire for dignity'.

A large number of them have wider action teams whose objective is to respond to new social needs, especially poverty, as well as other problems. Furthermore, it is worth pointing out that today the houses of mercy are involved in a range of services (cultural services, holiday camps, professional workshops, leisure and free time activity, crèches, care homes, etc.). According to Sá e Lopes (2007, 'it is not surprising that houses of mercy are, in many towns, the most dynamic institutions, the biggest employers, and continue to be centres of power and social affirmation'.

### Content

### History

The Holy House of Mercy of Viana de Castelo (SCMVC) was founded in 1521 and is presently linked to the IPSS, the Social Solidarity Institution. In keeping with all the houses of mercy, its mission was to carry out works of mercy, in particular provide for the social needs of the Viana do Castelo municipality. At the present time, its social commitment amounts to the following: two care homes and social support to the elderly, two crèches/kindergarten, a community canteen and a home help service. The services provided

are those that one would expect in such provision: accommodation, hygiene, food, laundry, first aid, social support, entertainment and wellbeing.

As is typical in houses of mercy, that of Viana also has a rich heritage with a particular importance for the Church of Mercy. Its vision, mission and values (referred to below) are intrinsically linked to its historical-religious origins and it is proud of this identity associated with serving and being linked to the people with its role of supporting and providing help and social protection. Manuel Gomes Afonso, the current head of the Holy House of Mercy of Viana do Castelo confirms this mission and this need for service claiming strongly that what led him to accept the role of head was the need to find fulfilment through service to ones neighbour (“to make it happen and to be part of the change”) stressing at the same time the voluntary nature of these motives: “These important tasks are not remunerated. Were they to be, I am sure that the identity of the institution would change”.

### Vision

The Holy House of Mercy of Viana do Castelo claims to be an institution that responds to social needs appropriate to the demands of the citizens and residents of Viana do Castelo. It aims to find solutions to new social problems and to be governed by continuous improvement.

### The difference between SCM and other social economy organisations and its challenges

The history of the houses of mercy gives them a very distinctive character. Its work is always imbued with a traditional, caring spirit based on the doctrinal and moral Christian principles. The term itself Misericordia derives from the latin misera meaning pity and cordis meaning heart. It is intrinsically linked to the main objective of helping people who are the victims of spiritual or material poverty or suffering.

This history and particular character can, on the one hand, be positive, projecting a clear image of a ‘credible, ideal past of generous dedication to helping ones neighbour, giving the benefactor the certitude

### Mission

The Holy House of Mercy of Viana do Castelo has as its mission to protect and support the people and resi-



dents of Viana do Castelo, from childhood thorough to old age through social actions that bring about improvements in their quality of life. We count on the support of responsible people committed to sharing who lend their services to meet the needs and expectations of the individual. We recognise the importance of associations which provide an interdisciplinary bridge for community intervention.

### Values

The Holy House of Mercy of Viana do Castelo is inspired by the 14 works of mercy, guiding its action according to the following values: solidarity, Christian values, equality, justice, trust and honesty, social responsibility, professionalism and rigour, seeing the humanity in all, individuality and dignity, continuous improvement and protecting the environment.

that what was given will be put to good use’ (Manuel Gomes Afonso, Head of the SCMVC). On the other hand, it can produce a problem of inflexibility and resistance to change. Manuel Afonso underlines the fact that amongst the current challenges facing the SCM, is the need for new ways of raising funds. He states: “There was a long tradition in which the Holy Houses lived on donations from benefactors who, to emphasise their importance and atone for their sins, left large inheritances either in their wills or in donations”.

Today, the Holy Houses live off the estate rents which also sets us apart from other organisations since it of-

fers a degree of sustainability in spite of the high maintenance costs. Another challenge mentioned, which threatens the very identity of the institution is its high dependence on state agreements “which means that almost only those projects which correspond to State financial priorities are put into place”. This factor stifles creativity, innovation and limits the identity of the institution, sometimes giving rise to a certain “passivity and acquiescence” which often stand in the way of initiatives which might better address the current needs of the people.

This is a concern that Manuel Gomes Afonso makes clear: “The SCM should be more responsive to current

problems and meet its social needs”. In particular, it should meet the needs of that sector of the population that needs particular training in order to learn and be able to access the job market. This is a problem that Portugal is facing in the current crisis.

The houses of mercy are also specifically linked to the church, which gives them a unique character and legal status. As the Head of Holy House of Mercy of Viana do Castelo states: “The statutes and the elections of its officers have to be approved by the bishop of the dioceses and obey the jurisdiction of the Concordat between the Holy See and the Portuguese State”.

### Themes for discussion and action

- Identify some of the key characteristics of SCM.
- Reflect on how the SCM might show more initiative whilst maintaining its key characteristics.
- Link current social economy organisations with their historical footprint and the importance this has for houses of mercy in this context.
- Identify the impact that historical-political-religious links have for the services that the houses of mercy provide today.

## 4.3 THE MEANING OF THE MONDRAGON 'EXPERIENCE'

### Rational objectives

- To identify the founding principles of the Mondragon Group's identity.
- To place importance on regular revision of identifying principles within SSE organisations.
- To understand the central tenets of the Mondragon Group's identity.

### Experiential objective

- To value the need for collective consideration of how the principles that make up the identity of SSE organisations are (or are not) put into practice.

### Context

At the beginning of the 2000s, the Mondragon Group, better known at the time as the Mondragon Cooperative Corporation, was developing its economic success at an international level, overcoming the challenge of tougher and tougher competition and an ever more globalised economy.

This economic success, however, was not enough for the Mondragon Group. A debate sprung up at the heart of the corporation as to whether this trajectory was in fact moving away from the essence of the group.

### Content

In May 2003, the 8th Mondragon Group Conference took place. There was a clear need and desire to reflect on the meaning of the Mondragon Cooperative Experience (MCE). Meetings were held with the presidents of all the corporation's cooperatives and each gave their opinion on what had been achieved up to that point, his impressions of the current situation and the future meaning of Mondragon cooperativism. One of the conclusions drawn from these meetings was that it would be beneficial to open the debate to the collective and encourage participation from every cooperative body in a similar process of reflection.

The discussion process that opened up after the conference and the thoughts of the presidents led, by the end of 2005, to an updated view of the general feeling towards what future the Mondragon Group wanted to see and how to get there. The concern expressed by the Permanent Committee in 2003 was brought up at the outset of this reflection process; among other things,

the plenary asked if "we are moving away from what is the essence of the experience", suggesting a debate that would provide answers to that question.

The presidents of the cooperatives were the first to carry out that debate. Specific meetings in small groups saw an initial analysis that informed the framework of subsequent debates. The key comments were as follows:

- Cooperative identity is being lost, proportionally with business advancement. The marks of our identity lack conviction. A need to consolidate what we are and the difficulty of maintaining efficiency over time without an additional motivation were noted.
- Cooperative ideology must be updated, and made more appealing to all but especially to new generations.
- Our cooperative experience is based on a socio-entrepreneurial system created by and for people. We must work, therefore, on participation at all levels of the organisation.
- We can and must continue to collaborate for societal transformation, aspiring to a model with greater self-direction and solidarity.

The contributions made by the presidents confirmed the analysis made by the Permanent Committee, noting the need to revive the sense of the cooperative. In response to that need, and taking the corporation's values and basic principles as a starting point, three strands of action were established:

- Cooperative education;
- Participation and cooperation;
- Social transformation.

This made it possible to extend the debate on the meaning of the experience to the cooperatives themselves, with a level of participation unprecedented in this type of reflection process. Nearly 2000 people contributed in the first instance and this could be contrasted with the action plans of the governing bodies and management of the Group in the final stage.

The selection of these three strands was due to the decisive nature each of them had in the development of the MCE. This narrowing down meant analysis and con-



clusions were more easily made, without prioritising other areas which would require a different emphasis. The ideological and practical basis, however, continued to be the one formed by the Basic Principles of the cooperative experience, the mission and the corporate values, as well as what the Mondragon Group usually calls its “Inspiring Philosophy”.

A large-scale debate then took place at the heart of the Mondragon Group on the shaping of cooperative identity.

As previously mentioned, the focus of the debate was organised into cooperative education, participation/cooperation and social transformation:

### Cooperative Education

This has been fundamental in the origin as well as the development of the MCE. It was the educational seed sown by priest José María Arizmendiarieta, founder of the Mondragon Group, that made the subsequent growth of the cooperative movement possible. The cooperative education of the first few years provided an excellent fertiliser for the cooperative project. “There cannot be cooperation without cooperators; and there will only be cooperators if they are trained. One is not born a cooperativist, one becomes a cooperativist through education and practising the rules of the game of cooperation.”

In recent decades, there has been a notable growth of support for education and technical training (at the University as well as in the business itself), while cooperative education has been relegated into second place, despite it’s clearly being among the Basic Principles of the group.

### Participation - Cooperation

The Mondragon Group is recognised worldwide as a unique experience of worker participation, and this is considered to be one of its competitive advantages. It is a much-written case study and a model to imitate, a successful business experience based on participation and cooperation. This recognition is valuable as it helps to create a public identity which, as well as being an important asset, constitutes a competitive advantage for the Mondragon Group.

### Social Transformation

Support for community development is where there seems to be a need for a greater effort in relating to the Mondragon Group’s surroundings. The cooperative presidents recognised in the discussion meetings that cooperatives are an important aspect of social transformation. They suggested, however, that the influence of the Mondragon Group on this transformation was not equal to its capacity. They also demonstrated that social transformation through community development was not something complementary to their work but rather *the critical objective of the experience*, noting that the group’s mission involves “creating wealth in society through business development and job creation, preferably in cooperatives.” The Mondragon Group model for approaching social transformation is to commit directly to those affected, with projects that ‘cooperativise’ their common needs and interests.

Therefore:

- **Cooperativising social needs is at once the objective of the Mondragon Experience and the tool for social transformation.**
- **This focus on social needs, alongside cooperativisation, is directed through a range of social concerns.**

In short, it means a commitment to the needs and interests of the community through cooperative structures. This is the origin of various different cooperatives (such as educational, consumer, credit or service cooperatives, associations, and mixed cooperatives) created during the history of the Mondragon Group.

It is also important not to lose sight of the historic use of Social Project Funding in the Mondragon Experience, both for supporting certain community development initiatives (mainly in education) and for reinvesting a portion of business profits into society through various collaborations.

From the point of view of social transformation, the Mondragon Group is pausing at this time in order to:

- **analyse existing social needs in the area**
- **analyse the possibility of cooperativising these needs**
- **encourage cooperativisation projects in these areas**





- collaborate with other community development experiences nearby
- revise the use and allocation of Social Project Funding

Everything mentioned in this reflection on the meaning of the experience has resulted in the creation of a model for corporate management which we introduce and analyse in chapter three of this handbook: Modus Operandi.

### Questions for discussion and proposals for action

- Why does reflecting on the meaning of the Mondragon experience equate to reflecting on the Mondragon Group's existence?
- What purpose does such reflection serve? How can such reflection lead organisations to operate in a very different way?
- Why does reflecting on the meaning of the experience pose questions as to the shaping of cooperative identity?
- What further questions would you ask the Mondragon Group directors about the reflection process they undertook in order to revise your own meaning of the experience.
- What proposals would you make within your organisation to reflect on how the values and principles behind it are practised?



## 5. PEDAGOGICAL ACTIVITIES

CHAPTER 2: THE THIRD SYSTEM OF THE ECONOMY	
<b>Title</b>	The third system of the economy
<b>Subject</b>	The social economy as a system includes a variety of economic actors that work in multiple areas of human interaction. There is cross-over between the systems and organisations in the social economy may have characteristics of other systems.
<b>Size of group</b>	Small groups of 2 – 4 people
<b>Time required</b>	90 minutes
<b>Learning objectives</b>	<ul style="list-style-type: none"> <li>▪ Be aware of the diversity of organisations within the third system of the economy.</li> <li>▪ Understand the different legal forms of organisations in different countries.</li> <li>▪ Map the organisations of the three systems which are located near the university</li> </ul>
<b>Competences</b>	<ul style="list-style-type: none"> <li>▪ Be aware of the differences between organisations in the 1st, 2nd and 3rd systems.</li> <li>▪ Be able to see similarities and differences between the systems.</li> </ul>
<b>Key words</b>	System, mental models, operating criteria, 1st, 2nd, 3rd systems, informal economy, black economy.
<b>Materials needed</b>	<ul style="list-style-type: none"> <li>▪ Photocopy of the Pearce diagram (2003) (Diagram 2.1 in this chapter).</li> <li>▪ A list of 3-4 organisations for each system (private, public, social), cut up so that each organisation is on a small piece of paper.</li> <li>▪ Pens</li> <li>▪ Paper</li> </ul>
<b>Instructions</b>	<p><b>1.Preparation:</b></p> <ul style="list-style-type: none"> <li>▪ Present the activity, explaining the importance of recognising organisations according to the system they operate in. Draw attention to the objectives and competences which the activity addresses.</li> </ul> <p><b>2. Steps to follow:</b></p> <p>2.1. Distribute one Pearce diagram to each group</p> <p>2.2. Describe the diagram, noting the structure of the circle: in particular how each system has its purpose and each concentric circle encompasses from small to large organisations; and the distribution according to whether they trade or not. Give and elicit examples of organisations known by the group.</p> <p>2.3. Give out the papers with organisations written on to each group. Ask the students to place the pieces of paper in the circle, in the place they feel is most appropriate.</p> <p>2.4. Afterwards, each group will justify their reasons for placing organisations in the place chosen.</p> <p>Ask the students to find out more about the organisations and make a comparison between them.</p> <p>2.6. If the students place an organisation in more than one system, they should justify this.</p> <p><b>3. Brief reflection about the activity</b></p> <ul style="list-style-type: none"> <li>▪ What caught your attention as you carried out the activity?</li> <li>▪ How easy or difficult was it to place the organisations within the system?</li> <li>▪ What differences were there amongst the group?</li> <li>▪ In the case of organisations begin in more than one system, how would you classify them?</li> <li>▪ What legal forms of organisations can you identify in the organisations mapped?</li> </ul> <p>Source: John Pearce (2003)</p>
<b>References</b>	Pearce, J. (2003) Social enterprise in Anytown, London, Calouste Gulbenkian Foundation
<b>Notes</b>	See also the InterncontinentalRIPeSS virtual library:
<b>Contact person</b>	York St John Consortium – socialeconomy@yorks.ac.uk



CHAPTER 2: ELENA, ISABEL AND THE BICYCLE	
<b>Title</b>	Elena, Isabel and the bicycle
<b>Subject</b>	Aspects of ownership
<b>Size of group</b>	Individually to start the activity and then in small groups.
<b>Time required</b>	Minimum 60 minutes depending on the versions of the story worked on in the activity.
<b>Learning objectives</b>	<ul style="list-style-type: none"> <li>▪ To build an understanding of aspects of ownership.</li> <li>▪ To reflect on the roles work and capital play in ownership.</li> </ul>
<b>Competencies</b>	<ul style="list-style-type: none"> <li>▪ Build an understanding of aspects of ownership (end point, use and profit).</li> <li>▪ Be able to reflect on and appreciate the roles fulfilled by work and capital in ownership.</li> </ul>
<b>Key words</b>	Aspects of ownership, work, capital.
<b>Materials needed</b>	The story in its various versions and the points table.
	<p><b>1. Story – Version 1</b></p> <p>The following story should first be read individually:</p> <p>ELENA needed a bicycle. She buys one for £40 but it is in very bad condition. She doesn't have space to keep it in the house so she locks it up outside.</p> <p>ISABEL lives near Elena and knows how to fix things. One day, Isabel sees the bike, asks about it and is told Elena has left it there. Isabel doesn't know Elena very well, but the next day she goes round and tells her she knows how to fix things and so on, and asks if she can fix the bike. She mentions that she sometimes needs a bike but doesn't have enough money to buy herself one. She adds that she has to earn a little money in the next few weeks, so could they come to an arrangement? Elena says yes, excellent, let's come to an arrangement. "But how much shall I pay you to fix it?" she asks Isabel.</p> <p>Isabel replies that she isn't sure, that she will have to think about it and let her know. But they never speak about it again. Every two or three days, Isabel works on the bike for a couple of hours. After a few weeks, the repairs are finished and she tells Elena that it just needs painting. The next day they get together and take it onto the street so Isabel can paint it. She is just finishing when a man who is passing stops to admire the bike. He suddenly looks at his watch and says "I'm in a real hurry right now but I love the bike and I'd like to buy it. I'll come back tomorrow and pay you £400 for it." He says goodbye and leaves hurriedly.</p> <p>AND THEN?</p> <p><b>2. Individual reflection and group debate</b></p> <p>Students must respond to the following question: what do you think will happen next? Will they sell the bike or not? Who has the right to make that decision, Elena and/or Isabel?</p> <p>The student's consideration should bear in mind that it is not a matter of finding the most likely response in that student's community, or what the law dictates. What is required is the student's opinion of what would be fairest and most correct in this situation – given the situation, who should have the right to decide?</p> <p><b>3. Introduction to the theory of aspects of ownership + Reflection</b></p> <p>The teacher should introduce theoretically the three aspects of ownership: (1) end point, (2) profit and (3) use. Once familiar with the theory, each student should respond to the following questions:</p> <ul style="list-style-type: none"> <li>▪ "Who should make the decision to sell the bike?" (Question on Aspect 1)</li> <li>▪ "Who has the right to use the bicycle?" (Question on Aspect 2)</li> <li>▪ "Who has the right to the profits of the sale?" (Question on Aspect 3)</li> </ul>



**Instructions for trainer**

Next, the student should fill in the following table (the row for Version 1) according to the instructions below:

		Scale				
Right to	Version of story	1	2	3	4	5
End Point	Version 1					
	Version 2					
	Version 3					
Use	Version 1					
	Version 2					
	Version 3					
Profit	Version 1					
	Version 2					
	Version 3					

Instructions for completing the table: Imagine a scale from 1 to 5. "1" means that ELENA (who bought the bike) should have 100% of the right to decide. "2" means Elena should have the final say but should first consult Isabel (who repaired the bike); she is ethically obliged to consult her. "3" means that, in the circumstances, Elena and Isabel should have the same rights; they should be members with equal rights and therefore, to make a decision, they must either agree amongst themselves or draw straws/toss a coin. A "4" means that ISABEL should have the final decision, but should consult with Elena. A "5" means Isabel should have 100% of the right to decide.

The student should choose a number between "1" and "5" and support their choice. Afterwards, there should be a group count to note in the table how many people have opted for "1", how many for "2", "3", "4" and "5" and a discussion around this. There is no correct answer; the aim is to discuss which is the fairest response from the ethical perspective of each student.

**4. Read version 2 of the story**

The students are presented with the second version of the story which is as follows:

In this second version the content is the same EXCEPT that rather than buying the bike Elena FINDS it abandoned and in bad condition. (Then Isabel fixes it etc, and the rest of the story is the same).

If the circumstances change in such a way, how would this affect your evaluation of what is fair and correct in each aspect of ownership?

Complete the table again (the Version 2 row, for each aspect) individually and then as a group. Discuss the changes in the scores.

**5. Read version 3 of the story**

The students are presented with the third version of the story.

In this third version, the content of the story is the same as the first version EXCEPT that Elena WORKED 10 hours one weekend cleaning her grandmother's house, her grandmother paid her £40 for her work and, afterwards, Elena bought the bike, Isabel fixed it, etc.

What is your opinion for each aspect?

Complete the table again (the Version 3 row, for each aspect) individually and then as a group. Discuss the changes in the scores.

**6. Final reflections**

To end the activity, the teacher should open a final discussion around this question: What general conclusions can you draw from this exercise, going beyond the concrete circumstances of Elena and Isabel's story?

Finally, the teacher should summarise the different aspects of ownership from the point of view of the Social Economy and convey to the students the complexity and importance of this perspective.

<b>References</b>	David Ellerman: "Property and Contract in Economics: The Case for Economic Democracy"; Cambridge, Massachussets: Basil Blackwell Inc., 1992
<b>Notes</b>	
<b>Copyright contact</b>	York St. John Consortium - Enpresagintza, Mondragon Unibertsitatea. Activity under copyright. Fred Freundlich - ffreundlich@mondragon.edu



## 6. COMPETENCES

STAGE 1	AREA OF COMPETENCE	Additional explanation and Competence descriptors: <b>COMPREHENSIVE KNOWLEDGE AND UNDERSTANDING OF THE PROFILE AND IDENTITY OF SOCIAL AND SOLIDARITY ECONOMY (SSE) ORGANISATIONS.</b>	SELF-ASSESSMENT ACTIVITIES
<b>Consolidating the Identity and Profile of the Social and Solidarity Economy (SSE)</b>	<b>Identity and profile</b>	<p><b>To have knowledge and understanding of the criteria and multiple meanings of the social and solidarity economy as a system and a legitimate body of theory:</b></p> <p><b>Typology for economic systems</b></p> <p>I can:</p> <ul style="list-style-type: none"> <li>Identify what differentiates the three economic sectors - public, private and social - in my own local area.</li> <li>Analyse and value each of these criteria using examples of organisations belonging to each of the sectors in relation to the university (see self-assessment activity).</li> <li>SSE organisations identity</li> </ul> <p><b>Identity of SSE organisations</b></p> <p>I am:</p> <ul style="list-style-type: none"> <li>Interested in knowing the precedents and history of the system and SSE organisations from a perspective that compares and relates the project's various geographical regions or others considered to be relevant.</li> <li>Identify the various international organisations and their approach to the concept and practice of the SSE.</li> <li>Recognise the characteristics and values that differentiate SSE organisations within a European, African and Latin American perspective.</li> </ul>	<ul style="list-style-type: none"> <li>I map the different organisations from the public, private and social sectors that are directly linked to the university.</li> <li>I analyse the map, highlighting and explaining how these organisations are present or not in the university's mission, vision and strategy for social connection.</li> <li>I contact the SSE Observatory in the country to open a relationship and propose studies related to the identity and profile of SSE organisations with students.</li> </ul>
	<b>SSE and regional development</b>	<p><b>To understand how the SSE is framing how to exist and work in the field of regional development, without policies and/or strategic guidelines, in both rural and urban areas.</b></p> <p><b>The geographical areas in this project, or others</b></p> <p>I can:</p> <ul style="list-style-type: none"> <li>Identify the similarities and differences in the situations from which SSE organisations form their identity and develop distinct profiles.</li> <li>Familiarise myself with the key historical, political and cultural factors that have influenced the formation of SSE organisations' identities in the different areas covered by the project.</li> <li>Feed in periodically to the York St John Consortium (<a href="mailto:socialeconomy@yorks.ac.uk">socialeconomy@yorks.ac.uk</a>) to make known other factors influencing the development of SSE organisations' identity and profile in my area.</li> </ul>	<ul style="list-style-type: none"> <li>I create a list of bibliographic references and grey literature<sup>1</sup> on the SSE for the library.</li> <li>I analyse the list and evaluate how authors from the various geographical regions have had an influence in raising the visibility and legitimacy of the SSE in my country or continent.</li> <li>I have sent the list to the York St John Consortium to be included in the handbook, recognising the work done in your geographical area. <a href="mailto:socialeconomy@yorks.ac.uk">socialeconomy@yorks.ac.uk</a></li> <li>I study and look for evidence of political, historical, cultural and regional precedents and how they have influenced the appearance of the SSE in my local area.</li> </ul>

<sup>1</sup> Grey literature: Body of literature and documents not produced through conventional publication channels. It usually concerns scientific documentation that is initially distributed to a limited audience. [https://en.wikipedia.org/wiki/Grey\\_literature](https://en.wikipedia.org/wiki/Grey_literature) [Accessed 01.10.2015]





YORK ST JOHN-ERASMUS  
SOCIAL AND SOLIDARITY  
ECONOMY CONSORTIUM

# Enhancing studies and practice of the social and solidarity economy

A reference handbook

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Coelho, L.S., Silva, M.F. & Villafuerte Pezo, A.M.

## Chapter 3: Ways of working of organisations in the social and solidarity economy



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# Ways of Working of Organisations in the Social and Solidarity Economy

## 1. INTRODUCTION

The main characteristic of social and solidarity economy (SSE) organisations is that they operate based on identifying values and principles (see Chapter 1). It is important to be aware that establishing values and principles does not guarantee a different way of working; acting based on these principles is what marks the difference. Coherent action on the organisation's accepted values and principles cannot come about overnight. The challenge is to reach an equilibrium between the economic and the social, without the organisation losing its identity.

Due to the distinguishing features of social and solidarity economy organisations described in the previous chapter, their ways of working are unlike that of other organisations. This different ways of working and acting are dependent, however, upon certain external factors (e.g. favourable legislation) and other internal factors (e.g. awareness of the values and principles of social and solidarity economy organisations).

The choice of the model of economic management is not an easy task for social organisations. These mod-

els can condition and limit the scope of the practical implementation of the values which were formed the basis of the organisation in the beginning. The generation of management models that enable the coherent integration of the values of the SSE in practice is a serious challenge. These should also inform the policy frameworks which are inclusive and participatory.

### KEY QUESTIONS FOR THIS CHAPTER

- What external and internal factors influence the ways of working of organisations in the social and solidarity economy?
- How do social organisations' ways of acting differ from other sectors in terms of: funding, internationalisation and marketing?
- How do the ways of working these organisations connect to the values and principles of the social and solidarity economy and what are the challenges?

## Glossary

**Ethical banks:** the group of financial organisations which have ethical policies regarding the origin of their money, its destination and their mission to serve the common good (Federation of ethical and Alternative Banks (Federation of Ethical and Alternative Banks – FEBEA, n.d.).

**Microcredit:** small loans given to people with limited financial means.

**Social Investment Fund:** an investment fund that seeks to invest in social institutions that need funding to grow and to be self-sustainable operationally.

**Crowdfunding:** collaboration of people who create a network for securing funding or other resources.

**Multi-localisation strategy:** an internationalisation strategy that ensures new activity can be engaged in abroad without the closure of any pre-existing activities.

**Management model:** a work tool through which an organisation designs its internal way of working in terms of rules, decision making, distribution of roles and responsibilities.

**Systemic management:** is an approach that involves developing a greater awareness, sensitivity and understanding of how the parts and dynamics that constitute a whole (physical and social phenomena), are interrelated and interdependent, acting in a unified way.

**Management model:** a framework which reflects the logic through which an organisation conceives its inner workings in terms of key policies, processes of decision, distribution of tasks and responsibilities.

**Procedures:** modes, forms and strategies that are chosen for the attainment of objectives, through activities and within the limitations of resources

## 2. LITERATURE REVIEW

### 2.1 EUROPEAN PERSPECTIVES

The values and principles identified by social and solidarity economy organisations can vary from one to another and, consequently, the ways of working also vary. It would be difficult to summarise all the aspects of how these organisations work differently so, in this chapter, a few of the more important aspects have been selected: funding, internationalisation, marketing and management models.

It is not only internally that the specific ways of working of these organisations are determined, however. External factors also exist that are key to making this way of working a reality. To take two examples, the introduction of legislation for SSE organisations so they are able to develop and internationalise under the same legal framework and the emergence of alternative financial markets in which the organisations are able to seek more adequate funding. Without the development of these factors it would be impossible for such organisations to establish a different way of working.

### External factors that impact on the ways of working of social and solidarity economy organisations

The following will be considered within the social and solidarity economy:

- a. Legislation
- b. Policies and programmes

#### a. Legislation

Institutional frameworks are a key factor for the size and visibility of the social economy (Chaves and Monzón, 2012). If well-developed, they give the sector recognition in three different areas (Chaves and Monzón, 2001):

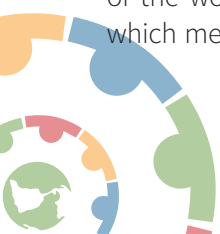
- Explicit recognition by public authorities of the different characteristics of these organisations and the need for them to be treated differently;
- Recognition of the capacity and freedom these organisations have for acting in any area of social or economic activity;
- Recognition of their role as negotiators in the process of making and implementing public policy.

Legislation on the SSE differs greatly across regions of the world and between countries in each region, which means the development of the field has varied

considerably from country to country. Within a single country, each part of the SSE could have developed differently due to more or less legislative development for that specific sector. For example, in the Basque Country, a 1978 law on cooperatives has stimulated greater development of the cooperative than any other legal status.

In recent years, many countries have chosen to establish normative frameworks for the development of social and solidarity economy organisations, among them Brazil, South Korea, Spain and Greece. Organisations in these countries have gained recognition in the institutional framework which, it is hoped, translates into greater development of the sector. It remains a challenge, however, to obtain a favourable legal context that would guarantee the creation and growth of organisations. The International Cooperative Alliance, for example, in its “Blueprint for a cooperative decade”, identified guaranteeing legal frameworks that support the growth of cooperatives as one of its strategic challenges.

The existence of regulatory frameworks in various countries not only contributes to the expansion of the social and solidarity economy in each country, but



also opens up the possibility for the internationalisation of such organisations from other countries, under the same legal structure as the parent organisations.

## b. Policies and programmes for driving the social and solidarity economy

The existence of public policy and programmes that boost the social and solidarity economy is another key factor in its development. A long-term strategy, turned into concrete policies and programmes in the medium and short term, guarantees the development of the sector.

As before, important differences between regions and countries can be observed (Chaves and Monzón, 2000) but, in general, policies fall under four categories:

- Sectoral policies* are directed at a specific sector. For example, employment policies that refer to different parts of the social economy.
- Specific policies* are directed exclusively at the social economy sector.
- General policies* are directed at all types of organisation, including those that are part of the social economy.
- Exclusive policies* are directed at the private sector and exclude social economy organisations. For example, in Spain, energy policy excludes cooperatives from being energy distributors.

At the same time, it is important that policies directed at developing other areas of the economy exist, such as how the financial system operates. Developing an alternative financial system, creating and legislating for innovative financial products, could be advantageous to social economy organisations seeking funding.

## Internal factors that impact on the ways of working of social and solidarity economy organisations

This section will consider:

- Financing
- Internationalisation and multi-localisation
- Marketing
- Governance and participation

External factors are key to the satisfactory development of the social and solidarity economy but it is internal factors that really help to differentiate the ways of working of organisations in social and solidarity economy from other sectors.

### a. Financing

While seeking funding can be challenging for any organisation, it is an even greater challenge for those within the social and solidarity economy. The lack of understanding and legitimacy faced by these organisations makes securing necessary project funding very complicated. Moreover, not all funding sources available to organisations today are in line with the principles and values of the SSE, which further complicates funding for those organisations looking for their daily activities to be consistent with their values.

Social enterprises are very far removed from the plans of traditional financial bodies which means their capacity for social and economic action is reduced (Sajardo and Ribeiro, 2014). In addition to this, one of the sector's traditional funders, the mutual savings bank, have become smaller in number the following the restructuring of the financial sector in some European countries.

SSE organisations have depended greatly on public funding: it made up 70% of their budget in 2011 (PwC Foundation, 2014). The crisis has forced a reduction of funding for social aims, however, and necessitated access to other funding sources in the private sector.

While it is very diverse in terms of the size of its organisations, the economic reach of its activities and its business models, all forms of the social and solidarity economy share a difficulty in accessing funding. The solution must be different in every case, however, since the problem is also different. For example, an association that employs a group of farmers and sells fruit could solve its funding problem by introducing microcredit loans, while a multi-localised cooperative with its original headquarters in a developed country has to seek access to large investment funds to be able to carry out its expansion.





In this section, we will consider *alternative* funding sources that respond to different needs, that these organisations can access more easily and that comply with the ethical framework of these organisations. Although funding sources adapted to the specific needs of social and solidarity economy organisations are available, that is not to say that these organisations cannot access traditional funding sources open to all.

Below are some examples of private funding sources suitable for social and solidarity economy organisations:

**Ethical banking:** For Cotón and Castro (2011), ethical banking involves financial bodies that allow for social and environmental benefits as well as the economic benefits of conventional financial institutions. Usually, they are based on principles such as cooperation, sustainability and responsibility. Ethical banking projects tend to be based on transparent management and participation that stimulate the SSE, care for the environment, fair trade and social support. One of the central tenets of ethical banking is that investments are made following strict ethical criteria and banking credit is only given to organisations or individuals strictly meeting these criteria in terms of sustainability and social and environmental benefit.

Triodos Bank, founded in the Netherlands in 1980, is one of Europe's main ethical banks. It has a values-based banking model and uses the money of its clients and investors to loan to real economy businesses and projects in social, cultural and environmental sectors.

The following are the some other ethical banks in Europe:

Oikocredit, originally called the Ecumenical Cooperative Society for Development, was founded in the Netherlands in 1975 by the World Council of Churches. Now, it is an international ethical finance cooperative, using business and personal savings from developed countries to finance developing social business projects.

Fiare is one of the most developed projects in Spain. In 2003, 52 Basque social organisations from different fields (social inclusion, cooperative development, fair trade, agro-ecology, values education, cooperativism, etc.) founded the Fiare foundation with the aim of starting an ethical banking process (Santos, 2012). Ultimately, Fiare Banca Ética was created by uniting two

projects: the Italian cooperative bank, Banca Popolare Etica, and Fiare. The organisation has been working in Spain since 2005 and finances projects within the social and solidarity economy.

The European Federation of Ethical and Alternative Banks has members from more than 10 European countries. In its charter it proposes proactive criteria to identify ethical banks (rather than defining them by, for example, their lack of involvement in the arms trade). The criteria are based on the origin of money, its destination, its mission to serve the common good, and transparency in its own internal management.

**Microcredits:** Microcredit comes under the framework of microfinance, the objective of which is to universalise basic financial services (credit, savings accounts and forecasting, in/out payments, etc.), targeting people and groups that suffer financial and social exclusion (Cuesta, 2007). Although various experiences similar to microcredit existed previously, Muhammad Yunus, the Nobel Peace Laureate in 2006, and the Grameen Bank are considered the pioneers of modern microfinance. The goal of the bank is to award loans to disadvantaged people with the aim of helping them out of poverty (Gutierrez, 2005). The objective may not always be to reduce poverty but, from a more general perspective, they are taking care of those that have been overlooked. The end of the 20th century saw huge growth of microcredit in developing countries but since then it has expanded to more developed countries as a means of financial inclusion (Cuesta, 2007). For social and solidarity economy organisations, especially those belonging to the non-trading sub-sector, microcredit is an attractive funding source because many work with similar sections of the population (those overlooked by the economy generally), they are pursuing similar objectives (reduction of poverty and social inequality) and they are working under somewhat atypical principles and values.

### Social investment funds

Vivergi, Europe's largest social investment fund was created in Spain. It is a risk capital fund for social impact, with the objective of accelerating the success of social enterprises tackling social and environmental challenges. It has funds of 50 million euros and is managed by Ambar Capital with the collaboration of ICO and Gala Capital, and alongside private investors. It is registered with the National Commission of Values Market (CNMV)



## Creating a financial institution

Complicated as it may be, there are examples in the social and solidarity economy of organisations choosing to create their own financial institution to access the necessary funding for their development. The best-known case is the Caja Laboral Popular (now Laboral Kutxa) which was founded in 1959 as part of the Mondragon cooperative experience. Its objective, as well as cooperativising savings, was to be an intermediary in acquiring resources and managing and employing these resources to better the community, through the cooperative model (Altuna et al., 2008). The creation of the Caja Laboral Popular is recognised today as one of the success factors of the Mondragon model.

**Crowdfunding** is a socially-driven collective funding mechanism. It consists of gathering resources to fund a specific project through the collaboration of a network of people (Sajardo, et al., 2014) be it in the form of a donation or some kind of reward and/or voting rights, with the aim of supporting specific initiatives. One of the first crowdfunding campaigns came in the music industry in 1997, when the British rock group Marillion financed their tour of the United States with small donations from their fans, collecting a total of \$60,000. It was when a credit shortage, one of the consequences of the economic and financial crisis that began in 2007, further complicated access to credit that crowdfunding began to take off.

According to the Spanish Crowdfunding Association (2014), there are four types of crowdfunding:

- **Donation:** Donors offer money for solidarity projects without expecting anything in return.
- **Reward:** A contribution is made to a creative project in exchange for a reward in kind.
- **Investment:** The investor contributes a sum of money and may act or participate in the business as remuneration.
- **Loan:** A contribution is made in the form of a loan with some sort of interest agreed in advance as remuneration.

However, the types of crowdfunding that fit SSE organisations' values and daily activities are those based on donations and rewards. To launch a crowdfunding campaign of this kind, there are three options (Mata, 2014):

1. Create your own platform.

2. Use an existing platform that does not specialise in social economy projects.
3. Use a platform that specialises in projects of a social nature.

Some European countries, including Germany, France, Italy, the Netherlands, Greece and the UK have regulated crowdfunding (Comisión Nacional del Mercado de Valores, n.d).

Below are some examples of crowdfunding platforms for social and solidarity economy organisations in Europe (Mata, 2014; The REconomy Project, 2015; Crowdsourcing Week, 2015):

- **Miportación.org (“My Contribution”)** covers the needs of people in disadvantaged socioeconomic situations with small contributions of food, money, materials and volunteer time.
- **Trustpency** is the first Spanish ‘storytelling’ platform for NGOs, allowing donors to follow the evolution of their social projects.
- **Buzzbnk** which was the UK’s first crowdfunding platform specifically for social enterprises and charities with the ability to do loans-based crowdfunding as well as rewards-based. It is mainly owned by charities and foundations.
- **Shared Interest** is a UK-based co-op that lends to fair trade organisations.
- **Goteo** unlike other platforms, emphasises the open character of the projects and the collective social benefit. It is one of the platforms that was selected in the European ranking of crowdsourcing platforms.

## b. Internationalisation and multi-localisation

In the current globalised economic context, many organisations have identified internationalising their activities as a source of competitive advantage (Bastida, 2007; McKenna and Richardson, 2007). SSE organisations are not exempt from this trend, although it is true that internationalisation is a challenge that these organisations in general still struggle to overcome.

Internationalisation is not a simple process (Collings and Scullion, 2012): it requires a level of funds that many organisations lack. The management of the organisation is complex and the transfer of an organisational culture founded on the principles and values of the SSE are immensely complicated (Monzón, 2012). In some countries,



creating certain organisations, often cooperatives, is not even permitted.

In a globalised economy, however, SSE organisations must carefully consider their field of action: in many cases, the organisation works in a single community and keeping within this natural field of work is a better option than internationalisation. In other cases, such as some large-scale cooperative groups, internationalisation could be a great source of competitiveness that helps the organisation survive. In fact, in such situations internationalisation stops being an option and becomes a necessity (Errasti, Elgoibar, Heras and Begiristain, 2002), which presents a new challenge: that of going international with a different form of business (Radrigán and Barría, 2007).

Faced with the challenge of creating a model for internationalisation based on the cooperative paradigm, there are perhaps two different strategies, the first based in international inter-cooperation and the second in creating subsidiary organisations abroad (Errasti, et al., 2002). The first option, involving stable collaboration agreements between cooperatives from different countries, is limited by the restrictions on the cooperative sector around the world and the considerable variation in the cooperative paradigm between different countries and regions. The second option, is also limited, this time by the fact that the cooperative model cannot always be translated into other contexts. In reality, however, the latter has been the strategy more widely applied by cooperative organisations (e.g. the Mondragon Group), despite accepting that it presents some contradictions from the point of view of the pure cooperativist paradigm (Sarasua, 2008).

### **The Mondragon Group multi-localisation strategy: a proposal for the internationalisation of cooperatives**

Internationalisation is rarely an impulsive move. It normally follows careful reflection and is set out as a gradual process in which various plans are adopted that increase the complexity and commitment.

This was the case with the Mondragon Group. In the early days of the Basque cooperative movement, organisations essentially targeted the regional and national markets but, little by little, due to (a) Spain's incorporation into the European single market, (b) the globalisation process of the economy in general and

(c) following trends within the sectors the cooperatives belonging to the Mondragon Group (mainly the industrial sector organisations) chose to take big steps with its internationalisation strategy. Today, Mondragon has more than 120 production plants abroad.

The Mondragon cooperatives chose to design an internationalisation model adapted to their own identity (though not without contradictions (Sarasua, 2010)) and based on a multi-localisation strategy with the aim of avoiding the delocalisation of production that damages employment in the original organisations (Luzarraga, 2012). Studies carried out by the Mondragon Group show that these internationalised cooperatives have achieved better results than those which have not taken that step (Luzarraga, 2012). Arizkuren and Arnaez (2014) divide the Mondragon Group's internationalisation process into three different phases: phase one between 1956 and 1970, phase two covering 1971-1990 and phase three that starts in 1991 and ends in 2011.

The first phase was mainly focused on dealing with the regional and national markets and it was not until 1966 that the first international activity was recorded (Arizkuren and Arnaez, 2014). The first steps in the process involved modest exports to European countries (France, Germany, Italy). Spanish organisations made the most of the price advantage they had and set out to become familiar with more demanding markets than the national one. At the same time, steps were being taken to get hold of new technologies with the aim of being able to offer products of a higher quality.

The second phase saw an increase in exports and the introduction of commercial delegations, first in Europe and then to Asia. It was in this period that the first foreign production affiliates were introduced. The very first was an electronics cooperative in Thailand. Prices in the sector were more and more demanding and if the cooperative wanted to continue its activities, the only option was to transfer part of its production to a cheaper country, just as its competitors and even its clients were doing. The second was established in Mexico, instigated by the increasingly unfavourable exchange rate between local currency and the US dollar.

The third phase was the most intense in terms of internationalisation. As Arizkuren and Arnaez (2014) describe, the process was accelerated and the number of subsidiaries had reached 93 by the end of the period. Meanwhile, the corporation took on a proactive attitude and introduced nine corporate delegations in



strategic parts of the world. Finally, they began building several industrial parks in China and India.

The whole internationalisation strategy is easily understood from a purely market perspective but from a cooperative point of view there are a number of contradictions. In reality, the multi-localisation strategy does not always allow organisations belonging to the Mondragon Group to form under legal cooperative status and this can create a clash with a purely cooperative vision. For cooperatives competing in the market alongside capitalist organisations, however, internationalisation has been the only way to guarantee survival. Integrating organisations based abroad into the cooperative model is one of the most complicated and unresolved challenges of the Mondragon experience, as it does not depend entirely on the will and good work of the cooperatives.

## c. Marketing

### Marketing in cooperatives

Whyatt and Reboud (2014) developed an approach called *Marketing our Co-operative Advantage* (MOCA), which identifies advantages and strategies for co-operative marketing.

They argue that a clear understanding of the key features of the co-operative advantage can inform marketing strategy. Some of these advantages are identified as:

- They are seen in a positive light through their social benefits, e.g. empowerment and community support.
- They are regarded as trustworthy and unlikely to be engaged in exploitative behaviour.
- They are able to offer social capital as an advantage (citing Spear, 2000).

To adopt the MOCA approach, these authors argue that it is important that everyone in the cooperative organisation, from front-line to back office, understands what makes the organisation distinctive: that they understand the ‘cooperative advantage’ and how this is manifested in their products or services. This needs to be understood and seen as authentic by customers, in that the values espoused are genuine and clearly visible within the organisation.

Co-operative Food, a UK food retailer, is one of the best examples of commitment to fair trade (citing Nicholls 2002), and this has been a key element of its MOCA approach (p.264). Expertise in effectively sourcing fair

trade ingredients and the importance placed on relationships with fair trade suppliers has unified the economic and social dimensions of the co-operative agenda. The success of this strategy is underpinned by the focus on a values-driven business model and its competences in ethical relationship marketing in the case of Co-operative Food (p.266, citing Doherty, 2009).

In times of crisis and public outrage, the trust and reputation built up over time by cooperatives can attract new customers. This was the case in the breakdown of trust between customers and ‘big banks’ following the exposé of illegal behaviour by banks, such as the Libor scandal in 2012. This drove significant increases in enquiries to mutuals, credit union and the UK’s Co-operative Bank (p.265). Caja Laboral Popular, now Laboral Kutxa, also chose to publicise its cooperative advantage during the financial crisis, running a marketing campaign in 2012 around the idea that “there is another way” of banking (Caja Laboral, 2012).

The basis for MOCA is a culture that embraces the values of trust, openness, keeping promises, and collaboration (citing Gebhardt, et al., 2006). These values need to become habits that are embedded in the organisation. Many retailers understand the value of ‘community’ and seek to build this as part of a brand image and competitive advantage (citing Miller, 1999). In the case of book retailers and banks they do this by installing sofas and coffee bars in their shops. Cooperatives have a head start in their understanding of this ‘community’ domain, as the appropriate cultures and related behaviours are much more habitual in a cooperative organisation (p.265).

### The marketing of social enterprises

Research conducted in the UK by Powell (2015) focused on the marketing of day-care centres which provide work-based training and skills development for adults with learning, mental and physical disabilities and are operated as social enterprises.

The findings indicate that the managers of the enterprises understood, defined and had, in some cases, received training in marketing which was based on a products sales perspective taken from the manufacturing sector. This is an approach which focuses upon selling and single transactions, with marketing often seen as an external function and associated with being manipulative. This approach fundamentally goes against the social aims of the enterprises. Powell argues that using a service-oriented approach, in which





the business creates value for the client is more appropriate. This approach advocates building long-lasting relationships with key stakeholders of the service (citing Osborne *et al.*, 2013), focusing upon giving promises and value propositions (citing Grönroos and Raval, 2011). Within a service-oriented approach to marketing, everyone who works for the company is involved in providing a service (citing Gronroos, 1980) and assumes a part-time role in marketing.

The importance of building relationships is again reinforced by Technologie-Netzwerk Berlin (2009, p.60). Commercial enterprises tend to work in an anonymous market and therefore need to spend money on advertising. Social enterprises may gain more from focusing on relationship building with interested parties. According to Cholette and Kleinrichert, *et al.* (2014, p.61), this might mean organising or attending events in which consumers can be educated about the product through stories about its development and the social or environmental issues it seeks to address. They point out that even if the enterprise does not pursue significant direct-to-consumer sales, they can still raise awareness and build brand loyalty through speaking directly to consumers. They further suggest that offering a superior quality and clearly differentiated product is important. This difference might focus on the fact that it is local, or organic, or may provide an unambiguous promise to give profits to a recognised cause. Direct contact with the consumer also appears to be an important success factor.

### **d. Governance and participation**

Given the nature of SSE organisations, governance is different from that of other organisations. The frame of action defined by the organisation's principles and values must give rise to governance based on solidarity and democracy (Juliá, 2004). SSE organisations, therefore, must not only create efficient management policies like any other organisation, they must do so under principles of responsibility and transparency (Muñoz and Briones, 2011).

In recent years, the literature has moved towards a study of the governance of SSE organisations, especially worker cooperatives, as they are collective organisations with democratic management seeking to promote solidarity, participation and responsibility (Marcuello and Saz, 2008).

As Chaves (2004) proposes, governance in worker cooperatives has two sides: policy and management. The policy side is where member workers can make decisions that will later be effected by the management side. Policy making is determined in the institutions where workers are the main players and decisions are made democratically: General Assembly, the board, the social council and internal audits (Muñoz and Briones, 2011). Policy decisions are carried through by the cooperative's management structure.

Workers also participate in the management side of the organisation. Participation is at three levels (Eurofound, n.d.):<sup>1</sup> at the job level, in the participation at a departmental level and in the strategic decisions of the organisation. The right and the opportunity the workers have to participate at both a management and policy level is really what sets the ways of working of social and solidarity economy organisations apart.

### **Human resource management**

Human resource management views people in two ways, according to Doherty, *et al.* (2009, p.91-97). Citing Storey (2007): the *hard* strategic approach which views personnel as a cost to be minimised; and a *soft* approach which views employees as assets who contribute to the organisation. The authors believe that social enterprises may, in reality, use a combination of both. Soft models also regard individual and societal well-being as the outcomes of a coherent human resource management strategy. In this way, the management of human resources would link directly to the societal aspirations of many social enterprises. Citing research on housing associations in the UK, the authors warn against putting the delivery of the objectives of the enterprise before considerations of social capital, and as such behaving rather like private landlords.

The commercial and funding position of social enterprises may lead to job insecurity. Organisations face a challenge in preventing this damaging the relationship between the organisation and individuals. A strategy that reflects the value put on its workers, paid staff and volunteers alike, is flexibility at work – often meeting both organisational requirements and the need for a work-life balance of the individual Doherty, *et al.* 2009, p.98).

1 <http://www.eurofound.europa.eu/observatories/eurwork/comparative-information/employers-organisations-in-europe>



## Management models in social and solidarity economy organisations

Management models are tools through which an organisation designs its internal way of working in terms of rules, decision making, distribution of roles and responsibilities; in other words, the model that defines the ways of working of the organisation. Management models are usually expressed in graphic form so they are easier to interpret. Although the management model of every organisation is different, it is usual for social economy organisations to base theirs on people-centred principles and values.

Management models within the social and solidarity economy require a systemic and holistic approach, due to the complexity of working for a positive impact within the social, economic and environmental fields.

The following section provides two examples of management models in social and solidarity economy organisations.

### a. The Mondragon Group's Cooperative Management model

**Figure 3.1 The Mondragon Group's Cooperative Management Model**



See the practical case in this chapter about the model used by the Mondragon Group to learn about how the model was created and a description of its elements.

### b. Integral economics

Authors Lessen and Schieffer (2010) pave the way for a sustainable approach to economics, building on the richness of diverse economic approaches from all over the globe. They argue that neither individual enterprises nor wider society will be transformed for the better without a new economic perspective.

Their contribution to the social and solidarity economy is the integration of knowledge and understanding into a systemic and comprehensive economic frame-

work. They assert that in order to be sustainable, every social system needs to find a dynamic balance between its four mutually reinforcing and interdependent *worlds* and its *centre*. In other words, a living social system which consists of a:

- Centre: the realm of religion and humanity
- South: the realm of nature and community
- East: the realm of culture and spirituality
- North: the realm of science and technology



- West: the realm of finance and enterprise

They emphasise that a sustainable integrated society would have found a dynamic balance between its *Southern* environmental or animate sphere encompassing nature and community; its *Eastern* civic sector encompassing culture and spirituality; its *Northern* public sphere, encompassing governance,

science and technology; and Western, private sphere, encompassing finance and enterprise; and finally, its moral centre, encompassing religion and humanity.

The following table (Table 3.1) details the model, which based its development on the continuous interconnection of three integral domains: the vision of the world, enterprise and economics:

<b>TABLE 3.1 TOWARDS A MODEL OF THE INTEGRAL ECONOMY</b>			
<b>Integral framework:</b> Four Worlds & Center	<b>Integral Worldview</b>	<b>Integral Enterprise</b>	<b>Integral Economics</b>
	Four research paths plus a Centre	Four Transformed Functions plus Transformed Center	Four Economic Paths plus central Core
<b>Center: Moral Philosophy</b> Religion and Humanity	The path from inspiration to transformative action	Strategic renewal	Moral economic core
<b>South: Humanism</b> Nature & Community	Relational path	Community building	Self-Sufficient Economy
<b>East: Holism</b> Culture & Spirituality	Path of Renewal	Conscious evolution	Developmental Economy
<b>North: Rationalism</b> Science and Technology	Path of Reason	Knowledge creation	Social Economy
<b>West: Pragmatism</b> Finance & Enterprise	Path of realisation	Sustainable development	Living Economy

Source: Lesson and Scheiffer (2010)

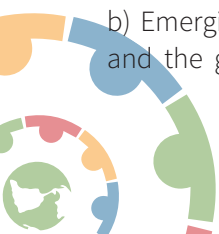
All stages of the process are integrated under a process called the “GENE - IUS” comprehensive economic model (**G**rounding, **E**mergence, **N**avigation, **E**ffecting, combining the moral **I**nspiration with **U**niversal truth: giving the acronym GENE-UIS). Lessem and Schieffer argue that all these steps are necessary for a complete cycle of transformation. The model responds to four cyclical processes, complemented by one at the start and another at the end. All these processes take their inspiration from the moral economy linked to religion and humanity; encouraging the following processes:

- Grounding: the economic orientation which develops out of the nature and culture of the community and the possibilities of its geographical location
- Emerging: based on the fusion between the local and the global, self and other, for new relations to

emerge; an evolution where the economy and society are mutually invigorating

- Navigation: the fusion of the two previous processes: grounding and emerging which promote a new economic framework. This leads to the fourth process:
- Effecting: applying the framework. The micro-economic takes root and to form a new economic paradigm.

This is a continuous loop fed by moral inspiration and universal truth. This framework of integral economics is a continuum that is shown in the following table (Table 3.2):



<b>TABLE 3.2 THE INTEGRAL ECONOMY</b>				
	<b>South</b>	<b>East</b>	<b>North</b>	<b>West</b>
<b>GENE-IUS</b>	<b>Self-sufficient community-based economy</b>	<b>Developmental culture-based economy</b>	<b>Social knowledge-based economy</b>	<b>Living life-based economy</b>
<b>E</b>	<b>Social business</b>	<b>Developmental enterprise</b>	<b>Cooperative enterprise</b>	<b>Sustainable enterprise</b>
	Profits to Profiting Society	Survival to Co-evolution	Enterprise to Democracy	Growth to Sustainability
<b>N</b>	<b>Subsistence economics</b>	<b>Associative economics</b>	<b>Open economics</b>	<b>Well-being economics</b>
	Efficiency to Sufficiency	Competition to Association	Open Markets to Learning Society	Wealth to Well-being
<b>E</b>	<b>Grassroots economics</b>	<b>Conscious economics</b>	<b>Network economy</b>	<b>Real economics</b>
	Universe to Pluriverse	Energy to Consciousness	Hierarchy to Network	Domination to Partnership
<b>G</b>	<b>Economic commons</b>	<b>Co-evolutionary economics</b>	<b>Common good economics</b>	<b>New economics</b>
	Individual to Community	Development to Economic Mosaic	Economy to Society	Economics to Ecology
<b>IUS</b>	<b>NATURE AND COMMUNITY</b>	<b>CULTURE AND SPIRITUALITY</b>	<b>SCIENCE AND TECHNOLOGY</b>	<b>FINANCE AND ENTERPRISE</b>
	<b>Moral Economic Core Religion and Humanity</b>			

Source: Lesson and Scheiffer (2010)

The model of integrated economy in practice: the following chart represents the application of this comprehensive model to key management functions of a mental health organisation that caters for developmentally challenged people in India.

The model served to create the foundations towards an integral organisation, to which it was necessary to first understand why it existed through dialogue and reflection on the moral values that governed the economic management of its social enterprise model. The

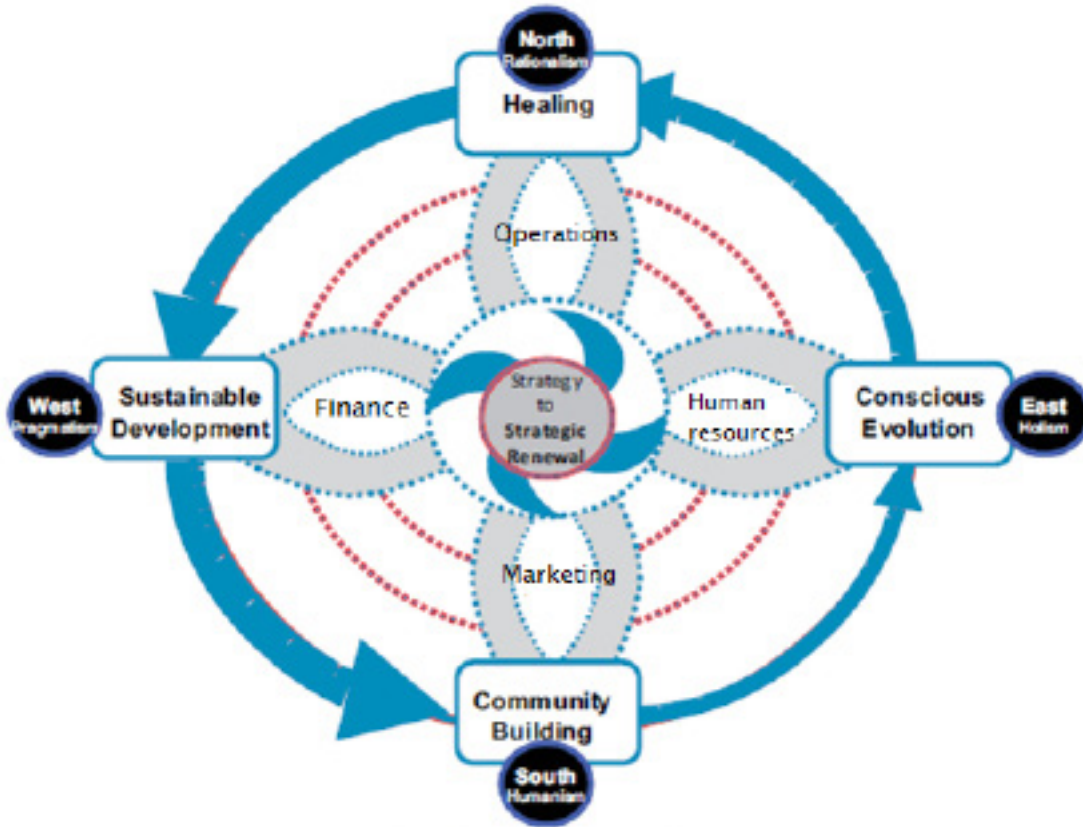
same name chosen responded to moral and cultural values of the country. AUM (almost always translated into Om) in the Hindu tradition is an original sound which brought the universe into existence. “A” means acceleration or productivity, so the various abilities of the beneficiaries of the organisation are optimized in such way that they feel valued by the creative ability to develop. The “U” means unity, understood as the creation process that starts from conceiving the idea. Its practical application in the organisation means that the same team work on a project from start to finish. “M” represents management, innovative methods and



Various workshops were programmed with managers and staff along with user/beneficiaries, to the extent of their possibilities, to define the key functions that required attention. Referring to the cardinal points of the model of Integral Economy, people identified four

elements that wished to reconfigure and organise differently to achieve a greater impact within the organization, as well as outside of your community: production/creation, marketing, human capital and finance (Figure 3.2).

**FIGURE 3.2 INTEGRAL MODEL OF OM CREATIONS**



Source: Khanna (n.d.)

**a) North** (rationalism): identified healing as the service they offer to the community; but at the same time, there was a recognition of the importance of considering the service offering in two directions. It was considered important not only to offer a good service for the user, but also the person who offered the service with quality and care respective, worked at the same time good living within the team and organisation.

**b) South** (humanism): the marketing was defined as community development, especially in relation to sensitisation and public awareness about the level and quality guarantee of products created and manufactured by people with developmental difficulties.

**c) East** (holism): human capital management was

linked to the spiritual development of the entity, with an emphasis on the importance of being a learning community both for all staff.

**d) West** (pragmatism): as important as management, methods and finances was the issue about who should participate in decisions around these tasks. This responding to the value of inclusiveness and co-responsibility of the members of OM Creations.



## 2.2 LATIN AMERICAN PERSPECTIVES

The rationale behind traditional microeconomic theory and that which underpins social and solidarity enterprise are very different. The former takes humans to be *homo economicus*, a rational, egoistic individual always preferring to act more or less according to their desires; the latter, in contrast, sees humans as cooperative beings, operating on the basis of “communicative action”<sup>2</sup>, creating effective bonds that build a consensus.

The characteristics of communicative action, as opposed to strategic action, are imposed by a language that is shared between subjects, allowing them to move away from egocentric reasoning. Instead of explaining situations in terms of the individual interests and profit calculations of the interacting subjects, involved actors attempt to cooperatively align their actions in a shared world in which common interpretations are put first (Elgue, 2004, p.1).

Elgue maintains that in communicative activity, the strength of linguistic understanding becomes more appropriate to coordinating action. By considering *speakers and listeners*, agreements can be reached and the possibility of one imposing on the other is reduced. The coming together of understandings between communicators is maintained in culture, through which a cultural heritage of knowledge and values emerges.

This is what happens in peasant communities, for example, where important agreements are always reached in group assemblies, respecting established ethical codes, rules of the game many of which are “*still determined by the elder generation*”. In these communities, the individual and their property are respected, as is their right to self-determination, but at the same time, the community lives together and practises values of reciprocity, mutual aid and seeking the common good<sup>3</sup>. It is important to clarify that not

everything is perfect in peasant communities; these groups also face conflicts of interest and power.

The values of reciprocity and mutual aid are so ingrained in the collective imagination of those migrating from rural areas to the city<sup>4</sup> that they continue to practise them among their peers (other migrants from the same village) and their precarious situation only galvanises them and strengthens them. This constant face-off with survival is a likely explanation for the *entrepreneurial spirit* in Peru that has emerged in the worst periods of economic crisis.

It could be said that the majority of the social and solidarity economy in Latin America arose from situations of poverty in disadvantaged areas, taking root and spreading through collective action by socially united groups, ready to tackle their problems and ensure their survival as a collective, putting the satisfaction of their needs before the generation of profit.

But not all solidarity enterprises are about self-sufficiency. Many cross into the field of business initiatives based on cooperation. A new economic rationale is emerging, where cooperation and efficiency combine and the spirit of solidarity meets the spirit of business. “Cooperation works as a vector of economic reason, producing tangible effects and real advantages compared to those produced by individual action” (Gaiger, 1999, p.199). Business efficiency in the social and solidarity economy, as well as the necessary conditions of technical qualifications, productivity and market strategy, incorporates cooperation and solidarity, promoting working together and for the benefit of producers. Solidarity at this level goes beyond community solidarity, which is not equipped for economic involvement in today’s society.

The traditional elements of production were land, work and capital. Now we also talk about the business elements, and capital no longer only refers to monetary or fiscal capital but also human and social capital, resources that tend to accumulate with respect to how much they are used. When we talk about the so-

2 Communicative action refers to the social action of language. It is an interaction in which subjects capable of language and action enter into an interpersonal relationship using verbal and non-verbal means. For more information, see Jürgen Habermas’ *Theory of communicative action*.

3 For example, in the communities in the Peruvian Andes, many of them very connected to the market through agricultural production, each person controls their own life but everyone works together to sustain resources, such as water, that will help them all do this. Maintenance of irrigation channels is an obligatory communal activity; whoever helps earns access to it, on a pre-established rota. Anyone who does not is sanctioned, losing their place on the rota. Complying with these established rules follows a system of cooperation, but also of incentives and sanctions.

4 It has been observed that the people or families that migrate are either those with sufficient resources for change, for example students whose peasant parents support them to go to secondary school or university in the city, or they are the very poorest, whose options have been exhausted where they are from so they almost have nothing to lose in seeking new ones.



cial and solidarity economy, the trigger is what Razeto (1997) calls the *C Factor*; it allows actions to take place that would be impossible relying solely on the traditional aspects of production.

The ways of working of the social and solidarity economy are based more than any other factor on cooperation and solidarity. Under this logic, by definition, individual interest in profit gives way to seeking the common good. The social and solidarity economy in Latin America operates in every sector, from agriculture to finance. Indeed, these two sectors are where the social and solidarity economy is most rooted.

The other part of the social and solidarity economy in Latin America comes from those who have not suffered poverty, were born into families that gave them access to social and economic opportunities, but who have decided to follow a path of solidarity and develop peer relationships with the less fortunate. This type of behaviour leads us to ask: are we in fact moving towards a new ethics, taking shape through the unique and individual means adopted by young people trying to build a better world?

There are two elements that cannot fail to be mentioned when referring to the ways of working of the market and marketing of SSE. The market is the means of demonstrating the value of what has been created through the exchange; marketing is understood to be the capacity of the organisation to create mutually beneficial links where the purchaser identifies with the mission of the social enterprise.

If we were to re-read what is understood by the market and marketing in SSE according to the work of Manfred Max-Neef (1986, pp.27-41), we could say that the latter are directed at the 'satisfiers' and not to the goods in themselves. The goods are the objects and artefacts which influence – increasing or diminishing – the impact of the satisfier, so changing the level of satisfaction of a need, either in a positive or a negative way. The satisfiers are forms of being, having and doing – of an individual or collective nature – which lead to the satisfying or meeting of human needs. A satisfier is the way that a need is expressed; goods are the means by which the individual experiences the satisfiers to meet their needs.

Max-Neef points out that when the production methods and the consumption of the goods elevate the goods to the status of ends in themselves, then the presumed satisfaction of a need takes away the possi-

bility of experiencing it to the full, leaving the way clear for an alienated society which sets out on a senseless route based on production. Living is at the service of the goods or artefacts and not the goods or artefacts at the service of living.

Basic human needs are essential attributes linked to evolution, the satisfiers with the structures and economic goods are objects which are linked to the circumstances. The satisfiers define the dominant way in which a culture or society sets out its needs. As a result, the "cultural shift is, amongst other things, a consequence of abandoning traditional satisfiers and replacing them with other new ones".

The interrelationship between needs, satisfiers and economic goods is constant and dynamic. Between them, there is a historical dialectic. If, on the one hand, economic goods have the ability to affect the impact of the satisfiers, the latter, on the other hand, will be influential in the generation and creation of the former. Through this reciprocal causal process, they become part of and definition of a culture and become determinants of patterns of development (Max Neef, 1986).

### **Laws that institutionalise the social economy and cooperativism in the region**

The social and solidarity economy was practised by Latin American peoples long before any legislation existed. Its history dates to the pre-Columbian era, and is first noted in collective working methods in various cultures, often known as "minka" and "ayni". Its institutionalisation in law, however, only began in the region in the last decade of the 20th century (except Honduras, where there has been legislation since 1985).

Cooperativism, on the other hand, appears in legislation earlier; there are examples from the first half of the 20th century like, for example, in Venezuela (Cooperatives Law, 1910), Chile (Cooperatives Law, 1924), Argentina (Law 11.388 on the Legal Rulings of Cooperative Societies, 1926) and Peru (Supreme Decree 236 in 1944). The majority of countries passed their first laws on the subject in the 1950s and '60s.

The process of institutionalisation of the social and solidarity economy and cooperativism has been a heterogeneous one, with each government giving it a different emphasis according to its own goals and objectives. There is, however, a strong tendency in





the whole region towards state-introduced practices of solidarity and partnership. On the principle of subsidiarity<sup>5</sup>, the basis for participative democracy, states have delegated certain functions to the people, promoting self-management and participation processes among poor populations and furthering competition and enterprise in these areas. This coincides with the opening up of the market and neoliberal policies

5 The principle of subsidiarity recognises the autonomy every collective has for establishing its objectives and deciding the processes through which to achieve them. It also implies dialogue and participation from all members (individual and collective) of society to define, pursue and evaluate the country's global objectives.

through which the participation of the state in the economy is reduced. It is important to note also that the region suffered a deep economic crisis in the 1980s, partly generated by populist policies and large-scale, unproductive bureaucracy.

Social policy moved towards supporting and promoting self-management and collective action among the poor to tackle situations which, faced individually, were impossible and which the state lacked the sufficient resources to resolve. It is a policy subscribed to by NGOs, international cooperation movements and both the Catholic and Evangelical Churches.

## 2.3 AFRICAN PERSPECTIVES

In the African continent the concept of the social and solidarity economy (SSE) has very flexible boundaries as it sets out to combine a vision that has been inherited internationally with already existing local practices. For this, according to Borgaza and Galera (2014), rather than establish a legal boundary, it is important to look at two key elements in the organisations and informal groups that are being analysed: the fact that they arise as a response to a recognised need within the community and the fact that they have a collective nature or identity.

According to *The African Vision of the Social and Solidarity Economy*, a document produced during the inter-African meeting in Bamako, Mali in 2005, and which was published via the National Support Network for the Promotion of the Social and Solidarity Economy (RENAPLESS according to its Spanish acronym), the SSE offers a response to the globalisation of the markets

and the perpetuation of a situation in which the countries of the South are exploited and expropriated (p1). The SSE would enable the development of the countries of Africa based on endogenous values and essentially:

- In the production, manufacture and marketing of local products based on protecting the local food production;
- According to a logic of economic integration that starts from the bottom: bring about change and transformation first at the local level;
- Rejecting the policies imposed by the World Trade Organization (WTO) and the rejection of attempts to impose GM products, supporting at the same time, the protection of the local agricultural production;
- Creating opportunities for cooperation and associations South–South (RENAPLESS, 2005, p1).

### External factors that influence the ways of working of the SSE

SSE organisations are influenced by a variety of external factors, especially geographical and historical, which account for their diversity. Borzaga and Galera illustrate in their analysis that it is clear that the models of SSE “cannot be adapted to different environments” (2014, p19) as, in the diversity of Africa, they take on many different forms. They note, however, some recommendations and pointers that they consider essential:

- The need to create a legal framework which, on the one hand, is sufficiently clear to define and deal with each organisation according to its nature but, on the other hand, sufficiently flexible to allow for organisations to appear which respond to local needs

but without imposing their emergence in specific sectors, using this sector for political ends;

- Strengthening the role of external players, including the State and public agencies, not only as financiers but also to support the increase of social economy organisations which already have an important role in development programmes;
- The importance of having competent managers and competent structures of governance, adapted to social economy organisations which, as we have seen, are governed by specific values and principles. In this sense, it is recommended that development policies commit to research and training pro-





grammes on matters of management and models of governance (Borgaza and Galera, 2014, p8).

For these authors, the African continent has the special characteristic of maintaining, in informal groups, a very social culture and to harness the strength of this characteristic presents a challenge to the social economy. It is important to ensure that the mutual support systems are more effective and widespread so as to achieve a greater reach and sustainability but always valuing its endogenous nature. The success of this challenge, they claim, will be to establish associations between different players whether formal or informal, public or private.

However, as was referred to earlier, attention must be paid to bringing in models that might not be compatible with the culture and local traditions. Often these might be incompatible with possibilities of success. RIPESS (2015, p.9) underlines the need for “public policies which support and make possible SSE and not policies which drive it.” They argue that it is possible to build SSE (research, public policy, etc.) based on the practices of those working in the field and concepts such as autonomous development, self-help and subsidiarity.

### **Policies and programmes for the promotion of SSE**

Some examples of how policies and programmes can be positive for the development of the sector will now be discussed. In Santo Tomé y Príncipe (an archipelago situated in the Gulf of Guinea), for example, a programme of solidarity economy development based in the agricultural sector has been running for the last 15 years. It is based on the distribution of land and the development of initiatives that make them financially viable so that they can provide income to the families.

### **Internal factors that influence the ways of working of the SSE organisations**

This section will consider:

- a. Finance
- b. Internationalisation
- c. Marketing
- d. Governance and participation

The support programmes in this sector and in the fishing sector, generated benefits which had a multiplying effect on the communities and the country. The cooperative model was normally the one chosen to put into place these private, family or community initiatives. Behind these programmes there are often private European companies in the area of fair trade or others which support the certification and marketing of the products (Ferreira Luis, 2015).

The SSE plays a fundamental role in the development of Mali. The Malian Government has adopted different methods to stimulate the development of SSE, especially through strengthening its institutional framework. One of the measures adopted was the setting up of the National Directorate of Social and Solidarity Economy Protection (DNPSES) within the Ministry of Social Development, Solidarity and the Third Age. The Malian national policy for SSE is directed principally at improving the institutional, legislative and regulatory framework to develop social entrepreneurship, strengthening the coordination and the monitoring and evaluation mechanisms of social businesses and to promote access to the goods and services produced by those involved in the social economy. In October, 2014, the National Policy on Support for the SSE was adopted (RIPESS, 2015). For its part, those involved in the civil society set up the National Network for the Support of the SSE (RENAPESS) in 2003 (Harvey, 2011).

The question to be asked is if, in fact, these processes of institutionalisation are allowing and facilitating the development of the SSE, respecting the traditional social cultures or if they are bringing in imported models, ill-suited to local realities ending up, breaking up the pre-existing informal links by formalising the structures and not creating something lasting and sustainable through being too foreign and depending on external players.

Besides the external factors, there are internal factors in the social and solidarity economy which influence the decisions taken and determine the way they operate.

### **Finance**

The topic of finance is fundamental in the social and solidarity economy sector, especially because most of the initiatives arise due to the needs of the people and



are not included in the market economy. The topic of finance can be analysed at three levels: at the level of the community experience, at the level of the social economy organisations and that of the international programmes.

Since in the African continent a large proportion of the SSE initiatives arise from the spontaneous actions of the communities, it is important to mention the strategies for financing informal groups in which it is the members of the community themselves that are seeking solutions to their lack of money. At this level, financing depends on the creativity of the group to seek solutions through self-help mechanisms and through their networks of local, national and even international contacts who operate locally. Savings groups and revolving credit (which are dealt with in more detail in Chapter 6) are examples of solutions found by groups facing financial difficulties in their everyday lives.

With regard to SSE organisations, the main goal of this sort of organisation is the production and distribution of goods and services within reach of the needs of the people who they aim to serve in areas which are not provided for by private businesses or by the State.

According to Borgaza and Galera (2014), the main ways of solving these problems are to attract voluntary labour, organise fundraising campaigns and adopt differential pricing policies (different prices depending on the purchasing power of the client). These organisations, due to financial necessities, are often faced with difficult ethical decisions: i) being true to their mission or adapting to the interests of potential donors (e.g. support old people when the funding is intended for children); ii) accepting or refusing support from organisations or companies whose values and principles are not aligned with those of the social and solidarity economy and which can give rise to doubts as to their ethical status, such as accepting donations from multinationals who operate in the oil industry knowing the consequences that this activity can have for the people and the environment.

At the third level, that of international programmes and projects, it is important to point out that African countries, since the era of decolonisation, have had a high dependency on foreign aid. For Borgaza and Galera (2014), the international development programmes financed by international financial institutions such as the IMF and the World Bank have been based on two premises, the creation of competitive markets

(according to the Western capitalist model) and the consolidation of the democratic system, through the formation of an educated civil society. This means that national public policy of most African countries has been subject to the conditions laid down by international financiers.

The development NGOs have played a fundamental role in the introduction of these programmes since large scale international aid programmes have been instituted through them and through their access to finance and their involvement with local communities.

### Internationalisation

A discussion of internationalisation in the SSE sector, especially in Africa, can pose some problems. Many of the initiatives in this sector are family, community or locally based. It could seem that this topic does not have a great deal of sense and that it would be more pertinent to focus our attention on the creation of networks. Only if we think about the most institutionalised sector (development NGOs, for example), where the models are almost all imported from other geographical areas, does the theme of internationalisation take on a greater relevance.

The setting up of networks, associations and advocacy organisations is considered fundamental to the area of SSE. In 2010 the African Network of SSE was set up, made up of networks of francophone African countries. It was set up as a space for dialogue, exchange and dissemination of information about SSE in Africa. It also undertakes an advocacy role with national and international governments and organisations. This network forms part of the Intercontinental Network of SSE (RIPESS) which organises world forums on SSE every four years, with the objective of providing learning opportunities, the exchange of information and collaboration. RIPESS defines some strategies for the future of the sector and argue that: "It is necessary to strengthen the local, national, continental and international networks of SSE. These networks are important to support the practices of those on the ground with tools for research, the development of public policies and marketing. We need an active leadership to bring together the initiatives that are taking place in different countries around the values of SSE" (RIPESS, 2015, p.9).



Abreu Santos (2015), a researcher from the Cape Verde islands, underlines the importance of the creation of networks so that the SSE movement can have the power to exert an influence at a local and international level and so that it might guarantee access for social enterprises and SSE organisations in the global chain of goods and services. These networks, Abreu Santos continues, have played an important role in the innovation and creation of associations between developing countries, including states and private businesses with a direct impact on the lives of the most vulnerable people, amongst whom figure women and children, facilitating access to resources, food, information, knowledge, education and the markets.

These organisations participating in networks can also become stronger by disseminating their own ways of working more easily based on the incorporation of economic, social, cultural and environmental factors in a coherent whole which can influence and affect the mainstream models.

The need to grow which has been identified as essential by many authors, including Borgaza and Galera (2014) can be met by a very effective formula of setting up networks of members. This allows organisations to remain small and enjoy the advantages of this, but be able to access the benefits that only large organisations can enjoy by virtue of their scale.

It is necessary, however, to take into account the African culture in these processes, not ignoring the close personal contact which comes about with face-to-face contact.

### Marketing

One of the challenges of the SSE is to increase its visibility. Being unknown by a large proportion of the population, at least as an organised sector with both theoretical and practical support, this sector needs an awareness programme that will allow for greater knowledge of and commitment to it.

SSE organisations, by being dependent on finance external to the institution, have to pay great attention to international marketing so as to project to potential donors a credible confident image which can only be done by being transparent in its dealings and by creating relationships with established associations.

Borgaza and Galera (2014) talk of the importance of having networks of social economy organisations, especially in the area of cooperatives, which allow for a pooling of resources to put together a common marketing strategy within the same network which projects an image of credibility and which provides a seal of approval of the work of the network.

In the RIPESS (2015, p.9) document, the audience and the strategies that were considered vital for a greater level of awareness of SSE were identified. In terms of target groups, the general public, potential supporters and those participating in SSE initiatives who may not identify with, or we might add, not know about this economic model. In relation to the strategies, two were considered fundamental: education and communication. Education was understood in terms of increasing the number of workshops, forums, training, courses, seminars, etc. not restricted to the academic sphere but reaching out to the communities which are central elements in this sector. In this strategy, the importance of popular education was emphasised which shares with SSE “the values of social transformation, democracy and equality” (RIPESS, 2015, p.9). With respect to communication, the document highlights the importance of using a variety of means of publicising the sector: publishing books and articles, sharing videos, communicating via social media and social networks, etc. In essence, communication which is not only a means of promoting organisations but also has a learning function. In this context, *Socioeco* (<http://www.socioeco.org>), is provided as an example. It is a virtual library which brings together different resources and which is constantly updated.

### Governance and participative management

A central theme in the SSE model which is quite apparent in Africa is the importance of work and exchange which does not have a monetary value (RIPESS, 2015). Work, whether it is paid or not, should be respected as much for the goods and services that it provides as for the satisfaction that it gives to the worker. SSE includes in its concept of work all those activities that are undervalued in the concept of business ‘productivity’, a reductionist perspective that only sees the individual as a unit of labour.

Themes of inclusion are another element that the SSE takes into account. Valuing women, children, old peo-



ple, immigrants, displaced people, people with disabilities, other discriminated groups, those individuals who are considered of lesser worth is a constant theme in these different economic models. This perspective, although offered in a general way in all the continents, is very important for Africa where so much of the labour is invisible, even in the calculations for the GDP (gross domestic product), and is carried out by women and children.

To coordinate a social and solidarity economy organisation or group is, however, a challenge. Besides the professional competences, there need to be specific competences appropriate for the sector (based on technical knowledge, values and *soft skills*) in order to create a particular management culture which is rooted in a deep understanding of the local needs and the

range of existing solutions within SSE and which can respond to the needs that have arisen. As a result, Borgaza and Galera (2014) stress the importance of the need for more studies of practical management and models of governance with the setting up of training specific to the development of these competences.

However, in spite of the limitations of SSE, Borgaza and Galera (*ibid*) underline the relevance of the role that they undertake and the interactions between the SSE with the public and private sector which is bringing about a transformation in the economic system which benefits the whole community.

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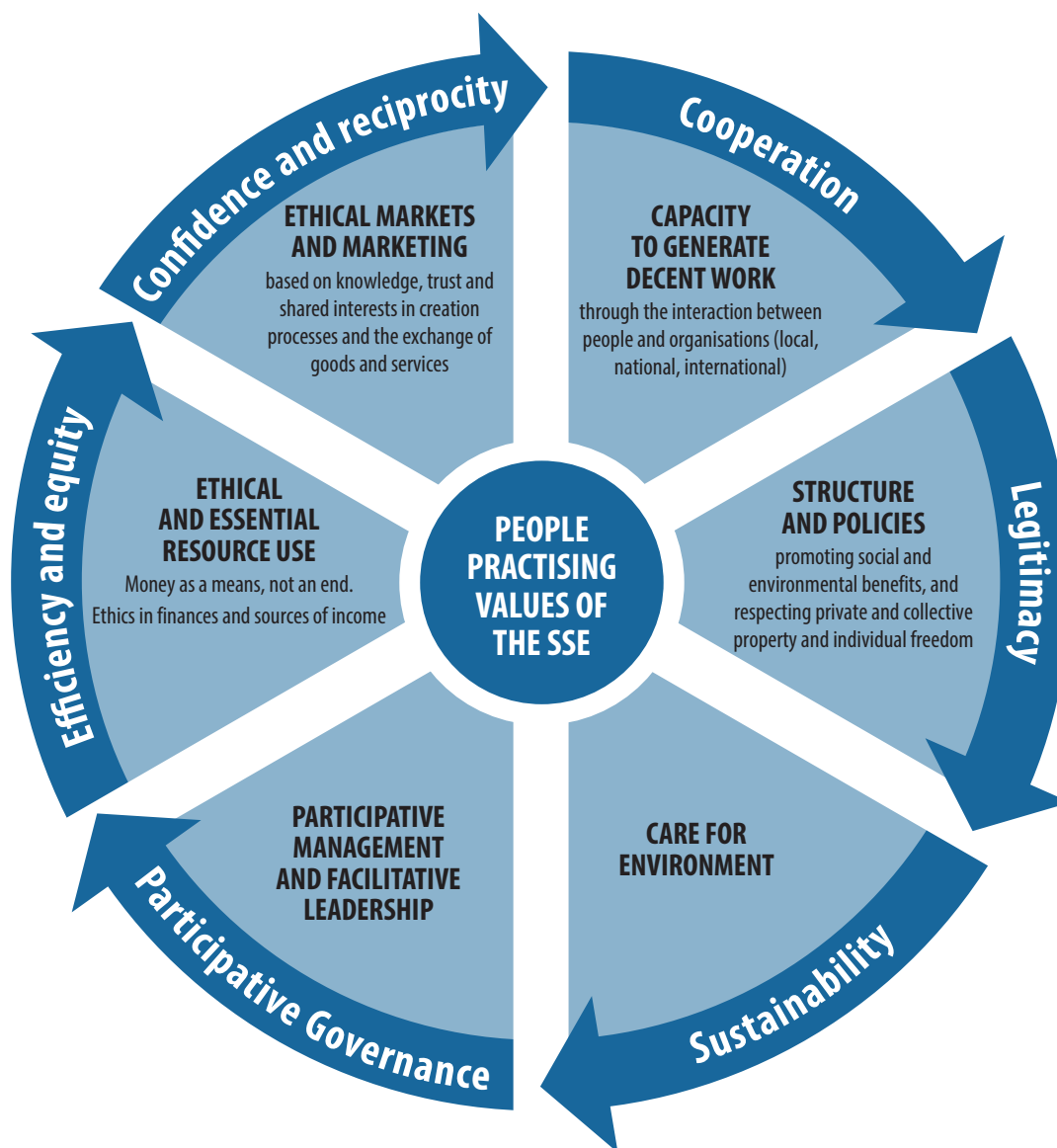




### 3. DIALOGICAL SECTION

Based on interviews carried out in Africa, Europe and Latin America, the guiding principles of social and solidarity organisations' ways of working are shown in Figure 3.3

**FIGURE 3.3 GUIDING PRINCIPLES OF WAYS OF WORKING IN THE SOCIAL AND SOLIDARITY ECONOMY**



**Ethical markets and marketing**, based on knowledge, trust and shared interests in creation processes and the exchange of goods and services.

The market, understood as a system that matches supply with demand in monetary and non-monetary exchanges, in the social and solidarity economy is a means of visibly valuing what has been created, whether that is knowledge, experience, products or

services aimed at improving the lives of both buyers and sellers. There is also a culture created within the market, a living space that reflects the idiosyncrasies of a town, region or country.

The diversification and variety of products the market welcomes could become a mechanism for food security, requiring business policies to protect this diversity by increasing domestic production levels of na-



tive foods in their respective geographical areas. This would also help to dignify rural work.

There is recognition of the importance of local production and the policies to support it, to improve quality and competition. For example, at a rural level, intra- and inter-species biodiversity managed by peasant farmers as a survival strategy to ensure their food security, is also a biodiversity-conservation mechanism which the market must value and recognise.

Marketing within the social and solidarity economy is defined by the organisation's or community's capacity to create long-term and mutually beneficial links, thereby turning a process into a service. The aim is not to sell but to fully understand the goods and services people require; selling is the result but not the objective. Customers, buyers of the product or service, do not see themselves as removed or remote from the context, but rather as someone who understands and wants to identify with the social and/or environmental mission of the organisation and/or social enterprise.

The nature of marketing messages is made complicated by combining social objectives with economic or environmental ones. These messages seek the customer's identification with the organisation's mission. A link greater than the simple concept of "customer" is important; becoming a sort of *accomplice* can create change that benefits everyone.

Effective marketing for social and solidarity economy organisations is about differentiating their product or service from the conventional market, creating a concrete and specific niche. In that way, certification that guarantees production parameters (ethical commercialisation, organic production etc.), by the likes of Fair Trade and the Soil Association, is essential. This way, the products emerge onto the market with unique advantages.

The values present here are *reciprocity* and *trust*. Reciprocity in the sense of a market exchange with mutual benefit for buyers and sellers, regardless of whether or not those exchanges are monetary. A crucial aspect of the social economy is ethics, respect of the customer's wishes and the truthfulness of the information provided.

Were we to offer a re-understanding of marketing in the social and solidarity economy, we would say it is oriented towards satisfying needs and not the goods themselves. Goods are the objects that increase or diminish the effectiveness of a satisfier, disrupting how a need is brought up-to-date, either positively or negatively.

A satisfier is a way of being, having and doing, individually or collectively, that leads to the updating and fulfilment of human needs. Satisfiers are the means of expressing a need; goods are the means by which a subject employs those satisfiers to live out his needs.

The interrelation of needs, satisfiers and economic goods is permanent and dynamic. While on the one hand economic goods have the capacity to alter how effective a satisfier is, satisfiers themselves can determine the creation of needs. Through this reciprocal causation, they become at once both part of and the definition of a culture, and help determine development styles.

### Capacity to generate decent work

... through interaction between people or organisations (local, national or international).

One of the most important principles for SSE organisations is the creation of decent work within the community. Goods and services are a means of fulfilling that principle and the organisation's potential profitability is another means of guaranteeing its sustainability.

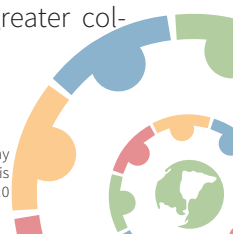
Social and solidarity organisations are open to interacting with the public and private sectors; they are not exclusive in constructing possible contributions to people's well-being.

Interaction between people and organisations at different levels is achievable through *cooperation*.

### Structure and policies promoting social and environmental benefits, and respecting private and collective property and individual freedom

The ways of working of social and solidarity economy organisations in the current century are unique, neither employing charitable strategies nor having shareholders. They must be solvent and self-sustainable, reinvesting surplus in their social mission. In this globalised world, from which we cannot remove ourselves, SSE are taking on the challenge of facing poverty and lack of work (the principle cause of poverty) in a creative and proactive way, calling on the self-management skills, talent and entrepreneurial spirit of those involved.

In these organisations, property is collective and profits generated are reinvested in seeking greater col-



lective social benefits for the area in which they are based.

Each member's right to freedom is respected, in every sense, as both a human and a subject, as long as this right does not violate the rights of others. It goes from being an ideological choice to being the right to choose an appropriate typology.

*Legitimacy* in an organisation is what allows it to continue, in the sense that each member identifies with the organisation and feels part of it. At the same time, there is wilful and conscious acceptance of the organisation's structure and respect for its norms.

### Care for environment

All activity impacts on the environment. These impacts have traditionally been considered by businesses to be externalities and, therefore, not included in costs. But due to the consequences of environmental damage such as climate change and the restrictions the environment is beginning to impose on production, action is being taken at a national and international level.

Unlike traditional business, social and solidarity economy organisations, by definition, take care that their activities do not harm the environment. They are based on the principle of *sustainability*. This means resource use at a pace that does not exceed the capacity of ecosystems to replenish, and a level of waste that is compatible with the ecosystem's capacity to bear it.

### Participative management and facilitative leadership

All members have joint responsibility in decision making. Decisions are prioritised in line with people's work contributions and service to the organisation.

Management is participative, supporting further use of consensus and horizontality and in turn strengthening the involvement of members. The result is greater commitment which leads to the organisation providing a higher quality product or service. The principle is *participative governance*. Facilitative leadership refers to a new leadership concept with the role of creating and facilitating processes of interaction, communication and creation of contexts, with consideration and respect of difference and of different personal and cultural existences. Leadership and participative management seek quality individual and collective management, which promotes a consensus culture,

where working as a team takes precedent, as well as joint responsibility for work, equality of opportunities and equity. This paradigm assumes and values the wisdom and active decisions of a team, on the basis of the capacity for dialogue, and practical, sustainable, consensus.

### Ethical and essential resource use - Money as a means, not an end

In social and solidarity organisations, money is essential insofar as it serves as a means of exchange for facilitating transactions - hence a means, not an end.

The ethical use of resources is linked, in part, to the efficiency involved in not wasting them, but also to equity. The latter is understood to be resource use in the present that does not affect the rights of future generations, ever-more aligned rights and a reduction of the gulf between rich and poor. The principles are *efficiency* and *equity*.

An ethical example could be fair trade or paying fairly for bought goods and services.



## 4. PRACTICAL CASES

### 4.1 THE CORPORATE MANAGEMENT MODEL OF THE MONDRAGON GROUP

#### Rational objectives

- To understand in more detail the Corporate Management Model of the Mondragon Group.
- To recognise the basic operational philosophy of the Management Model.
- To consider management models as dynamic tools.

#### Experiential objectives

- To value governance and management models as key factors in the Mondragon Group's operations.
- To recognise the importance of organisational and management models for making an organisation's vision, mission and objectives cohesive.

#### Context

As described in Chapter 2, an intense discussion began within the Mondragon Group, then known as the Mondragon Cooperative Corporation, around the meaning of the Mondragon Experience. The Mondragon Group was undergoing significant international expansion at the time. This debate, entitled the Macro Reflection Process on the Meaning of the Experience (MRPME) resulted in the devising of the Mondragon Group's first bespoke management model, at the centre of which were the 10 cooperative principles specific to the Mondragon Experience (in some ways an adaptation of the Rochdale principles of cooperativism (see Chapter 2).

#### Content

##### The Corporate Management Model

This Cooperative Management Model (CMM<sup>6</sup>) aims to give Mondragon Group cooperatives some direction in how to develop their daily business management in an efficient and coherent way within the corporate culture of the Mondragon Group.

<sup>6</sup> Find details of the CMM here: <http://www.mondragon-corporation.com/wp-content/themes/mondragon/docs/Corporate-Management-Model.pdf>. The present introduction to the CMM of the Mondragon Group is largely based on this document.



The Cooperative Management Model (CMM) is directed towards the people that form the cooperatives making up the Mondragon Group and is designed to be applicable to different organisational levels and legal formats: Divisions, Mutuels, Cooperatives, Business Units, etc.

Cooperative leaders must implement it and the cooperatives' boards make the contents their own, approve the adjustments, and guarantee its implementation. The CMM, after being adapted, must be actively accepted by the members of the cooperative.

The Mondragon Group's mission (approved by the group's 7th Conference on 26th May 1999) states as one of its distinguishing features the application of a customised CMM.

#### General framework

- In 1996, the first Corporate Management Model was an attempt to translate the dynamics of management excellence favoured at the time into a cooperative context. The Total Quality Management model and in particular the European Foundation for Quality Management (EFQM) were key reference points. They were accompanied by the development of a number of corporate tools with specific methodologies: measurement of customer satisfaction, measurement of people satisfaction, processes, unfolding of objectives, etc.
- In 2002, this first CMM was updated and the corporate tools were substituted for the launch of a pro-

cess of the identification, validation and spread of good practice in applying concrete aspects of the model in cooperatives.

- In 2003, aspects of the model that applied exclusively to cooperative environments were removed.

The 2007 CMM is the result of a high level of participation and of contributions from the cooperatives in the development phase. While the EFQM model focused on quality, the Mondragon Group's first CMM focused on its 10 cooperative principles, providing its own evaluation tool.

- The Basic Cooperative Principles (BCPs) are the starting point, since the combination of them is what defines the corporate culture particular to the Mondragon Group.
- With a shared reference point at a corporate level, the Mondragon Group can foster more unity of management styles without aiming to homogenise them. This unity will facilitate communication between people from different cooperatives and build the capacity for identifying and developing existing similarities.

With the CMM, the Mondragon Group and its cooperatives are clear that:

- It is not a committee-approved ruling, nor a detailed tool that will dictate concrete actions. Each cooperative must interpret and translate it to their environment and bring their own focus to it.
- While the implementation of the CMM will help increase cooperatives' competitiveness, it is not a guarantee of achieving continued success as this depends on multiple factors that are difficult to predict in a general way.
- Every four years, the Mondragon Group releases a socio-entrepreneurial policy, with criteria for defining the strategic position of each cooperative in line with the whole of the Mondragon Group. The CMM is

less time-bound and offers some direction in how to keep this reference point in mind when carrying out strategic plans.

- The CMM does not question the BCPs, but rather takes them as a starting point and develops ways of implementing them in daily management.

### **General operational philosophy of the CMM: deep connections**

The graphic representation<sup>7</sup> of the CMM is a constantly turning circle, which aims to show the interrelation of the different concepts coming together and the dynamism required for its implementation and continuous adaptation. At the centre of the graphic, and as a starting point, are the *Basic Cooperative Principles*, which give performance guidelines to the *People working in Cooperation* to implement the cooperative values. It is these people who build the *Joint Project* and provide *Participative Organisation* to implement it.

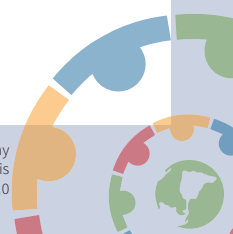
But this project takes place in the context of the market place, with customers, suppliers, partners, etc., and in the same environment in which its competitors operate. While its very cooperativism provides the Mondragon Group with clear advantages in the application of the most advanced current management concepts, it is necessary to put them into practice in order to be an *Excellent Company*.

The results obtained are the main point of monitoring the effectiveness of the CMM. There is no such thing as an excellent company with poor results. Therefore an adequate 'control panel' is essential, to select the relevant indicators for testing that the Mondragon Group and its cooperatives are obtaining good *Socio-Entrepreneurial Results*.

<sup>7</sup> See the CMM graphic in the document cited above: <http://www.mondragon-corporation.com/wp-content/themes/mondragon/docs/Corporate-Management-Model.pdf>.

## Questions for discussion and action based on the introduction to Mondragon's Corporate Management Model

- What sort of leaders should drive the implementation of this CMM? What characteristics should they have?
- When do you think the application of the CMM will have been a success? Explain your answer.
- What is the role in the CMM's implementation of obtaining profitable economic results? What is more important: Fulfilling the 10 cooperative principles? Or ensuring the profitability of the cooperative business? Or are the two inseparable?
- Can the CMM be considered innovative?
- What would you include in the organisational and management model of your organisation?
- Propose a model for your organisation with an explanation of your philosophy and operating principles and send it to: [socialeconomy@yorks.ac.uk](mailto:socialeconomy@yorks.ac.uk)





## 4.2 PRODUCTION CHAIN - LA CABAÑA COOPERATIVE FARM, CUBA

### Rational objectives

- Understand the integral chain of production, processing, conservation, distribution, commercialisation and sales of a agro-ecological fruit small-holding.
- Identify the elements of a system and agro-ecological management which make family agriculture sustainable.
- Understand facts relevant to an innovative local project taken on by the university of Pinar del Rio

### Experiential objectives

- Value the resilience of the people who live from, sustain and dynamise family agriculture in Cuba.
- Recognise the role of the university in the strategy of working within innovative local projects.

### Context

Cuba is one of Latin America's leading countries in adapting and spreading environmentally-friendly agro-ecological techniques. At the root of any one person's involvement in these sustainable and productive agricultural improvements, at the national or the farm level, is the economic crisis the country suffered in the 1990s. The responses began to appear in various forms in 1999 and continue today. They are characterised by minimising the use of agrochemicals as a system for the genetic improvement of plants that cannot meet the demands of farmers, instead taking on Participative Plant Breeding as a flexible method for developing local seed-production systems in groups, unlike the conventional method where all decisions are made by scientists. The objective of the Local Innovation Project of which the area in this case study is a part, is to strengthen the development of local agricultural communities.

Despite the efforts made by the government and various organisations to spread agro-ecological techniques and produce healthier, chemical-free products that meet the Cuban population's needs in terms of both quality and quantity, there are still not enough producers taking on these techniques in their daily operations in Cuba. Demonstrating how a closed cycle

of fruit production from planting seeds to when the final product ends up in a person's hands in the form of natural juice, and gradually incorporating agro-ecological knowledge and methods into the work of peasant farmers, is the current objective at La Cabaña farm in Cuba's Pinar del Río province.

### Description of the area

The community of La Cabaña is found 1km from the city of Pinar del Río with access from the road to Hoyo del Guama. It is home to 656 inhabitants (128 children, 290 women and 238 men) in a total of 268 houses. The peasant community sows and harvests various crops, notably *Zea mays* (maize), *Phaseolus vulgaris* (common beans), *Ipomoea batatas* (sweet potato) and fruit trees, mainly *Psidium guajava spp* (guava).

The agro-ecological farm of the same name, La Cabaña, is part of the Credit and Services Cooperative, José María Pérez. Its diverse fruit production makes maximum use of an area of 9 hectares, 1.5 miles from Pinar del Río, developing sustainable, organic family agriculture, with agro-ecological management systems. Agroecology is a circular system beginning with the seedbed and producing organic propagation material to assist future plant development. Organic material generated on the farm itself are used to make the most of all production residues. The systematic harvest of various fruits at all times of the year, and processing them in the mini-factory developed with the farm's own resources, ends up in selling juice products in the Juice Bar at Abel Santamaria Provincial Hospital in Pinar del Río, 24 hours a day.

### Content

#### Producing natural, healthy and nutritious juices with agro-ecological methods

#### The beginning

Work on the farm began in 2003 with a Participation-Action set-up. Initially, guava was grown and diver-



sification followed with fruits such as *Mangifera indica* (mango), *Platanus sp* (banana), *Ananas comosus* (pineapple), *Pouteria sapota* (mamey sapote), *Tamarindus indica* (tamarind), and the training of 10 producers in planting with agro-ecological methods, creating semi-protected plots for growing guava and other fruits for planting and controlled plant breeding using agro-ecological techniques and tips. Gravity-feed approaches to watering are used to save energy and manual labour is used in the cultivation.

### Training of peasant farmers

Training was also carried out through workshops, and technical and field visits, giving opportunities for learning and the exchange of theoretical and practical knowledge within and outside the community. Peasant farmers began to arrive from elsewhere having seen what these families were doing with the seeds, their interest piqued by the development of these techniques. It was not the diversification (albeit slight) of the production of different types of fruit that was the key to this success but the use and management of agro-ecological techniques. Interest was based in the quantity of varieties of seed of a single fruit: 126 in total, introduced along with the National Institute of Agricultural Sciences in Havana (INCA). The use of bio-fertilisers was one of the ways used to improve soil fertility and plant nutrition, increasing the population of microorganisms in the plants, seeds and soil. Azotobacter-based bio-preparations were used extensively, broadening the range of crops that would benefit.

It is important that a variety of agro-ecological techniques be developed further and spread, and that both professional and subsistence farmers are trained in these techniques.

### Product development, commercialisation and social impact

In terms of product development and commercialisation, the capacity for generating greater volumes than could be produced on the farm itself was created by integrating the production of neighbouring fruit farms; this was made viable by the demand for a 24-hour sales service in the hospital Juice Bar.

There are various ways in which support for the system has made it more sustainable and helped to strengthen it and make it viable. The farm holds 'Three Crown' agro-ecological certification from the National System of Urban and Suburban Agriculture and is aiming for a fourth 'crown', the maximum granted by the system. More important than this recognition, the mini-factory has produced and processed 1375 tonnes of agro-ecological products, sold during more than 236,000 consecutive hours of uninterrupted service in the Juice Bar, increasing the family income but also the social benefit both in the community and in the Abel Santamaria hospital.

Other important results of the work are the generation of renewable energy in the form of biogas through the extraction and processing of fruit pulp, free handouts of cold water to the population and of 300 juices per day to the hospital, voluntary donations to support unprotected children, the creation of 11 jobs, with the active participation of women, a stable product supply with 21 juice varieties daily, and the knowledge acquired around the production and health benefits of agro-ecological products.

Some concluding thoughts:

- It is possible to produce healthy and nutritious products while employing methods that do not adversely affect the environment, building producers' knowledge through agro-ecological adaptation.
- High social impact is generated through a closed cycle from the sowing of the seeds to the processing, preserving and sale of the fruit to the local population.



Photo: The juice bar at the hospital

## Questions for discussion and proposals for action

- What factors could be considered strategic and important for an innovative local project to be effective?
- Use the chart in the Dialogic Section to analyse this case study and identify factors which facilitate and inhibit for the replication of this experience in your country.
- How would you evaluate the evidence about the social impact of the project?
- What similar examples exist within your community? Prepare a case study in collaboration with others and send it to: [socialeconomy@yorks.ac.uk](mailto:socialeconomy@yorks.ac.uk)
- What other questions would you ask the author of this practical case? Send them to: [socialeconomy@yorks.ac.uk](mailto:socialeconomy@yorks.ac.uk)

Case study created by MSc. Yoan Suarez Toledo. Universidad de Pinar del Río in collaboration with the York St John -Erasmus Social and Solidarity Economy Consortium.



## 4.3 FAIRPHONE, THE NETHERLANDS

### Rational objectives

- To identify the social and economic impact of decisions made in the production of goods.
- To analyse decisions and ‘trade-offs’ made by a company aiming to produce ‘fair’ phones.

### Experiential objectives

- To be aware of the supply chain throughout the production process and the social and economic impact of this.
- To consider the impact of having a cooperative of this type within the community.

### Context



Fairphone started out as a campaign in 2010 aimed to raise awareness about the minerals used in consumer electronics and how these materials were fuelling wars in the Democratic Republic of Congo. The group was made up of the Waag Society, a foundation that aims to foster experimenta-

tion with new technologies, art and culture, the NGO Action Aid and Schrijf-Schrijf, a company specialising in written communication.

In 2013, Fairphone became a social enterprise. By creating a smart phone, it started using commercial strategies to maximise its social impact at every stage of the value chain, from sourcing and production to distribution and recycling.

Fairphone’s aim is to make a positive impact across the value chain in mining, design, manufacturing and life cycle, while expanding the market for products that put ethical values first.

It has 34 staff members, is based in Amsterdam, The Netherlands and has an office in London. It sold all of its first 60,000 Fairphones, with released in 2015. It is 100% independently financed, receiving no donations or venture capital “to preserve our social values”.

### Content

Fairphone has made the transition from campaigning group and non-profit organisation to a commercially trading social enterprise in order to come up with solutions to the environmental and social problems caused by the supply chain in consumer electronics. As Tessa Wernink, Fairphone’s Chief Communications Officer explains, “we want to create mutual gain – ‘net positive value’ – for all the people involved” in the production process. In creating the smart phone they have to work with the day-to-day challenges of sustaining the company economically whilst finding solutions to the social and environmental challenges of the industry, “as a company rather than as an outside player. Sometimes there are trade-offs, but it makes it more real to try to figure out how the industry works”.

Mobile phones were chosen as the product to focus on because they use a global supply chain. Fairphone aims to create a positive social impact in all areas of its work. These include:

**Mining** – Fairphone aims to source materials that support local economies, not armed militias. They source their minerals from conflict free areas of the Democratic Republic of Congo.

**Design** – the focus of the product is on longevity and ‘repairability’ to extend the phone’s usable life and to give buyers more control over the product.

**Manufacturing** – Fairphone argues that factory workers deserve safe conditions, fair wages and worker representation. The company works with manufacturers that want to invest in employee wellbeing.

**Life cycle** – the company addresses the full lifespan of mobile phones, including use, reuse and safe recycling.

**Social entrepreneurship** – Fairphone is working to create a new economy with a focus on social values. An important aspect of their work is to share the Fairphone story to help customers make informed decisions about what they buy.

Fairphone explains on its website that its phones are still far from being ‘fair’ in all these aspects: it is on a step-by-step journey to tackle the many social and environmental issues within the supply chain. On

its website and through social media it explains its achievements and is open about areas in which progress has been slower. This openness and transparency is part of a commitment by the company to open up the complexity behind value chains. It also supports its goal of stimulating discussions about fairness in the production of consumer goods. Tessa explains that one of the values of the company is “positivity – a lot of problems have to be positively approached, step-by-step. We don’t reflect on what we’re doing well to make others look bad”.

## Fairphone’s supply chain

### Sourcing raw materials

Tungsten is an essential ingredient in smartphones. Along with tin, tantalum and gold, tungsten from the Democratic Republic of Congo and surrounding Great Lakes region is classified as a conflict mineral under the Dodd-Frank Act, as the profits from mines are known to finance rebel groups. This designation has caused many companies to avoid sourcing tungsten from this difficult region, turning instead to locations like China. As a consequence, the amount of tungsten sourced from the African Great Lakes region has dropped to close to zero.

The reduced demand for tungsten from the Great Lakes region has had a negative impact on mines there, including those that are professionally run and validated to be conflict-free. Instead of going elsewhere, Fairphone is supporting ethical sourcing from the Great Lakes region to stimulate the local economy and establish a transparent tungsten supply chain. It is working with regional and international partners to reopen the tungsten trade in the Great Lakes region, starting with mines in Rwanda.

### Manufacturing

Fairphone aims to create long term relationships with other companies in which business increases a mutual benefit. As a minimum, Fairphone ensures that the phone production partners are aligned with the Ethical Trading Initiative Code of Conduct. It has partnered with TAOS, a Chinese organisation dedicated to achieving social responsibility and sustainable social compliance in the manufacturing sector, who carried out an audit of factories. This led to improvements being made in the factory before production started, including better

fire safety measures and free lunch for employees. TAOS conducts periodic, unannounced follow-up visits to Fairphone’s factories with the aim of gaining a deeper understanding of underlying social and environmental issues and to work to make improvements. One of the issues prevalent throughout the electronics industry in China is excessive overtime and a high percentage of the workforce employed via agencies. Fairphone does not have an immediate answer to these issues, but is committed to working with TAOS, the factory management and employees over the long term to identify actions that can yield sustainable results. Fairphone has been cooperating with a production partner in China in building the Worker Welfare Fund. For each Fairphone produced, \$2.50 is invested in the Fund by Fairphone and \$2.50 by the production partner. The money is spent on projects that benefit workers, such as safety and quality enhancements in the working environment, providing training and skills development, improving wage levels and organising leisure activities. A committee of worker representatives is elected by the workforce to design and implement projects to spend the funds available.

### Safe recycling of e-waste

Phones are one of the world’s most widely used consumer devices. Their disposal generates tons of electronic waste each year, much of which ends up in developing countries where unsafe recycling practices have devastating effects on the local environment and the health of the population.

Fairphone aims to address the issue of e-waste before the Fairphones themselves need to be recycled. It has partnered with Closing the Loop, a Dutch non-profit organisation to help provide solutions for e-waste in countries which do not have a formal electronics recycling sector. To start this, an e-waste awareness campaign has been launched in Ghana, collecting discarded phones there and shipping them to Europe for safe recycling. This initiative has been funded by sales of the first Fairphone. The long-term goal is to directly reuse the metals obtained from scrap phones in future generations of the Fairphone. As Tessa explains, Fairphone “looks at the true impact from sourcing all the way through to end of life and make a circular economy ... also that profits are recycled into something that creates value”.

## Questions for discussion and action

- What are some of the advantages and disadvantages of making the transition from a campaigning group to a social enterprise operating in the commercial world?
- Is Fairphone right to keep working in areas that are considered to be problematic from an ethical perspective, such as Chinese factories and the Great Lakes region of Africa?
- What ethical issues and choices are there in the goods and services you purchase?





## 4.4 MARAPA – SÃO TOMÉ AND PRÍNCIPE

### Rational objectives

- To identify the organisation's distinctive values.
- To analyse the role the organisation plays within the local economy.
- To understand the particularities of the organisation's way of working.
- To consider the impact of this organisation in its community.

### Experiential objective

- To be aware of the potential for practising alternative values to the current economic model and the impact this has on the workings of an organisation.

### Context

[www.marapa.org](http://www.marapa.org)



Marapa is a non-governmental organisation (NGO) in the Democratic Republic of São Tomé and Príncipe, a tiny archipelago in the Gulf of Guinea made up of volcanic islands. Due to its isolation and its geological origins, it enjoys great marine and land biodiversity, notably certain species native to the islands.

Traditional fishing is a sector of great socio-economic importance in the country, as one of the main activities but also in creating opportunities for other transformative and commercial activities. That it provides 75% of the inhabitants' protein consumption is also key.

São Tomé and Príncipe suffers a lack of means and political weight at an international level to make its existing ecosystem protection processes viable. As well as the overexploitation of these fragile ecosystems - extraction of coastal resources, use of unsustainable fishing methods and a lack of regulation - there is a shortage of research on and detailed knowledge of their richness.

In this context, Marapa's activities are meeting genuine needs: the protection of the country's marine and coastal ecosystems, joint management of fishing resources and support for people in the fishing sector, as well as the sustainable development of traditional fishing, and education and awareness-raising among civil society.

### Content

The Marapa team is made up of 19 paid workers and 16 members. Manuel Jorge Carvalho do Ríó, President of the Board of Directors stated, in 2013, that "the majority of our members are working in the management of fisheries and they pay a fee to be a member."

Marapa's actions cover various sectors, for example:

- fishing management and associated community equipment/infrastructure e.g. conservation equipment, ice-making machines, etc. "We support a co-operative that deals with high quality fish products, Copa Fresco, operating in São Tomé and Príncipe" (Manuel do Ríó);
- environmental education and health;
- ecotourism, focused especially on turtles and marine mammals such as whales and dolphins;
- the management of waste and water resources - "our work calls for the conservation of water and awareness of using it well and saving it" (Manuel do Ríó).

Marapa supports the traditional fishing sector in São Tomé and Príncipe throughout the value chain, from production to sale, via processing. Its involvement focuses heavily on sustainability and social responsibility and is inclusive of all stakeholders, "helping to organise fishermen and palaiés (intermediaries between fishermen and consumers) and contributing to the improvement of their working conditions. There is also a lobbying aspect, alongside the relevant politicians, fighting for the sustainable development of natural resource management."

Marapa works with adults or children, depending on the area and objectives involved. Education and awareness work is oriented towards children, because

of the potential for a multiplier effect: “Adults have their fixed view and are not informed; children (after having had their awareness raised) go home, see how older generation are doing things and criticise, correct and direct the actions of their parents” (Manuel do Río). Marapa’s work with adults is focused on more technical support.



### Modus operandi

Manuel do Río emphasises that all decision-making processes are participative:

Our whole system is collective... It is second nature at Marapa. Fortnightly, on a Monday, everyone gets together and we talk about what each person is doing, about any problems faced. The board takes part as well. If there are different points of view within a meeting, these questions are cleared up. This collective work is of great added value to the organisation because everyone always knows what each other is doing.

Participation is a defining characteristic of the organisation but there are other essential ingredients for its success: flexibility (“we can discuss and approve things in assemblies because the constitution is flexible”) and passion (“Marapa works with trainers who feel a love for the sea and its resources”).

### Economic sustainability and social business

Marapa’s economic sustainability is mainly ensured by the projects it runs and the fees it receives from members but the organisation also accepts donations and has taken out bank loans. With a sustainable future in mind, “subsidiaries in São Tomé” are being planned; “several in Marapas - a Naval Construction Marapa, for example”, that would have different constitutions from that of the current organisation, with the aim of “generating economic means for sustaining the organisation”. The organisation’s vision is based on autonomy

The organisation is managed by an executive committee of “three, all male”. At least once a year, the general assembly comes together and the administrative committee presents the budget and accounts to members. This committee, Manuel do Río says, “has the power to give opinions, manage and even, sometimes, decide on certain issues, as long as it is related to the development of normal activity. ... Decisions related to identity, the form of the organisation and rules, however, must go to assembly. ... Marapa’s mission must be addressed in the general assembly.”

The organisation places clear importance on professional training and the knowledge its staff need in order to act with quality and distinction. “Our mission is one of service. We must always have people with knowledge and particular skills for directing projects.” As well as technical expertise on the sea and coast, the staff profile includes a “good understanding of the area and the population.” For Manuel do Río, these are the characteristics that set Marapa apart and are to its advantage.

In its mission of “serving a healthy environment”, the networks and partnerships Marapa works in are essential, offering interaction with both public organisations (the fishing authorities, the environment ministry, the nature conservation ministry) and private businesses when it is necessary, or useful.

An interesting feature of the organisation is that its directors regularly change roles. Decisions are made in the assembly and are aimed especially at involving the youngest members to reduce risks in the future. “We are trying to prepare the very young members”, the future advisers and directors, Manuel do Río says.

and growth, as Manuel do Río explains: “We have a commitment ... to making the business grow, to enable, gradually, more autonomy.”

Diversifying funding sources, so as not to depend on a single funder or member, is another concern for Manuel do Río: “We cannot restrict it to one member, we must rely on several because each has their own philosophy, their own time or opportunity.” Manuel do Río is confident that some of the organisation’s spe-

cial features - addressing local needs, the visibility and image of achieving good things alongside the population and a passion for always doing more and better - will be the basis for its continued growth. Manuel do R o cites a recent example: “We have a big problem in this country. There is no trading organisation that represents fishing. We are thinking about creating a Sea Store that will, for example, make engines, offer high quality bait... We know it will be difficult because fish-

ermen will be able to buy more cheaply in bulk but we are going to explain that cheaper is not always better ... The aim of this business would be to reinvest in social work as well as the fishermen.”

Social business rationale, where profit is reinvested in the community, is already apparent in Marapa’s loaning of boats to fishermen who do not have the means to have their own.

### Questions for discussion and proposals for action

- What 3 things struck you most in this case study? Why?
- Consider the most important aspects in the ways of working of a social and solidarity economy organisation and on the advantages that these offer.
- What are the key points in the functioning of an organisation? Identify one in this case study and analyse it.

### Further resources

- <http://www.emb-saotomeprincipe.pt/>
- [unstp.org](http://unstp.org)



## 4.5 MICROFINANCE: SUJALI SELF-HELP GROUP, NAIROBI , KENYA

### Rational objectives

- To identify the factors that make the scheme work.
- To consider how this scheme might be perpetuated and extended.

### Experiential objective

- To be aware of the affective dimension in providing motivation and social cohesion.

### Background

#### What is microfinance?

Microfinance is a general term to describe a banking service that is provided to low-income groups or individuals who otherwise would not be able to qualify for a bank loan or take advantage of a range of banking services such as insurance, savings accounts or money transfers. The core product is microcredit, a small loan to purchase productive assets allowing repayment over a short period of time without the guarantee of collateral.

#### Context

Sujali Self-Help Group was started in June 2013 as a result of a chance conversation about an already established group of 11 women who raised money by means of a 'merry-go-round'. Each month one of the group received the combined group contribution. During the conversation, an 'angel investor' offered a small sum of money (£500 – approx. 600 euros) to a university colleague, Mary Kiguru, as a way forward for the women entrepreneurs to improve their businesses and, by extension, their lives. Mary knew the women well - one of whom was her mother! As of June 2015, the capital is approaching £3000 and there are 8 active women lenders.

For more detailed information about the scheme and the women, go to [blog.yorks.ac.uk/socialeconomy/category/microcredits/](http://blog.yorks.ac.uk/socialeconomy/category/microcredits/)

#### Content

The women live in the same geographical area of the city and most knew each other well at the outset. Four women initially borrowed about £150 (about 180

euros). The money was paid back promptly in full in 5 months at a low rate of interest. The women were anxious to pay off the sums on time in order to secure larger loans. More money was put into the scheme to allow for larger loans and with a view to increase the number of lenders. Initially, the four women were reluctant to increase the size of the group, preferring to gain experience and then allow new members to join who they could then mentor. The women decided to borrow £250 each on the second occasion and wanted the loan period to be extended to 7 months. This was agreed. The third loan allowed them to draw out up to £400 each. In addition, the group decided to have a savings scheme (starting with £3.50 a month rising to £7.00 per month) and to offer overdrafts to group members. The average savings at the time of writing (June 2015) amount to about £50 per person.

The group meets monthly and, at that time, the money is handed over and the group discuss their experiences. The angel investor meets the women several times a year and is keen to know how the group is faring and to visit their businesses but does not interfere with the working of the group (apart from naming the cows – Daisy and Buttercup!) and devolves all financial responsibility to Mary Kiguru. The group is well disciplined. They have introduced a fine system for any latecomers to the monthly meeting, and fines for late payment and non-attendance at those meetings. The group have also got an electronic money transfer system (M-pesa) account which allows for easy transfer of monies. The group have set their own interest rate (10%). This is set higher than would have been liked by the investor (who would have preferred to have an almost zero level of interest to discourage any tendency to regard the transactions as being like those that would take place in the commercial sector). The group, interestingly, wanted a higher interest rate to increase the capital and to be more independent in case of the investor withdrawing the funds (which is not at all planned). The group also want to be registered so as to avoid certain tax obligations and to be eligible to qualify for certain grants.

The challenges to the group are, first of all, not to over-diversify and not to over-commit. They are impatient to change their lives but do not have a clear sense of risk management. The scheme does not, however,

guard against health risks, property damage, theft or natural disasters or weather-related problems. Micro-insurance would be a way of dealing with this. They also have difficulty at times seeing which money is coming from which income stream and must ensure that their personal finances do not get mixed up with their enterprises. They recognise the fact that some of them do not have the bookkeeping and other skills that they need in order to manage their money. The women have been helped by Mary but, more recently, by a team of 5 Business Studies students who bring a range of skillsets to bear on the issues relating to the women. They have entered their project in a competition with an organisation, Enactus that brings together Universities, students and communities to provide social, economic and environmental benefits to the latter. The Kenyan university, Kenya Methodist University (KeMU), where Mary works has provided the students with a budget and has made available university transport to enable the students to visit regularly and advise the women. So far, they have focused on several of the women and their advice has ranged from bookkeeping, income management, hygiene and shop and cafe layout. The women are being very receptive to the advice and the students are deriving great satisfaction out of engaging with them and tackling real world problems.

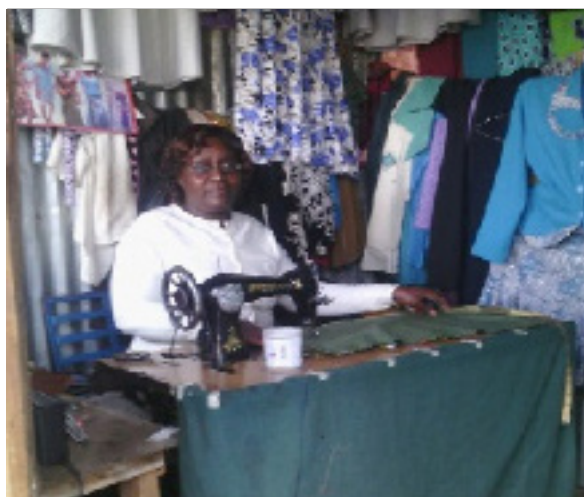


Photo: Eunice - seamstress and member of the Sujala women's Group

The group has increased in size slowly and new members have to be part of the group for one month before they can borrow any money. During that time, they can be informally vetted to ensure that they will not default or overreach themselves by borrowing from elsewhere or allowing one loan to pay for another. Each time the

loan amount increases with one person asking for two loans of almost £700. One of these loans was part payment for a matatu (a minibus that is a popular mode of public transport) which she owns with her husband. Other loans of £400 or more are becoming common as well as overdrafts to top up the loans or loans borrowed by others in the community.

The women have diverse enterprises including hair-dressing, retail, dressmaking, rearing poultry, café and shop owning, market gardening, baking cakes and cookery lessons. The impact has been quite dramatic for some members. All have benefitted but several notable cases will serve as examples. One woman, Alice, has increased her chicken rearing at least six-fold and is having difficulty meeting high demand for her eggs, has purchased goats and now also has a minibus. Another, Jacinta, has a shop with a café, has bought a cow that recently calved and serves the local community from early morning till late at night, employing her husband full-time. A third, Rispa, is keen to leave behind commuting and a job with an insurance firm in the city to become a market gardener. She has put up greenhouses and is producing high yields in a short space of time. Undeterred by a blight that ruined her entire tomato crop last year, she has replanted with alternative produce.

The evidence suggests that the microfinance initiative is making a significant difference to the lives of the women and their families. The women refer to greater confidence, a pride in their achievements and enhanced income that impacts on their families. The women appear to have enjoyed the coverage on the university social and solidarity economy blog which celebrates their achievements. They are clearly capable and industrious women who have been given an opportunity to transform their circumstances. They can also help each other either by buying each other's produce or by offering advice. The recurrent loans allow the women to demonstrate their commitment and business competence and show that they are trustworthy. Social control is exercised by the group and non-compliance dealt with through fines. Microfinance initiatives have an extremely high repayment ratio and this scheme has a 100% ratio at present. Women are recognised as being much more reliable than men in terms of repaying loans and spending the money on their families.

At present, there are no plans to scale up the scheme and the focus is on helping the group to prosper and



learn from their experiences. Ideally, one vision might be to involve the Kenyan university directly and encourage staff and students to invest in the scheme and learn from this and other such schemes that are being recognised as an increasingly important part of

business education. It is recognised that this is very small-scale in scope and impact but, arguably, it has made a difference that justifies the effort and investment.

### Questions for dialogue and action

- What reasons might there be for the success of the scheme to date?
- How might the microfinance scheme move forward in the short and medium term?
- How might it be improved?
- What are the issues associated with scaling up the investment and increasing the numbers?
- How might the scheme be supporting social capital?
- Initiate a micro-finance scheme among students towards a social project within the university.

Case study written by: Mike Calvert, York St John University and Mary Kiguru, Kenya Methodist University, Nairobi in collaboration with the York St John - Erasmus Social and Solidarity Economy Consortium







## 5. PEDAGOGICAL ACTIVITY

CHAPTER 3: CREATING A SOCIAL ENTERPRISE PLAN BASED ON THE SOCIAL LEAN CANVAS	
<b>Title</b>	Creating a social enterprise plan based on the Social Lean Canvas
<b>Subject</b>	Social enterprise business planning
<b>Size of group</b>	Individual or in groups of 3 - 4
<b>Time</b>	1 month
<b>Learning objectives</b>	<ul style="list-style-type: none"> <li>Understand the 14 elements that make up the operative model of a social enterprise.</li> <li>Become familiar with how the 14 elements relate to each other.</li> <li>Analyse the importance and impact that each of these has in the short, medium and long terms.</li> </ul>
<b>Competences</b>	<ul style="list-style-type: none"> <li>Be able to identify the elements that differentiated the Social Lean Canvas from planning tools used by other economic sectors.</li> <li>Recognise the importance of the interrelation of the elements to create a sustainable and balanced plan.</li> </ul>
<b>Key words</b>	Social lean canvas, impact, differentiated advantage, key indicators
<b>Materials needed</b>	The diagram of the social lean canvas model to complete it, from <a href="https://socialleancanvas.com/">https://socialleancanvas.com/</a>
<b>Instructions</b>	<p><b>1<sup>st</sup> step</b></p> <ul style="list-style-type: none"> <li>Choose the idea of the social enterprise to complete the Social Lean Canvas</li> <li>Develop each one of the 14 elements which make up the canvas</li> </ul> <p><b>Objective:</b></p> <ul style="list-style-type: none"> <li>Clearly define in terms of social and/or environmental impact what your idea is intended to achieve. This needs to be set before starting the rest of the canvas as set of principles to guide the development of the operating model of the enterprise</li> </ul> <p><b>Clients segment</b></p> <ul style="list-style-type: none"> <li>Who do you need to mobilise to make the model work?</li> <li>Consider clients, users, investors, volunteers, etc.</li> </ul> <p><b>Pioneering clients:</b></p> <ul style="list-style-type: none"> <li>Who are the first people you need to contact?</li> </ul> <p><b>Problem:</b></p> <ul style="list-style-type: none"> <li>Who defines the problem?</li> <li>Take into account that there are specific problems which clients can address (in the clients segment) which are not general problems to be placed in the Objectives section.</li> </ul> <p><b>Existing alternatives:</b></p> <ul style="list-style-type: none"> <li>How are these problems currently solved?</li> </ul> <p><b>Value proposal:</b></p> <ul style="list-style-type: none"> <li>What single or multiple value proposition eliminates the problems facing different segments of customers?</li> </ul> <p><b>High level concept:</b></p> <ul style="list-style-type: none"> <li>What differentiates your solution from others and how is this innovative?</li> </ul> <p><b>Solution:</b></p> <ul style="list-style-type: none"> <li>What solution will bring the value proposition to different segments of clients?</li> </ul> <p><b>Channels:</b></p> <ul style="list-style-type: none"> <li>How will you reach clients in a way which can later be scaled up?</li> </ul> <p><b>Financial sustainability:</b></p> <ul style="list-style-type: none"> <li>Traditional income model: continuous income, such as payment by clients for goods and services, donations, etc.</li> <li>Financing model: people or organisations who provide the initial capital (e.g. members being owners by providing capital, as in a cooperative structure)</li> </ul> <p><b>Cost structure:</b></p> <ul style="list-style-type: none"> <li>How much will it cost to take the solution to clients?</li> </ul> <p><b>Key indicators:</b></p> <ul style="list-style-type: none"> <li>Which indicators will demonstrate the success of the enterprise?</li> </ul> <p><b>Differential advantage:</b></p> <ul style="list-style-type: none"> <li>What will make this enterprise a success?</li> </ul>



<p><b>Instructions</b></p>	<p><b>Impact:</b></p> <ul style="list-style-type: none"> <li>What social or environmental impact will result and who will benefit? Include the indicators selected.</li> </ul> <p><b>Plenary:</b></p> <ul style="list-style-type: none"> <li>Share your Social Lean Canvas and explain how you defined each point.</li> <li>Identify the positive and negative factors that impact on the development of the model developed and what plans you have to reinforce or adjust them.</li> </ul> <p><b>2<sup>nd</sup> step</b></p> <ul style="list-style-type: none"> <li>Present your Social Lean Canvas to at least 3 social entrepreneurs who work in the sector that your idea relates to, in order to get their feedback. This could be done in phases, depending on how the model is progressing.</li> </ul> <p><b>3<sup>rd</sup> step:</b></p> <ul style="list-style-type: none"> <li>Create an audiovisual presentation about your idea based on the Social Lean Canvas. Present this to social investors. The video should be no longer than 3 minutes.</li> </ul>
<p><b>References</b></p>	<p>Social Lean Canvas Español - <a href="http://www.socialleancanvas.com">www.socialleancanvas.com</a></p>
<p><b>Notes</b></p>	<p>Get in contact with the York St John Social and Solidarity Economy Consortium if you develop a new model, so it can be shared in our network. <a href="mailto:socialeconomy@yorksj.ac.uk">socialeconomy@yorksj.ac.uk</a></p> <p>Ponte en contacto con el Consorcio YSJ-Erasmus Economía Social en caso elabores un nuevo modelo para difundirlo dentro de la red.</p>
<p><b>Contact person</b></p>	<p>Guillermo Montero, Sevilla, Spain– Proinca Consulting</p>

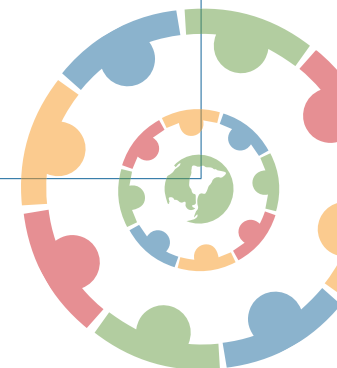


## 6. COMPETENCES

STAGE 1	AREA OF COMPETENCE	Additional explanation of competence and descriptors: PRACTICAL KNOWLEDGE FOR THE DEVELOPMENT OF A SYSTEMIC MANAGEMENT MODEL FOR A SOCIAL ENTERPRISE	SELF-EVALUATION EXERCISES
Development of systemic management skills	Systemic management of the social enterprise	<p><b>To know and understand management of SSE organisations from a systemic, integrated and ethical perspective</b></p> <p><b>Social aim</b></p> <ul style="list-style-type: none"> <li>▪ I identify the social change necessary related to the people who are affected based on their needs and rights.</li> <li>▪ I explore in depth the root and complexity of the problem and the change to work alongside the people affected.</li> <li>▪ I describe my aim based on an ethical and social agreement to bring about the social change that is required.</li> </ul> <p><b>Total systemic perspective of the social change</b></p> <ul style="list-style-type: none"> <li>▪ I decide along with others how we perceive the change that we want to bring about.</li> <li>▪ I identify the changes with others based on specific actions for different levels and contexts.</li> <li>▪ I determine with others the performance indicators that will guide our actions.</li> </ul> <p><b>Sustainable enterprise practices</b></p> <ul style="list-style-type: none"> <li>▪ I link the solutions for the change to the 10 principles of the Global Contract programme.</li> <li>▪ I measure the activities that have been planned using the internationally recognised tool:</li> <li>▪ <a href="http://www.globalcompactselfassessment.org/es/">http://www.globalcompactselfassessment.org/es/</a></li> <li>▪ I evaluate the social and environmental risks of the solution, be it in terms of product and/or service, production chain, waste, etc.</li> </ul> <p><b>Different clients and/or beneficiaries</b></p> <p><b>Interest groups:</b></p> <ul style="list-style-type: none"> <li>▪ I identify the expectations of the interest groups and incorporate them into what the enterprise offers.</li> <li>▪ I am interested in getting to know well the people with whom I will be working or collaborating.</li> <li>▪ I plan with those involved in the interest groups how they want to be engaged in the enterprise.</li> </ul> <p><b>Clients:</b></p> <ul style="list-style-type: none"> <li>▪ I know what they expect from the product, service or concept which I am offering.</li> <li>▪ I decide on the nature of the relationship with the client.</li> <li>▪ I explain convincingly the value that the product and/or service that I am offering will give.</li> <li>▪ I present in different visual and tangible ways the benefits of the products, services and concepts that I am offering.</li> <li>▪ I point out to my client or interest group how their lives will be different or change having received the services or bought the products that we are offering.</li> </ul>	<ul style="list-style-type: none"> <li>▪ I create a systemic plan for the setting up of a social enterprise using each one of elements of the left hand column.</li> <li>▪ I start a forum or group to carry on developing the plan alongside the interest groups or client.</li> <li>▪ I visit the video section of Chapter 3 on the web and search for Babele: it is a virtual collaborative space for the design of social enterprises.</li> <li>▪ I revise the sustainability of the activities on my plan measuring them against the tool at the following URL: <a href="http://www.globalcompactselfassessment.org/es">http://www.globalcompactselfassessment.org/es</a></li> <li>▪ I compare a commercial business and a social business and point out ways in which they differ and what these differences mean in the day-to-day running of the business.</li> <li>▪ I compare my idea of an enterprise with another that is operating inside or outside the community.</li> </ul>



STAGE 1	AREA OF COMPETENCE	Competence further explanation & descriptors:  ORGANIZATION AND USE OF LOGICAL, INTUITIVE, CRITICAL AND CREATIVE NARRATIVE THROUGH SOCIAL NETWORKS	EVIDENCE FOR SELF-ASSESSMENT
Development of systemic management skills	Systemic management of the social enterprise	<p><b>The market and marketing</b></p> <ul style="list-style-type: none"> <li>▪ I identify other social entrepreneurs to complement the services, products or concepts that I am offering.</li> <li>▪ I explore the badging of products, services and concepts that I am offering so as to be able to access the market.</li> <li>▪ I consider the best reasonable price to guarantee short and medium term viability.</li> </ul> <p><b>Ethical standards</b></p> <ul style="list-style-type: none"> <li>▪ I keep informed about the standards for health, safety, work, environment that have to be met.</li> <li>▪ I check that the resources that I am using meet ethical standards of production.</li> <li>▪ I am aware of the importance of sustainability in the supply chain.</li> </ul> <p><b>Raising investment and crowdfunding</b></p> <ul style="list-style-type: none"> <li>▪ I put together strong robust arguments to secure funds and sign up potential investors.</li> <li>▪ I know the background of the person or organisation who wants to invest in the social enterprise and behave accordingly.</li> <li>▪ I link up with other social enterprises to secure better wholesale prices.</li> </ul> <p><b>Model of investment and income</b></p> <ul style="list-style-type: none"> <li>▪ I know the advantages and disadvantages of different types of investment.</li> <li>▪ I am aware of the risks that the investment entails.</li> <li>▪ I diversify my income streams putting together my services, products and concepts with others.</li> </ul> <p><b>Legal aspects</b></p> <ul style="list-style-type: none"> <li>▪ I look into the different fiscal and tax regulations that I have to meet.</li> <li>▪ I know what types of licence I need to hold.</li> <li>▪ I know what sort of patent or intellectual property rights I need for the services, products and ideas in accordance with the values of my organisation.</li> </ul> <p><b>Teamwork</b></p> <ul style="list-style-type: none"> <li>▪ I trust the team with which I launch the idea as a project or enterprise.</li> <li>▪ I know the strengths and weaknesses of my team and speak about it openly in such a way as to make up for any deficiencies that might need addressing.</li> <li>▪ I identify the skills and training that the team will need in order to create, develop and innovate with the service, product or project.</li> </ul> <p><b>Cost structure and reinvestment</b></p> <ul style="list-style-type: none"> <li>▪ I have worked out the original level of investment and costs required to launch the enterprise.</li> <li>▪ I identify the fixed and variable costs of the activity as it develops.</li> <li>▪ I work out the price per unit of the product or service and the profit margin.</li> <li>▪ I reach agreement with the team as to where the surplus will be reinvested.</li> </ul>	As above in previous chart.





YORK ST JOHN-ERASMUS  
SOCIAL AND SOLIDARITY  
ECONOMY CONSORTIUM

# Enhancing studies and practice of the social and solidarity economy

A reference handbook

Meredith, M. & Quiroz Niño, C. (Coords.), Arando, S.,  
Coelho, L.S., Silva, M.F. & Villafuerte Pezo, A.M.

## Chapter 4: Professional competences



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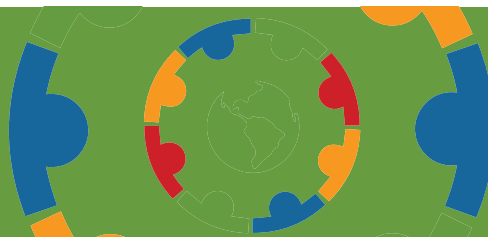
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## 1. INTRODUCTION

The nature of the studies about the social and solidarity economy and the social purpose organisations which result from this require teachers with a specific profile. Academic skills are not enough. It is essential to add to the professional standards of teachers the competence of valuing and developing a practical, critical and reflexive wisdom. This is called phronesis. It involves teachers who consider their professional ethics to include a holistic perspective in relation to the competences focused on acting in a responsible way within a specific context: “a true and reasoned state of capacity to act with regard to the things that are good or bad for man” (Aristotle, Nichomachean Ethics, V1, 5).

In this handbook, the professional competences for teachers in the social and solidarity economy are underpinned by phronesis: valuing knowledge and wisdom in action. They emphasise ethical and socially responsible practice. This has been the message of each chapter in this handbook.

### Glossary

**Labour competence:** the capacity to carry out tasks; personal attributes, (attitudes and skills). Effective and affective capacity to successfully carry out an activity that has been identified.

**Phronesis:** A reasoned and true state of capacity to act with regard to human good. (Aristotle, Nicomachean Ethics, V1, 5).

**Intrapreneur:** a person with the same qualities as an entrepreneur who develop their entrepreneurial ideas within their own working environment.

**Systems thinking:** the attitude of the person, which is based on the perception of the real world in terms of holistic thinking for analysis, understanding and actions.

### KEY QUESTIONS FOR THIS CHAPTER

- What is specific about the education and training of staff and students within the social and solidarity economy and towards social entrepreneurship?
- What should be taught and how?
- What advantages are there in education and training based on competences and underpinned by phronesis?

The education and training based on competences presented here is for both teacher and student. The knowledge and experience of both converge in a social entrepreneurship, where the action and reflection on action allow the systematisation of new knowledge and practice.

**Transdisciplinary:** a form of organisation of knowledge that transcend subject disciplines in a radical way. It emphasises knowledge which a) is between subject disciplines, b) runs through them all, and c) what is beyond disciplines.

With trans-disciplinarity, relational, complex, knowledge is aspired to that never will be finished, but seeks permanent dialogue and review.



## 2. LITERATURE REVIEW

A key debate in the literature is the question whether social entrepreneurship should be studied as a discrete field and the extent to which it fits into the broader scheme of organisational, management and business studies (Austin, Stevenson and Wei-Skillern, 2006). The debate has implications for whether social entrepreneurship should be the exclusive domain of business schools.

In terms of the role of business schools, the differing notions between US and European approaches surface. While US-based academic and educational scholar Frances Westley argues that “there’s much that a traditional entrepreneurship program in a business school can teach a social entrepreneur” (Weber, 2012, p.412), an expert group of the European Commission finds that “it is questionable whether business schools are the most appropriate place to teach entrepreneurship” (European Commission, 2008, p. 7). It should be noted that the European perspective is generally on entrepreneurship education whereas Frances Westley’s argument focuses on social entrepreneurship. While Westley advocates the view that minor adjustments to traditional business school curricula suffice to train social entrepreneurs, the expert group of the European Commission implies a social entrepreneurs-hip involves cross-disciplinary courses.

This discussion is also underpinned by beliefs about whether social entrepreneurs should accept private and public sector management theory. Ridley-Duff and Bull (2011, p. 120) note in this regard that “social enterprises are active in reshaping and remoulding the notion of management itself, to suit a business environment where organisations aim to be profit making, but not immorally profit maximising”.

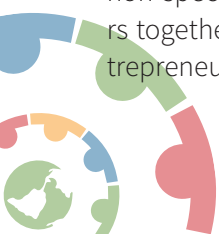
Addressing whether social and commercial entrepreneurs learn successfully together, Howorth, Smith, and Parkinson (2012) maintain that the tension between social and business values can be problematic in business skills courses for social entrepreneurs. Social entrepreneurs often have a background in the community and social development field and are less likely to have developed management skills. In addition, they may consider these skills to be in conflict with their social values. The authors compare two UK courses which offered business skills education: one non-specialist for commercial and social entrepreneurs together; the other dedicated entirely to social entrepreneurs.

Howorth et al. believe that social entrepreneurs are more likely to position themselves in terms of their roles in the community than in management, with some seeing themselves in opposition to proper business. Yet to achieve their social aims they need to act in entrepreneurial ways in identifying opportunities for obtaining funding and for doing business. The authors argue that social entrepreneurs need to develop business and management skills, and that management educators need to understand how concerns about personal identity could affect social entrepreneurs’ engagement with the course. To help social entrepreneurs through the uncertainties and unique circumstances they face, the authors argue that it is important to help them develop the skill of reflective thinking, which could be useful in allowing them to step back from the situation and lead their governing board in critically assessing the issue.

Drawing on Lave and Wenger (1991), they argue that learning is “socially situated” and takes place in “communities of practice”: in this case the community is the cohort of learners on the course. The authors found that with this pedagogical approach, combining social and commercial entrepreneurs in the same course could be beneficial. There are aspects of the work of commercial and social entrepreneurs which have much in common, such as resource constraints, uncertainty about the environment in which they are operating and lack of power in the marketplace. They suggest that the mix of learners led to rich and open conversations about motivation for their work and different criteria for measuring success; and that confidence was built by discussing and how they dealt with the many challenges they had in common. On the other hand, a member of the dedicated social entrepreneur course reported everyone being “stuck in the same boat [about] funding and insecurity” (p.383).

The authors conclude that mixed courses of commercial and social entrepreneurs can be successful as long the specific context of social entrepreneurs is acknowledged and taken into account; and that the community of practice approach enabled the cohort to develop a common identity first and foremost as learners.

Dees (2012) argues that the education of commercial entrepreneurs and social entrepreneurs should be very different, suggesting that business schools are not necessarily the best place for social entrepreneurship education. Business schools, according to Dees, are good at teaching how to attract capital and build



organisations in logical and linear ways. Students are encouraged to be confident and assertive problem-solvers. However, this is not necessarily the best approach when dealing with a community in need: confidence can look like arrogance. Social problems are often not linear and solutions are multi-layered. In fact, Dees describes them as a “many player game with complex environmental factors” (p.446) and changing political and economic conditions. He maintains that social entrepreneurship involves emotional challenges. It can take time to build up the necessary trust with people in complex situations and doing the work well “requires a high degree of emotional intelligence” (p.447). He argues that business schools are less good at understanding how to bring about social change and concludes that social entrepreneurship could be incorporated across a range of disciplines, enabling technical solutions to be combined with business and social change plans to solve social problems.

The issue to highlight in this debate of the pedagogical approach and the most appropriate place in which the teaching of subjects related to social and solidarity economy and social entrepreneurship may take place, is the willingness of both teacher and student to explain their the elements that make up their thoughts.

## 2.1 WHAT SHOULD BE TAUGHT IN SOCIAL ENTREPRENEURSHIP COURSES?

Entrepreneurship education is not straightforward in terms of its core subject areas and key competences to be taught. In fact, entrepreneurship education programmes can have different objectives as an expert report by the European Commission highlights these as

- a. **developing entrepreneurial drive among students (raising awareness and motivation);**
- b. **training students in the skills they need to set up a business and manage its growth;**
- c. **developing the entrepreneurial ability to identify and exploit opportunities” (European Commission, 2008, p. 7).**

In other words, the educational courses in the field can be set up with the intention to increase awareness and motivation, develop relevant skills and instigate the ability to act. Notwithstanding these three objectives with which courses can be defined, this section explicitly focuses on the elaboration of the current challenges that social enterprises face, resulting in the key skills needed by social entrepreneurs.

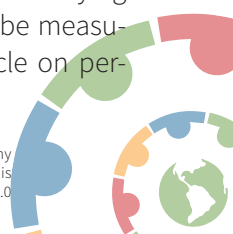
Dees believes that social entrepreneurship education should blend theory and practice to develop a range of social, social and soft skills, and develop “authentic and engaging experiences” and warns against tokenistic measures such as “spending a couple of hours serving meals in a soup kitchen and thinking you truly understand a poor person’s situation”(Worsham, 2012, p.448).

He suggests that social entrepreneurship courses should include activities such as:

- **Student role-playing exercises with client organisations “as long as there are opportunities for candid feedback” from the client.**
- **Observing community meetings and “debriefing the dynamics” (p.448).**
- **Shadowing a social entrepreneur over a period of several months to understand some of the day-to-day challenges, or working with social ventures to work on ‘real-world problems’.**
- **Inviting a guest to class who can talk about the complexities: what has worked and what hasn’t.**
- **Interviewing different stakeholders – to understand how they define their own situation and how they perceive any need for change.**

Miller, Wesley and Williams (2012) make a comparison between what is offered in social entrepreneurship courses and what practitioners wish to learn in the United States. They find points of agreement as well as differences between the offer and the demand. In general, both practitioners and educators agree that “measuring outcomes and problem solving” are important. The authors argue that while these are generalizable skills, the social mission of social enterprise makes these skills very specific in this context.

Given that the social purpose of the social entrepreneur creates greater challenges in measuring performance than that in a purely commercial sphere - the difficulty of evaluating and understanding impact when social change is the goal - a combination of quantitative and qualitative evaluation skills are necessary. The authors state that a common theme throughout coursework is learning to use the tools available for social impact reporting, such as Social return on Investment and blended value accounting. “Often, multiple classes were needed to teach the art of management double [economic and social] or triple [including environmental] bottom lines by identifying factors outside of financial profit that can be measured.... Key texts were Kaplan’s (2001) article on per-



formance measurement and Gair's (2012) report on SROI [*social return on investment*] were fundamental resources for students" (p.362).

The number 1 expectation by practitioners was that courses would address the ability to solve problems. As the authors point out, in the social enterprise field these are "deep, intractable, and engrained within communities, governments, and infrastructure" (Miller, et al., p.362, citing Light, 2006). Therefore the process of working through the details of a problem must go beyond weighing it up and reaching a conclusion: it must involve a theory of social change. Many courses encouraged students to develop their own social impact theory. This involved exploring existing theories to address issues such as alleviating poverty.

Other areas of agreement between practitioners and educators included:

- **management of financial capital: rated as very important by both groups;**
- **innovation and creativity;**
- **the ability to develop collaborative relationships. This competence was taught frequently in undergraduate, non-business courses, but rarely among**

**graduate social enterprise course, a finding that the authors describe as "curious" (p.367).**

There were, however, areas of difference of opinion. Practitioners wanted areas such as a "sense of moral imperative/ethics" and the "ability to communicate with stakeholders" to be a part of courses, but only just over a third of courses addressed this. Similarly the "ability to challenge traditional ways of thinking" was rated as highly by practitioners, but was featured in just under half of courses offered (Miller, et al., pp.364-365).

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Among other pedagogical approaches, professional practice has a high value for social entrepreneurs because of their characteristics and objectives. These are detailed in Table 4.1:

**TABLE 4.1: PROFESSIONAL PRACTICE: WHY AND FOR WHAT?**

- **Create specific innovation context: establishment (from creation to implementation) of innovative ideas and added value which combine ideas or previous technologies in a unique way, and produce positive effects within a specific context (Drucker, 1993).**
- **Generate a positive impact for social progress: promotion of entrepreneurship that produces improvements social, environmental, institutional and productive, helping to improve the ways in which society functions (Porter, Stern and Artavia, 2013).**
- **Keep the collective impact: integration and mobilisation of people or institutions, the coordination of activities and the contributions of others in order to generate a collective impact, and the exploitation of synergies between for profit and non-profit organisations for (Kania and Kramer, 2011).**
- **Work with various types of organisations: those which are slightly or strongly linked to markets, as well as to socio-environmental problems, and which include start-ups, companies with activities of corporate social responsibility, non-profit or public sector organisations and social enterprises (Jäger and Schroer, 2013).**

Source: Centro de Intercambio de Conocimientos de VIVA TRUST.





## 2.2 PHRONESIS AND ITS ROLE IN THE EDUCATION AND TRAINING OF THE SOCIAL AND SOLIDARITY ECONOMY

Dunne (2008, p.16) argues that practical knowledge is linked to wisdom and he differentiates this from “the great esteem placed in modernity on rationality, or rather, a specific mode of rationality that has established an epistemic hegemony, so that only knowledge assembled within its frame is recognised as properly rigorous” (p 15). In this technical rationality, detachment and established procedures are dominant and professional ethics are reduced to obligations and prohibitions (Carr, 2008).

“Phronesis ... is an intellectual virtue that implies ethics. It involves deliberation that is based on values, concerned with practical judgement and informed by reflection. It is pragmatic, variable, context-dependent, and oriented towards action... [It is] knowledge of the proper ends of life” (Kinsella and Pitman, 2012, p.2). Aristotle classified it as one of the several intellectual virtues or excellences of mind (Eikeland, 2008).

The nature and intrinsic values of the discipline of the social economy and solidarity, expressed as: “under no circumstances, can an economic interest take precedence over reverence for life” (Max-Neef, 2013), mean that for teachers in these studies it is not sufficient to have cognitive and technical skills. Rather they have to develop and demonstrate moral wisdom in the ethical performance of their duties.

The development of a critical moral wisdom, called phronesis by Aristotle, involves the “virtues of character that transcend any particular practice” (Dunne, 2008, p.14) and the “disposition to act truly and justly” (Carr and Kemmis, 1986, p.33).

We are proposing education and training based on phronesis, which prompts the teacher and student to ask, “What action should I take? Why? And what are my responsibilities? in a given context. In addition, this moves beyond the pedagogical approach of *learning by doing to learning by reflecting critically on living*. It is for this reason that the contents of the descriptors of competences and the activities of self-assessment have been influenced by the work of Kinsella and Pitman (2012), who, in turn, have worked on the basis of the proposal by Schon: reflective professional practice.

## 2.3 EDUCATION AND TRAINING BASED ON COMPETENCES

The education and training based on competences developed through the handbook are directly linked to the active profile of the social entrepreneur. This responds to the need to go beyond learning objectives, and to place more emphasis on how and why these objectives are achieved through a particular type of competences (Mulder, 2014). Descriptors of the competences identified for each chapter involve developing a relational and transdisciplinary capacity, that legitimates personal and collective action within communities and/or social entrepreneurship.

At the same time, the competences framework emphasises the importance of validating the transdisciplinary field of study and practice . As Nicolescu explains it gives “explicit recognition of the existence of different levels of reality, governed by different logics... transdisciplinarity is complementary to the disciplinary approach: the confrontation of the disciplines gives rise to new information that joins them together and gives us a new vision of nature and of reality” (1996, p.106).

As such, the structure of the framework is based on what Axmann, Rhoades and Nordstrum (2015) view as pillars of the education of teaching staff based on competencies. The elements of each pillar were taken into account when developing the competences framework.

### First pillar: Structure and relevance of the field and focus

- Offer a structured framework with progression in the acquisition of knowledge, skills and attitudes which can be used within and outside of the university and throughout the years of study.
- Secure continuous and sustainable relationships with people who work within the field, emphasising within the programme the importance of including entrepreneurs involved social programmes.
- Ensure the participation of teachers in the development of educational competences and their participation in processes of decision-making on policies and reforms in relation to the course.



### **Second pillar: Capacity for responsiveness and inclusion**

- a. Determine and agree jointly among teachers the possibility of teaching and learning which responds to the priorities of the community.
- b. Design programmes with an inclusive approach towards gender, i.e. give importance to equity and gender equality, as well as the visibility of this.
- c. Provide a teaching and learning experience focusing on the well-being and achievement of teachers and students. This should be based on the redefinition of the role of both teacher and student as producers of knowledge and innovation, as well as being people with critical capacity to counter obstacles and bring about positive change and transformation of their own situation.

### **Third pillar: Innovation and progress**

- a. Promote the effective use of emergent technologies and the user-friendliness of these.
- b. Prioritise innovative participative pedagogies and the integration of knowledge, understanding and experiences of those working in the field.
- c. Empower teachers and students, drawing on their experience with active teaching and learning.

### **Fourth pillar: Legitimate representation as a means of change and dialogic communication**

- a. Redefine and re-evaluate the role of teachers and students as architects of change and social economic transformation of their own community, either as social entrepreneurs or as agents of social change within their own workplace.
- b. Promote dialogue among different educators and trainers of the sector, with the university as facilitating agent to convene meetings and systematise the experience arising from these meetings.
- c. Create face-to-face and virtual hubs as spaces that can generate solutions and innovative practices based on new knowledge created and validated among interest groups and/or based on the experience and knowledge of other people.

One point to investigate and explore is how to develop the identification and validation of credits that are granted to the various stages of training for various geographic areas.



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### 3. DIALOGICAL SECTION

Professional competences in the handbook

The details of the methodological design will be the focus of an academic article.

#### **Chapter 1: Ways of knowing (epistemology) and values**

The objective of these competences is focused on the role of teachers and students as creators of knowledge, with a critical thinking about what counts as knowledge and what is rejected as valid knowledge. It is intended to integrate knowledge, skills and abilities that relate to moral and ethical principles to humanise the economy and challenge any attempt to reductionism and utilitarian economic education. Tasks that accompany these skills are intended to bring to the teachers and students to similar experiences of the social and solidarity economy. Also, the principles for responsible management education (PRME) are considered at this stage. These principles emphasise issues such as: ethical criteria in managerial decision-making and business ethics that must form an integral part of the curricula.

The case studies collected from the geographical zones of the project show the existence of organisations of the social and solidarity economy which live and practice its values, usually in contrast to mainstream practices and sometimes in the midst of an environment which is hostile to its mission and vision of an economy for the common good. These case studies explain how values are integrated into the structure, management, administration and management of the organizations of the social and solidarity economy.

Likewise, the diverse expertise and knowledge, and values underpinning these and respect for difference, are addressed.

The pedagogical activities of the chapter develop an active, thoughtful and critical awareness of the values of social and solidarity economy, as well as analysing the role of values to motivate or inhibit certain attitudes and practices related to the field.

#### **Chapter 2: Identity, profile and territory**

Having secured the knowledge, attitudes and values on which the social and solidarity economy is built, the competences of Chapter 2 refer to those competences which demonstrate the ability of teachers and students to acquire a knowledge and understanding of the polysemic and diverse nature of the social and solidarity economy. That knowledge and understanding is based on an approach which values creating direct links to those working within the social and solidarity economy, as well as public entities responsible for policies and monitoring the activity of these organisations.

The importance of knowing the typology and criteria which characterise different systems within the economy and how their juxtaposition itself brings diversity is emphasised. The range of terms and practices of organisations in the social and solidarity economy centred on human well-being should be an element that adds, rather than takes away from the richness of the field. It is important to know how to analyse and deconstruct the complex reality and environments where organisations operate. At the same time a longitudinal historical, political, socio-cultural, environmental vision will help to understand the key factors that have influenced the absence, presence and visibility of the social and solidarity economy.

#### **Chapter 3: Ways of working**

Once the conceptual map and territory of the social and solidarity economy (SSE) is configured, Chapter 3 aims to systematise knowledge about the way in which organizations work and are organised, taking into account some external factors, specifically legislation and policies; and other internal factors, specifically financing, internationalisation, governance and democratic participation. The multicultural dimension of the Project and its intercultural dynamics allows teachers and students to learn, analyse and investigate the similarities and differences in how SSE organisations are managed.

The competences in Chapter 3 are directly linked to building the capacity of teachers and students to implement a management plan that begins with the creation and/or review of the mission and integral and systemic vision of the social change aimed for, including the cost structure and costs of reinvestment.



## Chapter 5: ICT – effective practices

From the day to day management, we turn to competences of Chapter 5, ICT – effective practices, specifically online social media and community radio. Competences in this field deal with how maximise use of social online media, such as Facebook, Twitter, blogs, etc. through the organization and the use of a logical, intuitive, creative and critical narrative; to which is added the importance of digital literacy.

With this, the aim is to address the pressing issue of technology and its application to the purposes of organisation, management and visibility of SSE organisations. Competencies are in turn linked to cultivate attitudes that generate value and create commitment to community and education. This is reflected in the various fields where the virtual social media can give access to a mass and at the same time particular scope that could not be achieved without them: education for change, democratic participation, accountability, advocacy and support, ethical branding, attracting funds and crowdfunding.

The study explained in the Dialogical Section of Chapter 5 is something that could be replicated as a project within a course. In addition, the educational activities have been designed to make possible the implementation of almost all the competence descriptors referred to in the document.

## Chapter 6: Social capital

None of the above would exist or have meaning without the competence capacity for the creation and maintenance of the social capital that feeds the culture of the social and solidarity economy. This is the competences framework of Chapter 6.

Each area of social capital: individual, organisational and community social capital has a list of competences covering both the cognitive and the affective/relational part of the person. The maturity of these three dimensions will maintain and sustain the theoretical foundations referred to in the literature review.

The case studies enable us to visualise the importance of psycho-emotional competences, where qualities such as empathy, resilience and positive psychology are essential.

## Chapter 7: Social responsibility and transformation

The content intends to promote ethical and proactive attitudes for the genuine implementation of the elements it consists of:

- Individual transformation,
- Community well-being,
- Caring for the environment, and
- Economic sustainability.

All activities within this field require collaborative work between the teacher and the learner, along with social entrepreneurs. The establishment of links with organisations in the public and private systems, and especially among the organisations of the social system is important. The section includes competences based on empathy and the skill to facilitate intersectorial groups. The university is well placed to be a potential facilitating agent to promote a dialogue and cross-sectorial action plan.



The following diagram (Figure 4.1) reflects the active process of reflection which is embedded in the competences for each chapter. Following this diagram, the table (Table 4.1) summarises the competences of the handbook.

**Figure 4.1 Competences based on phronesis**





FIGURE 4.1

## QUESTIONS FOR COMPETENCES BASED ON PHRONESIS (PRACTICAL AND MORAL WISDOM)

TABLE 4.2 - SUMMARY EDUCATION AND TRAINING FOR SOCIAL AND SOLIDARITY ECONOMY (SSE) BASED ON COMPETENCES				
Stages	Area of competence	Descriptors of competences, based on phronesis	Time scale for study (including practice): to be completed by tutor	Assessment carried out by:
Chapter 1 Establishing the foundations of study and practice of SSE	Epistemology	<ul style="list-style-type: none"> <li>▪ Demonstrate an appreciation of how the knowledge, values and attitudes of the SSE are in keeping with a just and equitable society.</li> </ul>		
	Human rights	<ul style="list-style-type: none"> <li>▪ Understand key human rights in different areas of the world in relation to SSE.</li> </ul>		
	Principles for responsible management education (PRME)	<ul style="list-style-type: none"> <li>▪ Demonstrate knowledge and critical analysis of the six PRME principles applied to SSE.</li> </ul>		
Chapter 2 Consolidating the Identity and Profile of the SSE	Identity, profile and territory	<ul style="list-style-type: none"> <li>▪ Have knowledge and understanding of the criteria and multiple meanings of the social and solidarity economy as a system and a legitimate body of theory.</li> <li>▪ To understand how the SSE is framing how to exist and work in the field of regional development, without policies and/or strategic guidelines, in both rural and urban areas.</li> </ul>		<ul style="list-style-type: none"> <li>▪ Peers</li> <li>▪ Social entrepreneurs</li> <li>▪ Academics</li> </ul>
Chapter 3 Development of systemic management skills	Systemic management of the social enterprise	<ul style="list-style-type: none"> <li>▪ To know and understand management of SSE organisations from a systemic, integrated and ethical perspective.</li> </ul>		See the activities in each chapter
Chapter 5 Developing communicational skills for social media	Communication and effective practice in the use of social media	<ul style="list-style-type: none"> <li>▪ Have a clear understanding of how to maximise the use of social media in building and engaging community.</li> </ul>		
Cap. 6 Weaving and strengthening social capital	Social Capital: knowledge, values and attitudes	<ul style="list-style-type: none"> <li>▪ Gain an integral understanding of the role and the levels of social capital in the creation and sustainability of a social and solidarity economy.</li> </ul>		
	Evidence and indicators of social capital	<ul style="list-style-type: none"> <li>▪ Clearly understand how to design relevant and appropriate indicators to demonstrate the change and impact of social capital of SSE organisations.</li> </ul>		
Chapter 7 Developing attitudes and abilities for social transformation and responsibility	Social responsibility and transformation	<ul style="list-style-type: none"> <li>▪ Develop a holistic understanding about the political, social, cultural and environmental responsibility and transformation of universities and social enterprises.</li> </ul>		
	Creation and demonstration of evidence of SRT	<ul style="list-style-type: none"> <li>▪ Create and demonstrate evidence for social responsibility and transformation.</li> </ul>		



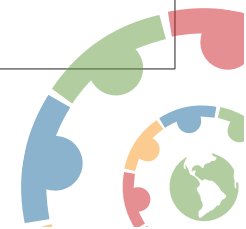
## COMPETENCES CHAPTER 1: WAYS OF KNOWING (EPISTEMOLOGY) AND VALUES (1 OF 2)

STAGE 1	AREA OF COMPETENCE	Additional explanations and descriptors of competence:  KNOWLEDGE, RESEARCH AND UNDERSTANDING OF EPISTEMOLOGY, VALUES AND ATTITUDES OF THE SOCIAL AND SOLIDARITY ECONOMY (SSE)	SELF-ASSESSMENT ACTIVITIES
<b>Establishing the foundations</b>	<b>Epistemology of the social solidarity economy, values and attitudes</b>	<p>Demonstrate an appreciation of how the knowledge, values and attitudes of the SSE are in keeping with a just and equitable society based on the principles of reciprocity, participation, re-distribution and subsidiarity.</p> <p><b>Epistemology<sup>1</sup></b></p> <ul style="list-style-type: none"> <li>▪ I assume responsibility for exploring and understanding how knowledge is created within the SSE.</li> <li>▪ I am aware of how the different current epistemologies are related to values and attitudes within SSE.</li> <li>▪ I am aware of how interdisciplinary and transdisciplinary studies are crucial to an understanding of the theoretical and practical body of knowledge of SSE.</li> </ul> <p><b>Values:</b></p> <ul style="list-style-type: none"> <li>▪ I am aware of the importance of the values being recognised in the development and practice of SSE.</li> <li>▪ I promote the visibility and the voice of those who do not have them in my teaching, practices and research.</li> </ul> <p><b>Attitudes:</b></p> <ul style="list-style-type: none"> <li>▪ I assume the responsibility for challenging notions that prevent the development of opportunities for learning and action within the environmental, social and economic sphere.</li> <li>▪ I can evaluate my own practice and reflect on how I can demonstrate the values and principles of SSE holding the wellbeing of people as a priority in my daily practice.</li> </ul> <p><small>1. Epistemology: The theory of knowledge, especially with regard to its methods, validity, and scope, and the distinction between justified belief and opinion. (Oxford English Dictionary)</small></p> <p><small>Meaning for the Consortium: systems of knowledge construction, validation and selection for knowledge creation.</small></p>	<p>As teacher/trainer/researcher of SSE, I:</p> <ul style="list-style-type: none"> <li>▪ Locate the SSE organisations within my community with the students..</li> <li>▪ Organise public sessions with social entrepreneurs to discuss how their organisations' values are put into practice.</li> <li>▪ Write about how social entrepreneurs put into practice their values and principles.</li> </ul>



## COMPETENCES CHAPTER 1: WAYS OF KNOWING (EPISTEMOLOGY) AND VALUES (2 OF 2)

STAGE 1	AREA OF COMPETENCE	Additional explanations and descriptors of competence: <b>KNOWLEDGE, RESEARCH AND UNDERSTANDING OF EPISTEMOLOGY, VALUES AND ATTITUDES OF THE SOCIAL AND SOLIDARITY ECONOMY (SSE)</b>	SELF-ASSESSMENT ACTIVITIES
Establishing the foundations	<b>International perspectives and human rights</b>	<p><b>Understand key human rights in different areas of the world in relation to:</b></p> <ul style="list-style-type: none"> <li>▪ Indigenous peoples (United Nations Convention 169 – International Labour Organisation)</li> <li>▪ Gender</li> <li>▪ Dignified work</li> <li>▪ Natural resources (United Nations Resolution 1803 (XVII), 14 December 1962)</li> <li>▪ Discrimination and equality</li> <li>▪ Childhood</li> <li>▪ Immigrant workers</li> <li>▪ Climate change</li> <li>▪ I can relate rights and human obligations in the context of SSE.</li> <li>▪ I can write case studies on SSE in relation to human rights.</li> <li>▪ I can relate my practices in SSE to the Millennium Development Goals post-2015</li> </ul>	<ul style="list-style-type: none"> <li>▪ I identify which human rights are assured in my community and which are not.</li> <li>▪ I study the progress of the Millennium Development Goals post-2015.</li> <li>▪ I write accounts of SSE organisations that work in different areas of human rights.</li> </ul>
	<p><b>Principles of Responsible Management Education (PRME), adapted for SSE</b></p> <p><a href="http://www.unprme.org/about-prme/the-six-principles.php">http://www.unprme.org/about-prme/the-six-principles.php</a></p>	<p><b>Demonstrate knowledge and critical analysis of the six PRME principles applied to SSE</b></p> <ul style="list-style-type: none"> <li>▪ Aim: To develop the students' ability so that they might in the future generate the sustainable values within their enterprises and in the wider society and so that they might work towards an inclusive and sustainable global economy.</li> <li>▪ Values: To incorporate the values of global social responsibility to our academic activities and programmes of study.</li> <li>▪ Method: To create educational frameworks, resources, processes and pedagogical environments in order to make possible effective learning experiences for responsible leadership within SEE.</li> <li>▪ Research: Carry out theoretical and empirical research which might allow us to improve our understanding of the role, dynamics and the impact of enterprises in the creation of sustainable value in the social, environmental and economic spheres.</li> <li>▪ Partnership: Interact with social entrepreneurs in order to increase our knowledge of the challenges they face in meeting their social and environmental responsibilities and to explore together effective ways of meeting these challenges.</li> <li>▪ Dialogue: We will facilitate and support dialogue and debate between educators, social entrepreneurs, the government, consumers, the media, civil society organisations and other interested groups on critical themes related to global social responsibility and sustainability.</li> </ul> <p><b>Activities:</b></p> <ul style="list-style-type: none"> <li>▪ I can analyse the theme from different social, cultural, environmental and economic perspectives.</li> <li>▪ I critique in a constructive way how the PRME principles apply to my daily work (teaching, administration, facilitation).</li> <li>▪ I take the initiative to create improvements in my own practical work based on the PRME objectives and principles together with those related to SSE.</li> <li>▪ I understand and claim that our organisational practices should reflect the values and attitudes that we communicate to our students.</li> </ul>	<p>As teacher/trainer/researcher of SSE, I:</p> <ul style="list-style-type: none"> <li>▪ Visit and search the PMRE website more than once.</li> <li>▪ Have registered my organisation on the PRME website with appropriate authorisation. The logo and the key information should appear on the PRME website.</li> <li>▪ Have adopted the 6 PRME principles in my post and faculty, adapted to SSE.</li> <li>▪ Attend workshops organised and recognised by PRME</li> <li>▪ Form part of a working group within the local PRME showcasing SSE.</li> </ul> <p>See examples at <a href="http://www.unprme.org/working-groups/chapters.php">http://www.unprme.org/working-groups/chapters.php</a></p>



## COMPETENCES CHAPTER 2: IDENTITY AND PROFILE (1 OF 1)

STAGE 1	AREA OF COMPETENCE	Additional explanation and Competence descriptors:  COMPREHENSIVE KNOWLEDGE AND UNDERSTANDING OF THE PROFILE AND IDENTITY OF SOCIAL AND SOLIDARITY ECONOMY (SSE) ORGANISATIONS.	SELF-ASSESSMENT ACTIVITIES
Consolidating the Identity and Profile of the Social and Solidarity Economy (SSE)	Identity and profile	<p><b>To have knowledge and understanding of the criteria and multiple meanings of the social and solidarity economy as a system and a legitimate body of theory:</b></p> <p><b>Typology for economic systems</b></p> <p>I can:</p> <ul style="list-style-type: none"> <li>Identify what differentiates the three economic sectors - public, private and social - in my own local area.</li> <li>Analyse and value each of these criteria using examples of organisations belonging to each of the sectors in relation to the university (see self-assessment activity).</li> <li>SSE organisations identity</li> </ul> <p><b>Identity of SSE organisations</b></p> <p>I am:</p> <ul style="list-style-type: none"> <li>Interested in knowing the precedents and history of the system and SSE organisations from a perspective that compares and relates the project's various geographical regions or others considered to be relevant.</li> <li>Identify the various international organisations and their approach to the concept and practice of the SSE.</li> <li>Recognise the characteristics and values that differentiate SSE organisations within a European, African and Latin American perspective.</li> </ul>	<ul style="list-style-type: none"> <li>I map the different organisations from the public, private and social sectors that are directly linked to the university.</li> <li>I analyse the map, highlighting and explaining how these organisations are present or not in the university's mission, vision and strategy for social connection.</li> <li>I contact the SSE Observatory in the country to open a relationship and propose studies related to the identity and profile of SSE organisations with students.</li> </ul>
	SSE and regional development	<p><b>To understand how the SSE is framing how to exist and work in the field of regional development, without policies and/or strategic guidelines, in both rural and urban areas.</b></p> <p><b>The geographical areas in this project, or others</b></p> <p>I can:</p> <ul style="list-style-type: none"> <li>Identify the similarities and differences in the situations from which SSE organisations form their identity and develop distinct profiles.</li> <li>Familiarise myself with the key historical, political and cultural factors that have influenced the formation of SSE organisations' identities in the different areas covered by the project.</li> <li>Feed in periodically to the York St John Consortium (socialeconomy@yorksj.ac.uk) to make known other factors influencing the development of SSE organisations' identity and profile in my area.</li> </ul>	<ul style="list-style-type: none"> <li>I create a list of bibliographic references and grey literature<sup>1</sup> on the SSE for the library.</li> <li>I analyse the list and evaluate how authors from the various geographical regions have had an influence in raising the visibility and legitimacy of the SSE in my country or continent.</li> <li>I have sent the list to the York St John Consortium to be included in the handbook, recognising the work done in your geographical area. socialeconomy@yorksj.ac.uk</li> <li>I study and look for evidence of political, historical, cultural and regional precedents and how they have influenced the appearance of the SSE in my local area.</li> </ul>

<sup>1</sup> Grey literature: Body of literature and documents not produced through conventional publication channels. It usually concerns scientific documentation that is initially distributed to a limited audience. [https://en.wikipedia.org/wiki/Grey\\_literature](https://en.wikipedia.org/wiki/Grey_literature) [Accessed 01.10.2015]



## COMPETENCES CHAPTER 3: WAYS OF WORKING (1 OF 2)

STAGE 1	AREA OF COMPETENCE	Additional explanation of competence and descriptors: PRACTICAL KNOWLEDGE FOR THE DEVELOPMENT OF A SYSTEMIC MANAGEMENT MODEL FOR A SOCIAL ENTERPRISE	SELF-ASSESSMENT ACTIVITIES
Development of systemic management skills	Systemic management of the social enterprise	<p><b>To know and understand management of SSE organisations from a systemic, integrated and ethical perspective</b></p> <p><b>Social aim</b></p> <ul style="list-style-type: none"> <li>▪ I identify the social change necessary related to the people who are affected based on their needs and rights.</li> <li>▪ I explore in depth the root and complexity of the problem and the change to work alongside the people affected.</li> <li>▪ I describe my aim based on an ethical and social agreement to bring about the social change that is required.</li> </ul> <p><b>Total systemic perspective of the social change</b></p> <ul style="list-style-type: none"> <li>▪ I decide along with others how we perceive the change that we want to bring about.</li> <li>▪ I identify the changes with others based on specific actions for different levels and contexts.</li> <li>▪ I determine with others the performance indicators that will guide our actions.</li> </ul> <p><b>Sustainable enterprise practices</b></p> <ul style="list-style-type: none"> <li>▪ I link the solutions for the change to the 10 principles of the Global Contract programme.</li> <li>▪ I measure the activities that have been planned using the internationally recognised tool:</li> <li>▪ <a href="http://www.globalcompactselfassessment.org/es/">http://www.globalcompactselfassessment.org/es/</a></li> <li>▪ I evaluate the social and environmental risks of the solution, be it in terms of product and/or service, production chain, waste, etc.</li> </ul> <p><b>Different clients and/or beneficiaries</b></p> <p><b>Interest groups:</b></p> <ul style="list-style-type: none"> <li>▪ I identify the expectations of the interest groups and incorporate them into what the enterprise offers.</li> <li>▪ I am interested in getting to know well the people with whom I will be working or collaborating.</li> <li>▪ I plan with those involved in the interest groups how they want to be engaged in the enterprise.</li> </ul> <p><b>Clients:</b></p> <ul style="list-style-type: none"> <li>▪ I know what they expect from the product, service or concept which I am offering.</li> <li>▪ I decide on the nature of the relationship with the client.</li> <li>▪ I explain convincingly the value that the product and/or service that I am offering will give.</li> <li>▪ I present in different visual and tangible ways the benefits of the products, services and concepts that I am offering.</li> <li>▪ I point out to my client or interest group how their lives will be different or change having received the services or bought the products that we are offering.</li> </ul>	<ul style="list-style-type: none"> <li>▪ I create a systemic plan for the setting up of a social enterprise using each one of elements of the left hand column.</li> <li>▪ I start a forum or group to carry on developing the plan alongside the interest groups or client.</li> <li>▪ I visit the video section of Chapter 3 on the web and search for Babele: it is a virtual collaborative space for the design of social enterprises.</li> <li>▪ I revise the sustainability of the activities on my plan measuring them against the tool at the following URL: <a href="http://www.globalcompactselfassessment.org/es">http://www.globalcompactselfassessment.org/es</a></li> <li>▪ I compare a commercial business and a social business and point out ways in which they differ and what these differences mean in the day-to-day running of the business.</li> <li>▪ I compare my idea of an enterprise with another that is operating inside or outside the community.</li> </ul>



## COMPETENCES CHAPTER 3: WAYS OF WORKING (2 OF 2)

STAGE 1	AREA OF COMPETENCE	Competence further explanation & descriptors: <b>ORGANIZATION AND USE OF LOGICAL, INTUITIVE, CRITICAL AND CREATIVE NARRATIVE THROUGH SOCIAL NETWORKS</b>	SELF-ASSESSMENT ACTIVITIES
Development of systemic management skills	Systemic management of the social enterprise	<p><b>The market and marketing</b></p> <ul style="list-style-type: none"> <li>▪ I identify other social entrepreneurs to complement the services, products or concepts that I am offering.</li> <li>▪ I explore the badging of products, services and concepts that I am offering so as to be able to access the market.</li> <li>▪ I consider the best reasonable price to guarantee short and medium term viability.</li> </ul> <p><b>Ethical standards</b></p> <ul style="list-style-type: none"> <li>▪ I keep informed about the standards for health, safety, work, environment that have to be met.</li> <li>▪ I check that the resources that I am using meet ethical standards of production.</li> <li>▪ I am aware of the importance of sustainability in the supply chain.</li> </ul> <p><b>Raising investment and crowdfunding</b></p> <ul style="list-style-type: none"> <li>▪ I put together strong robust arguments to secure funds and sign up potential investors.</li> <li>▪ I know the background of the person or organisation who wants to invest in the social enterprise and behave accordingly.</li> <li>▪ I link up with other social enterprises to secure better wholesale prices.</li> </ul> <p><b>Model of investment and income</b></p> <ul style="list-style-type: none"> <li>▪ I know the advantages and disadvantages of different types of investment.</li> <li>▪ I am aware of the risks that the investment entails.</li> <li>▪ I diversify my income streams putting together my services, products and concepts with others.</li> </ul> <p><b>Legal aspects</b></p> <ul style="list-style-type: none"> <li>▪ I look into the different fiscal and tax regulations that I have to meet.</li> <li>▪ I know what types of licence I need to hold.</li> <li>▪ I know what sort of patent or intellectual property rights I need for the services, products and ideas in accordance with the values of my organisation.</li> </ul> <p><b>Teamwork</b></p> <ul style="list-style-type: none"> <li>▪ I trust the team with which I launch the idea as a project or enterprise.</li> <li>▪ I know the strengths and weaknesses of my team and speak about it openly in such a way as to make up for any deficiencies that might need addressing.</li> <li>▪ I identify the skills and training that the team will need in order to create, develop and innovate with the service, product or project.</li> </ul> <p><b>Cost structure and reinvestment</b></p> <ul style="list-style-type: none"> <li>▪ I have worked out the original level of investment and costs required to launch the enterprise.</li> <li>▪ I identify the fixed and variable costs of the activity as it develops.</li> <li>▪ I work out the price per unit of the product or service and the profit margin.</li> <li>▪ I reach agreement with the team as to where the surplus will be reinvested.</li> </ul>	As above in previous chart.





## COMPETENCES CHAPTER 5: ICT - EFFECTIVE PRACTICES (2 OF 2)

STAGE 1	AREA OF COMPETENCE	Competence further explanation & descriptors:  <b>ORGANISATION AND USE OF LOGICAL, INTUITIVE, CRITICAL AND CREATIVE NARRATIVE THROUGH SOCIAL NETWORKS</b>	SELF-ASSESSMENT ACTIVITIES
Developing communicational skills for social media	<b>Effective practice in social media communication</b>	<p>Have a clear understanding of how to maximise the use of social media in building and engaging community:</p> <ul style="list-style-type: none"> <li>▪ I am able to embed SSE values in all communication through social media.</li> <li>▪ I exercise active listening to find out what stakeholders' interests and motivations are.</li> <li>▪ I can break strategic plans down to enable others to collaborate.</li> <li>▪ I can acknowledge people's contribution in appropriate ways.</li> <li>▪ I can communicate complex issues in ways that motivate people to action.</li> </ul> <p><b>Education for change</b></p> <ul style="list-style-type: none"> <li>▪ I can place key current educational issues in mainstream virtual discussion.</li> <li>▪ I can promote critical thinking, suggesting current development issues for constructive debate.</li> <li>▪ I am able to promote positive behavioural change through the use of social media.</li> </ul> <p><b>Democratic participation</b></p> <ul style="list-style-type: none"> <li>▪ I can find innovative ways in which people can participate in on-line communities.</li> <li>▪ I encourage students to have a say in political and social issues through social media.</li> <li>▪ I can coordinate action on social or political issues: demonstrations, petitioning, environmental action</li> </ul> <p><b>Accountability</b></p> <ul style="list-style-type: none"> <li>▪ I am committed to reporting all facts that are relevant to stakeholders/students/staff.</li> <li>▪ I am open to ask for and give genuine feedback to students/staff/stakeholders.</li> <li>▪ I am open to engage stakeholders/students/staff in improving an educational product or service.</li> </ul> <p><b>Advocacy</b></p> <ul style="list-style-type: none"> <li>▪ I am well informed about the human rights I advocate.</li> <li>▪ I can motivate others in advancing activism for a social, political or cultural causes.</li> <li>▪ I am aware of some obstacles (e.g. political, social) to the change I am advocating.</li> </ul> <p><b>Ethical branding</b></p> <ul style="list-style-type: none"> <li>▪ I am able to position myself ethically regarding the offer of a specific training service or product</li> <li>▪ I am committed to promoting visibility of causes such as fair trade, traidcraft, fairphone, etc.</li> <li>▪ I can develop a distinctive identity showcasing the values of my organisation through branding.</li> </ul> <p><b>Fundraising &amp; crowdfunding</b></p> <ul style="list-style-type: none"> <li>▪ I can build strong and convincing arguments for asking for funding and/or investment.</li> <li>▪ I am able to attract social investors through innovative and effective socially entrepreneurial ideas.</li> <li>▪ I am able to keep relationships with donors and supporters from a win-win perspective.</li> </ul>	<ul style="list-style-type: none"> <li>▪ I create a communication strategy using social media.</li> <li>▪ I manage a blog to promote the exchange of ideas, proposals around a specific theme to raise students' awareness before deciding on their course of action.</li> </ul> <p>I study webpages for evidence of effective practice in social media use, such as:</p> <ul style="list-style-type: none"> <li>» care.org</li> <li>» conservation.org</li> <li>» eqca.org</li> <li>» malarianomore.org</li> </ul> <p>For fundraising</p> <ul style="list-style-type: none"> <li>» healthbay.org</li> <li>» nrdc.org</li> <li>» pih.org</li> <li>» savethechildren.org</li> </ul>



## COMPETENCES CHAPTER 5: ICT - EFFECTIVE PRACTICES (2 OF 2)

STAGE 1	AREA OF COMPETENCE	Competence further explanation & descriptors:  <b>ORGANISATION AND USE OF LOGICAL, INTUITIVE, CRITICAL AND CREATIVE NARRATIVE THROUGH SOCIAL NETWORKS</b>	SELF-ASSESSMENT ACTIVITIES
<b>Developing social media literacy</b>	<b>Social media use</b>	<p>The practical knowledge and understanding of the use of diverse social media:</p> <p><b>The nature of social media</b></p> <ul style="list-style-type: none"> <li>▪ I understand social media's political efficacy and utility.</li> <li>▪ I can access websites which give practical tips for specific social media use.</li> <li>▪ I know how to select the appropriate social media for specific purposes.</li> </ul> <p><b>Focused on virtual actions</b></p> <ul style="list-style-type: none"> <li>▪ I am able to launch virtual campaigns raising awareness about unfair situations calling for specific action.</li> <li>▪ I promote collaborative learning in the use of diverse social media.</li> <li>▪ I am able to find, adapt and present information from a variety of sources concisely and logically in a variety of media (text, image, video), focusing on key points.</li> <li>▪ I can use language and images which promote engagement, interaction, and action in the real world.</li> </ul> <p><b>Convey ideas and facts in writing and image</b></p> <ul style="list-style-type: none"> <li>▪ I can compose clear, direct, concise and complete messages</li> <li>▪ I can use images to reinforce messages</li> <li>▪ I am able to present information clearly, concisely, and logically, focusing on key points.</li> </ul>	<ul style="list-style-type: none"> <li>▪ I make a list of software or apps which can support building and engaging community.</li> <li>▪ I analyse the success of the citizen movement <a href="http://avaaz.org">avaaz.org</a> and its use of social media.</li> </ul> <p>Study the use of Twitter in organisations such as the following and analyse why their use is successful</p> <ul style="list-style-type: none"> <li>» <a href="https://twitter.com/feedingamerica">twitter.com/feedingamerica</a></li> <li>» <a href="https://twitter.com/hrs">twitter.com/hrs</a></li> <li>» <a href="https://twitter.com/fairphone">twitter.com/fairphone</a></li> </ul>



## COMPETENCES CHAPTER 6: SOCIAL CAPITAL (1 OF 2)

STAGE1	AREA OF COMPETENCE	Competence further explanation & descriptors <b>INTEGRAL UNDERSTANDING OF SOCIAL CAPITAL IN THE SOCIAL AND SOLIDARITY ECONOMY</b>	SELF-ASSESSMENT ACTIVITIES
<b>Weaving and strengthening social capital into inter-cooperation</b>	<b>Social Capital: knowledge, values and attitudes</b>	<p>Gain an integral understanding of the role and the levels of social capital in the creation and sustainability of a social and solidarity economy, I should:</p> <p><b>Individual Social Capital</b></p> <ul style="list-style-type: none"> <li>▪ Invest time in developing my intrapersonal intelligence: being reflective and aware.</li> <li>▪ Consider myself a highly resilient person.</li> <li>▪ Accept and learn from my own mistakes.</li> <li>▪ Seek opportunities to find and understand other interests, needs and motivations.</li> <li>▪ Cultivate and show empathy and compassion, for myself and others.</li> </ul> <p><b>Organisational Social Capital</b></p> <ul style="list-style-type: none"> <li>▪ Create links and bridges between the interest groups with which I work.</li> <li>▪ Create and encourage horizontal relationships within my organisation.</li> <li>▪ Find alternatives to the problems and challenges of my work group and organisation.</li> <li>▪ Sustain energy and optimism within working teams.</li> <li>▪ Create trust between my work colleagues and the interest groups with which I work.</li> <li>▪ Be a facilitative and inclusive leader to cultivate and develop the social capital of the organisation.</li> </ul> <p><b>Community Social Capital</b></p> <ul style="list-style-type: none"> <li>▪ Create trust within the various interest groups in the community.</li> <li>▪ Encourage the creative use of scarce resources for the benefit of the greatest number of people.</li> <li>▪ Try to counteract the negative impact of social capital within the community.</li> <li>▪ Fight for equality of opportunities and treatment within my community.</li> </ul>	<ul style="list-style-type: none"> <li>▪ I map the key interest groups near the University.</li> <li>▪ I organise regular informal meetings to bring people together.</li> <li>▪ I organise a library for “sharing” objects from and for the community, thus building a bridge between the University and the community.</li> <li>▪ I explore why and how social entrepreneurs can seek and acquire the relevant dimensions of social capital.</li> </ul>



## COMPETENCES CHAPTER 6: SOCIAL CAPITAL (2 OF 2)

STAGE 1	AREA OF COMPETENCE	Competence further explanation & descriptors <b>INTEGRAL UNDERSTANDING OF SOCIAL CAPITAL IN THE SOCIAL AND SOLIDARITY ECONOMY</b>	SELF-ASSESSMENT ACTIVITIES
<b>Weaving and strengthening social capital into inter-cooperation</b>	<b>Evidence and indicators of social capital</b>	<p>Clearly understand how to design relevant and appropriate indicators to demonstrate the change and impact of social capital of social and solidarity organisations according to:</p> <ul style="list-style-type: none"> <li>▪ The obligations and expectations of social entrepreneurs.</li> <li>▪ Trust building.</li> <li>▪ Shared norms and behaviours.</li> <li>▪ Shared commitment and belonging.</li> <li>▪ Formal and informal social networks.</li> <li>▪ Reciprocity and mutuality.</li> <li>▪ Dependability.</li> <li>▪ Effective information channels.</li> </ul> <p>To identify the negative use and effects of social capital at its various levels, such as:</p> <ul style="list-style-type: none"> <li>▪ Corruption.</li> <li>▪ Abuses of power.</li> <li>▪ Mistrust.</li> </ul>	<ul style="list-style-type: none"> <li>▪ I create a list of key indicators for each of the forms of social capital specified for social and solidarity economy organisations.</li> <li>▪ I illustrate the variety of effects, impacts, uses and obstacles of the different forms of social capital.</li> <li>▪ I bring the community together to speak openly about the negative effects and uses of social capital and how to address them.</li> </ul>



# COMPETENCES CHAPTER 7- SOCIAL RESPONSIBILITY AND TRANSFORMATION (1 OF 2)

STAGE 1	AREA OF COMPETENCE	Competence further explanation & descriptors <b>KNOWLEDGE, EXPLORATION AND UNDERSTANDING ABOUT VALUES AND ATTITUDES WITHIN THE SOCIAL RESPONSIBILITY AND TRANSFORMATION FIELD</b>	SELF-ASSESSMENT ACTIVITIES
<b>Developing attitudes and abilities for social transformation and responsibility</b>	<b>Social Responsibility and Transformation (SRT)</b>	<p>Develop a holistic understanding about the political, social, cultural and environmental responsibility and transformation of universities and social enterprises towards:</p> <p><b>Individual transformation:</b></p> <ul style="list-style-type: none"> <li>▪ I am proactive in making my own work meaningful and aligned to my values.</li> <li>▪ I use my influence and power appropriately to promote opportunities for others to engage in work that is meaningful to them.</li> <li>▪ I am aware of the importance of a healthy work and life balance.</li> </ul> <p><b>Community well-being</b></p> <ul style="list-style-type: none"> <li>▪ I encourage collaborative and participatory decision making processes within my community.</li> <li>▪ I confront discrimination and unfairness against individuals based on human rights.</li> <li>▪ I create opportunities for students to work with communities in finding solutions to problems identified by communities themselves.</li> </ul> <p><b>Care for environment</b></p> <ul style="list-style-type: none"> <li>▪ I promote positive behavioural change towards care for environment within the organization.</li> <li>▪ I promote critical awareness of the potential benefit/harm of the use of technology to the environment.</li> <li>▪ I consider and assess my 'footprint' in relation to all aspects of my subject discipline.</li> </ul> <p><b>Economic sustainability</b></p> <ul style="list-style-type: none"> <li>▪ I foster practices with students to improve the products and services of social enterprises.</li> <li>▪ I can direct students to opportunities for ethical financial literacy and management training.</li> <li>▪ I am committed to reporting corrupt practices in the use or non-use of resources.</li> </ul>	<ul style="list-style-type: none"> <li>▪ With other teachers, write an essay about how your university and social and solidarity economy organisations of different sectors manage the four dimensions of SRT.</li> <li>▪ I organise an exhibition with students to show the SRT in action.</li> <li>▪ I organise a forum to promote improvements in relation to SRT and the University.</li> <li>▪ I make myself aware of how the students perceive their contribution to the SRT in the university.</li> <li>▪ I invite social entrepreneurs to talk about their SRT strategy, challenges and accomplishments</li> </ul>



## COMPETENCES CHAPTER 7 - SOCIAL RESPONSIBILITY AND TRANSFORMATION (2 OF 2)

STAGE 1	AREA OF COMPETENCE	Competence further explanation & descriptors  KNOWLEDGE, EXPLORATION AND UNDERSTANDING ABOUT VALUES AND ATTITUDES WITHIN THE SOCIAL RESPONSIBILITY AND TRANSFORMATION FIELD	SELF-ASSESSMENT ACTIVITIES
Developing attitudes and abilities for social transformation and responsibility	Creation and demonstration of evidence of SRT)	<p><b>Creast and demonstrate evidence for social responsibility and transformation</b></p> <ul style="list-style-type: none"> <li>▪ I understand why, how and when evidence of change brought about by an organisation might be useful or necessary.</li> <li>▪ I understand which approach to demonstrating impact is relevant to stakeholders.</li> <li>▪ I know where to find specific information about qualitative and quantitative methods to gather evidence.</li> <li>▪ I understand the relevance and appropriateness of gathering qualitative and quantitative evidence regarding the changes brought about by the organisation in the following fields:               <ul style="list-style-type: none"> <li>» People’s awareness</li> <li>» People’s behaviour</li> <li>» People’s attitudes</li> <li>» People’s performance</li> <li>» People’s well-being</li> </ul> </li> </ul>	<p>I list the aims I wish to achieve through my post in relation to:</p> <ul style="list-style-type: none"> <li>▪ People’s awareness</li> <li>▪ People’s behaviour</li> <li>▪ People’s attitudes</li> <li>▪ People’s performance</li> <li>▪ People’s well-being</li> </ul> <p>I develop relevant indicators and their definitions to demonstrate evidence of your effectiveness.</p> <p>I develop a plan to improve the evidence for change in relation to the social responsibility and transformation of the university.</p>







YORK ST JOHN-ERASMUS  
SOCIAL AND SOLIDARITY  
ECONOMY CONSORTIUM

# Enhancing studies and practice of the social and solidarity economy

A reference handbook

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## Chapter 5: ICT - Effective practices



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“If communication is linked to development, it is not only as a helpful methodological contribution but also as the very object of societal transformation, constituting both a means and an end”

Rosa María Alfaro

## 1. INTRODUCTION

This chapter will consider two aspects of information and communication technology (ICT): social media and community radio.

Social media is understood within this chapter as a group of internet-based applications which allow the creation and exchange of user-generated content (Kaplan and Haenlein, 2010).

Social media enable organisations “not only to send and receive information but also connect with and mobilize the public ... All are distinguishable from prior forms of new media by their greater degree of user involvement and interactivity” (Saxton and Wang 2014, p. 851-851 (see also Jenkins (2006); Kanter and Fine (2010); Miller (2011)). This could be understood as a move from broadcasting to participatory and dialogic models of internet use.

The following forms of social media and their use by organisations within the social economy system will be considered (with the specific application referred to in the chapter in brackets):

- Online social networking (Facebook, Twitter, Ning)
- Video sharing websites (YouTube)
- Survey software (Survey Monkey)
- Decision-making software (Loomio)
- Blogs

Social media has been chosen to exemplify ICT use because of its ubiquity in many parts of the world, including Europe and parts of Latin America and its

potential alignment with the values of the social and solidarity economy.

Community radio has been chosen as a principal form of communication in parts of Africa and Latin America, particularly where internet access is limited. Community radio organisations are themselves entities in the social and solidarity economy, normally with the legal form of a trust of association. In their ideal form they are owned and operated by and for the community.

The chapter starts with a theoretical understanding of social media in relation to communication theory from a Latin American perspective. A literature review focusing on the UK, Canada and the USA follows in the second section. The third section considers ways in which community radio can be an instrument of democracy and development and draws mainly upon African authors.

### CHAPTER QUESTIONS

- How can effective practice be understood in relation to the use of social media and of community radio in the social and solidarity economy?
- How can organisations in the social and solidarity economy make effective use of social media and community radio to develop the scope and effectiveness of their activities?

## Glossary

**Web 1.0** – the first stage of development of the internet, in which users were consumers of content from static web pages.

**Web 2.0** – the second stage of development of the internet, characterized by the change from static web pages to dynamic or user-generated content and the growth of social media.

**Web 3.0** – the third stage of development of the internet, sometimes called the personalised or semantic web.

**Asynchronous communication** – communication which is not live and in which participants do not need to be present at the same time (e.g. discussion forums; email communication)

**Synchronous communication** – communication which is live and in which participants do need to be present at the same time (e.g. live internet chat).

## 2. LITERATURE REVIEW

### 2.1 LATIN AMERICAN PERSPECTIVES

This section will introduce the major critical thinkers on the nature, function and role of communication in Latin America since the 1960s.

#### Theoretical and critical approaches to communication

The 1960s saw for the first time a critical consideration of the technological perspective of communication methods. The predictions of the Canadian Marshall McLuhan, providing a specific analysis of the evolution of electronic means of communication, especially television, were key to understanding the social, psychological and cultural changes that brought about these technological developments.

For McLuhan (1964) it was no longer the content that was the centre of attention, rather it was the medium itself that conveyed the message. In the 60s and 70s, an alternative thinking around communication, based on Critical Theory,<sup>1</sup> emerged out of Latin America, adding to the complex social situations in

the south of the continent during those decades. New conceptualisations of communication emerged based on the communicative practices used by the social movements of the time. The influence of Critical Theory was clear among them as a decisive part of the make-up of this alternative thinking.

Latin America inherited the argumentative strength of the Italian-Venezuelan Antonio Pasquali, who distinguished between the processes of communication and information within what is known as General Communication Theory. With this theory the author declared forcefully that true communication was that founded on dialogue and which therefore “produces (and at the same time supposes) a biunique relationship, only possible when the two poles of the relational structure (transmitter-receptor) follow a bivalent rule: every transmitter may be a receptor, every receptor may be a transmitter” (Pasquali, 2008, p.61, translated from the Spanish).

After Pasquali, many others came to strengthen the study and research into communication, quickly becoming major figures in the shaping of this new critical thinking essential to the Latin American context. Table 5.1 highlights some examples:

It is important to remember that the processes of communication and of information each comply with different political and socio-cultural agenda.

<sup>1</sup> A great exponent of this theory is the Frankfurt School in Germany and its first generation of thinkers: Adorno, Horkheimer, Marcuse and Walter Benjamin. The legacy of this first generation's critical proposals on one-dimensional society and the cultural industry. Communication continues to play a part in the study of mass media but based on the cultural criticism that supported this theory. It was proposed, as an object of study, to respond to “those progressive social forces which, in its utopic aspect, wanted to know who controls mass communication, how and why, in advanced capitalist society” (Saperas, 1993, p.169).





**TABLE 5.1 LATIN AMERICAN THEORIES OF COMMUNICATION**

<b>Author</b>	<b>Theoretical perspective</b>
<b>Paraguay,</b> <b>Juan Díaz Bordenave</b>	It is important to reflect on one's situation; one's relationship with oneself, with other humans and with nature. This implies establishing a dialogue capable of building communication as a product of one's praxis, thoughts and actions on and with the world (1978, p.277).
<b>Spain/Colombia,</b> <b>Jesús Martín-Barbero</b>	Thinking about communication processes from a cultural point of view means no longer thinking about them through disciplines or methods. It means breaking the safety net provided by reducing the problem of communication to one of technology (2003, p.289).
<b>Brazil,</b> <b>Paulo Freire</b>	Humans are not made in silence but in words, actions and thought (1966).
<b>Bolivia,</b> <b>Luis Ramiro Beltrán</b>	Alternative communication for democratic development is the expansion and equity of people's access to and participation in the communication process through mass media, interpersonal and mixed methods. It ensures, as well as technological progress and material well-being, social justice, freedom for all and a government of the majority (2005, p.21).
<b>Peru</b> <b>Rosa María Alfaro</b>	If communication is linked to development, it is not only as a helpful methodological contribution but also as the very object of societal transformation, constituting both a means and an end (1993 p.131).
<b>Colombia,</b> <b>Clemencia Rodríguez</b>	Communication allows the average citizen to be a catalyst for processes of symbolic appropriation, recodification of the environment, of the self. In other words, processes for creating firmly rooted local identities, from where visions for the future can be proposed (2008, p.12).
<b>Bolivia,</b> <b>Alfonso Gumucio Dagron</b>	Communication for social change (CSC) is a process of dialogue and debate, based on tolerance, respect, equity, social justice and the active participation of all. There are five conditions or characteristics present in CSC processes: community participation and appropriation; language and cultural belonging; creation of local matters; use of appropriate technology; associations and networks (2011, p.33).

It should also be noted that in information processes what dominates is the knowledge required for action; with communication processes, on the other hand, the extent and depth of participation and collective action are greater, and this becomes a central axis in effective and sustainable decision-making processes within social and solidarity movements and organisations.

The day-to-day implications of electronic means of communication are evidenced by McLuhan, who recognises their impact in our social, psychological and sensory environments. His work led to technological determinism<sup>2</sup> being considered relevant to the study of technological evolution, in relation to its impacts in society.

The contribution of Manuel Castells is equally useful, establishing the concept of network society, maintained by integrating all modes of human

communication. It is a question of "forming a supertext and a metalanguage which, for the first time in history, integrates the modalities of written, oral and audiovisual human communication in the same system" (Castells, 2003). Regarding the new conditions that determine life in a network society, Castells states that:

As a historic tendency, the key functions and processes of the Information Age are increasingly organised around networks. They constitute the new social morphology of our societies, and the diffusion of network logic substantially modifies the operation and outcomes in the processes of production, experience, power and culture.

While the networking form of social organisation has existed in other times and spaces the new information technology paradigm provides the material basis for its pervasive expansion throughout the entire social structure. (2005, p.549)

<sup>2</sup> Technological determinism is a reductionist theory that presumes that a society's technology drives the development of its social structure



## Effective practices

There is a broad panorama of thought and action on effective practice in the use and appropriation of digital technology and social media in terms of creating an online identity, the development, reach and collective influence of social movements and organisations in the social and solidarity economy within Latin America.

A theoretical and empirical analysis of the areas where this effective practice takes place via Web 2.0/3.0 highlights these fields:

- a. Processes of interaction and democratic participation
- b. Political impact and influence in the public sphere
- c. Empowerment
- d. Right to exist, speak and be seen

## Processes of interaction and participation specific to Web 2.0/3.0

Thanks to the tools of Web 2.0, in today's network society (Castells, 2005) we see the conditions of a time and place specific to a third environment,<sup>3</sup> in which interactivity becomes relevant to analysis. According to Marí (2011), it can be placed analytically between two related terms, in the same way as interface and interaction.

On this point, Marí explains that "in interactivity we find a double perspective, communicative and political. This allows us to analyse how the potential of online communication is fulfilled, as well as the citizen participation that organisations promoting a certain webpage envision" (p.49).

This interactivity, challenging conditions of time and space, draws attention to the subject of the internet's sociability, the appropriation of which is essential to any social and personal interaction that takes place online.

3 Javier Echeverría, explained by Victor Marí Saéz (2011), proposes that "The environment... is that which surrounds our body or our view. It is the various means implemented to expand our immediate space. Information technologies make possible the construction of a third environment, structurally different from the first (E1, the natural environment, our own bodies) and the second (E2, a cultural and social environment, the urban environment)" (p.39).

## Political impact and influence in the public sphere

Today, we are clearly witness to a diverse, pluralistic public sphere, and even one that is more democratic in exercising the power of those within it. Credit for the construction of such a public sphere is mostly due to the internet and especially the various social media such as Facebook, YouTube, blogs etc. Valuing this causal link allows movements and organisations to revise their own political implications in their mission and vision statements.

In the course of the internet's development as the foremost information distribution system, we can see the evolution from the static, linear, vertical, unidirectional Web 1.0, via Web 2.0, widely recognised to be participative, interactive and even democratic, to the recent Web 3.0, billed as the semantic or personalised web.

Of all its manifestations, Web 2.0 has had the greatest impact on network society. Under this premise, analysis of the political and organisational dimensions of network society is based on the study of social movements and social and solidarity economy (SSE) organisations. In such studies, the relationship with social media "is shaped through what new technologies make possible, how they are appropriated and used (incorporating them into routine) and discourse, or discursive practice: the strictly political meaning of collectives" (Valderrama, 2008, p.96).

The conditions of interactivity, empowerment, participation, communication and those attributes of a network model previously stated, are relevant in addressing the political considerations of the use of Web 2.0. The matter of visibility becomes pertinent here, when dealing with the impact these organisations have in the public sphere through their use and appropriation of Web 2.0 resources.

## Empowerment and development

The participation and empowerment of users seem to be decisive in recognising the advantages and potential of the internet and social media, for example in the field of development. Web2forDev is described as follows, in edition no.59 of Participatory Learning and Action:

Web 2.0 for development – or Web2forDev for short – is a way of employing web services to intentionally improve

information-sharing and online collaboration for development. Web 2.0 presents us with new opportunities for change – as well as challenges – that we need to better understand and grasp. The authors share learning and reflections from practice and consider the ways forward for using Web 2.0 for development. [...] Web2forDev [...] is about the active use of these tools in development. It is about how development actors can relate and connect to other stakeholders, produce and publish their own material, decide on levels of access to information and redistribute pieces of content released by others. Web2forDev is about integrating, combining, aggregating, generating, moderating and mediating development information, ideas and perspectives (2009, p.10).

Analysis of the use of social networks specific to Web 2.0, and therefore the internet, is mediated by the characteristics of the network model. It is therefore possible to liken these social networks to networks of solidarity and communication, “organisational formulae which bring together important attributes on which to reflect: they possess a great deal of flexibility, horizontality, capacity for interconnection and closeness among members” (Marí, 2008, p.1347).

### **The right to exist, to speak and to be seen**

Hernán Rodríguez (2011) defines as the “rules of visibility” the different actions and strategies that eventually create multiple mechanisms for existing in other public spheres. He suggests that establishing these rules is viable if social movements draw up action plans in terms of three rights: the right to exist, the right to speak and the right to be seen. This also applies to SSE organisations.

The right to exist represents “the movement’s self-recognition of an identity, an adversary and a social objective, as a form of resistance towards the mechanisms of social control and political representation that have excluded them from the public sphere” (Rodríguez, 2011, p.144).

The right to speak is characterised by the construction and visibility both of the thematic and informative agendas put forward by social movements and of the mission and vision statements of SSE organisations, in an alternative sense of communication through Web 2.0/3.0. Commercial and mass media communication represent a political and economic elite, establishing an information hegemony; being aware of this, social movements and SSE organisations construct their

own informational conditions through their use of various networks and social media.

Rueda (2015) gives the example of the Social Movements Organisation in Brazil. Their objective is to create spaces for constructing agreements on social change, activities for organisations, sharing agendas, conflict methods and reactions against Neoliberalism and bourgeois hegemony, and for strengthening social movements. Rueda explains that Muniz, Pinho, Carvalho, Sávio, Araujo, Luchete and Agostino (2007) analysed the organisation and found that of the 75 social movements belonging to it, 42 promote their activities online on matters such as children and youth, services, health, popular economy, ethnicity, citizenship, education, work and workers, gender, the environment, and communication. The study concluded that these movements achieve cultural integration through their use of ICT and especially Web 2.0 but it also showed that there are limitations in technical understanding, qualified personnel and finances which hinder the intensive use of these technologies.

Rodríguez (2011) describes the right to be seen, representing the essence of physical interaction, as heralding not only self-recognition of this right by social movements and SSE organisations but also that they “are defining for themselves the situations in which the conditions for developing interactions are decided, which in this case point to their conquering of the public sphere by way of various ways of speaking, making themselves heard and being seen” (Rodríguez, 2011, p.151).

The internet represents all forms of human communication in a single medium but Web 2.0 has challenged our conditions of space and time, establishing new forms of sociability or new ways of being together (Martín-Barbero, 2008) in today’s network society.

In this context of technological determinism predicted by McLuhan, the actions of social organisations can now be based on the characteristics of the network model, and specifically on the use and appropriation of the multiple tools and resources offered by Web 2.0.

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## 2.2 PERSPECTIVES FROM UK, CANADA AND USA

The research-based literature dealing with this theme in English (principally taken from Canada, the US and the UK in this review) mainly examines the use of social media within ‘non-profit’ organisations. It also considers trading organisations in the social and solidarity economy, such as a credit union and fair trade organizations.

As Lewis (2005 in Nah and Saxton, 2012, p. 297) points out, in a non-profit organisation the ultimate strategic goal is the fulfilment of a social mission – the creation of value for the public and/or the environment. Here we will consider theoretical and evidence-based approaches for understanding the role and effective use of social media to achieve these goals, from the literature since 2009.

The following have been identified from the literature as areas of social media use relevant to organisations in the SSE:

- a. Building and engaging community (Deschamps and McNutt, 2014).
- b. Fundraising (Saxton and Wang, 2014).
- c. Advocacy efforts (Obar, 2014; Guo and Saxton, 2014).
- d. Accountability to stakeholders (Saxton and Guo, 2011)

### Building and engaging community

Deschamps and McNutt (2014) identify the activities in the online world as *bonding* (developing strong ties/strengthening existing relationships and strengthening the organisation’s reputation) and *bridging* (developing weak ties/outreach and raising awareness) with its own members, and the organisation with the wider public - see Table 5.2

TABLE 5.2 BRIDGING AND BONDING WITH SOCIAL MEDIA	
Bonding activities	Bridging activities
Recognising volunteers and staff	Recruiting staff, volunteers, members, customers
Recognising donors	Using social bookmarks on the organisation’s website
Responding directly to user comments	Offering prizes and trivia questions
Highlighting offline activities	Policy-related information sharing
Mentioning partner or related organisations	Posting information on a weekly basis
Using the ‘Causes’ app to raise donor funds	Sharing inspirational quotations
	Using Facebook’s ‘Events’ tool to remind followers of upcoming events

Adapted from Deschamps and McNutt (2014)

Deschamps and McNutt state that social networking sites (such as Facebook and Twitter) allow an organisation to share their mission, invite members to events, actively communicate with members, share information, post calls for volunteers, and undertake targeted fundraising activities successfully (2014, p.32).

Creating an engaged and committed community is vital when marketing products which command a premium price, such as fair trade goods. The main goals of fair trade organisations in using social media are to

increase exposure and visibility for the company, raise public awareness of fair trade, have a direct relationship with customers and create a faithful and engaged community. Facebook, YouTube and Twitter are used not to promote specific products, rather awareness is raised about the social justice aspect of fair trade and efforts (Fairtrade Connection, 2013).

A further example is the Travis Credit Union in California which in 2013 used a strategy to attract more members



for their ethically-driven financial services. The stages of their strategy can be seen in Table 5.3:

<b>TABLE 5.3 TRAVIS CREDIT UNION SOCIAL MEDIA STRATEGY</b>		
<b>Stages</b>	<b>Planning and Activities</b>	<b>Goals achieved</b>
1st	Establishing a goal of increasing the number of members who like the Credit Union on Facebook, by running an interactive game.	This increased their members on Facebook from 2,500 to over 12,000 within several months.
2nd	Their focus then shifted from gathering Facebook 'likes' to having more meaningful interactions with members and gaining their feedback.	The organization's member surveys revealed a loyalty score over 90 percent, and a significant portion of existing members would recommend the Credit Union to friends and family.
3rd	The sharing in the social space was seen as a natural extension of word-of-mouth recommendations	In 2013, 70 percent of their new members came from social media, such as Facebook

Adapted from Knudson (2013).

## The relevance of community

The presence of an engaged community is seen as a prerequisite for the following activities: fundraising, lobbying and advocacy, and accountability to stakeholders.

### Fundraising and crowdfunding

Non-profits are increasingly including social media in their fundraising efforts (Saxton and Wang, 2014, p.853), due the growing trend for online giving, and the potential to reach large audiences. Saxton and Wang explore how the "social network effect" (2014, p.850) facilitates new ways for fundraising on behalf of non-profits. They suggest that "attention-getting projects", "casual" and "impulse donating" are driving contributions to a greater extent than with offline donating. They point to the "echo chamber effect" (p.863) from delivering the same message through multiple social media channels: for example using and adapting the same content on Facebook, Twitter with a link to a web site, blog post or YouTube video. While the resources devoted to fundraising did make a significant difference, they found that small 'media-savvy' organisations have the potential to reach as wide an audience as larger ones through social media.

The power of clients' success stories told on blogs or YouTube and rebroadcast on other social media, were seen to be effective for fundraising, particularly if next to a Donate Now button (Given, Forcier and Rathi, 2014).

Crowdfunding is identified as "a collective effort by people who network and pool their money together, usually via the Internet, in order to invest in and support efforts initiated by other people or organizations" (Ordanini *et al.*, 2011 cited by Stiver, Barroca, Minocha, Richards and Roberts, 2015, p.250). Organisations may have Donate Now buttons on their websites, or may use specific crowdfunding applications. Examples of sites operating within the social economy are Kiva.org, which is a US-based, non-profit organisation with a mission to connect people through lending to alleviate poverty and is international in its scope; and LocalGiving.com, dedicated to providing funding opportunities and advocacy for small charities and community groups in the UK.

Belleflamme, Lambert and Schwienbacher (2013) describe two types of crowdfunding which are relevant to ventures with a social mission: *reward-based* crowdfunding allows crowdfunders to receive a non-financial benefit in return to their financial contributions (e.g., credit on an album, pre-ordering of products or services); whereas in *donation-based* crowdfunding, crowdfunders make a donation without any tangible return (p.317).

### Advocacy

Non-profits have enormous potential to "contribute to democratic governance by representing the interests





of citizens and promoting changes in public policy” (Guo and Saxton, 2014, p.59).

Obar (2014) describes the perceptions of the benefits of social media for advocacy groups in Canada, including NGOs and activist organisations around themes such as the environment, health care and civil rights. Table 5.4 shows those which were perceived to be the most beneficial features, based on specific characteristics of social media. The most commonly used social media by these organisations were (i) Facebook (ii) Twitter (nearly all used these) (iii) YouTube (75% used this) and (iv) blogs (52% used these). Communication directors within the advocacy organisations ranked

social media technologies, based upon perceived ability to help facilitate advocacy-related tasks. As can be noted, email (a “traditional internet tool” rather than social media, according to Obar) and Facebook were preferred methods of communication. However, Obar notes that when the organisations were asked which technologies help with “reaching out to new people,” “giving citizens a place to voice their opinions” and “conversing with citizens”, Facebook always ranked first, Twitter second, ... suggesting that perhaps the advocacy community feels that social media technologies, as opposed to more traditional internet technologies like email, have enhanced their ability to accomplish these more interactive tasks (pp.220-221).

TABLE 5.4 ADVOCACY GROUP PERCEPTIONS OF SOCIAL MEDIA OPPORTUNITIES	
Perceived benefits	Aspects
Outreach	<ul style="list-style-type: none"> <li>▪ Facilitate communication with larger numbers of individuals</li> <li>▪ Ease of use</li> <li>▪ Overcome the limitations of organization size and budget</li> </ul>
Feedback loops	<ul style="list-style-type: none"> <li>▪ Facilitate conversation</li> <li>▪ Provide community-building opportunities not available via offline or other forms of online communication</li> </ul>
Speed	<ul style="list-style-type: none"> <li>▪ Facilitate communication in real time</li> <li>▪ Facilitate engagement as issues of interest are unfolding</li> </ul>

(Adapted from Obar, 2014, p.223)

### Accountability to stakeholders

Saxton and Guo (2011) discuss two dimensions of accountability: disclosure - the transparent provision of key information on organizational finances and performance; and dialogue - the solicitation of input from interactive engagement with core stakeholders (p.271). In relation to the potential for use of social media, the latter is more relevant, something for which the Web is particularly promising. The authors identify basic contact-us feedback, or ask-a-question features on a website. When it comes to higher-level mechanisms for solicitation of stakeholder engagement, such as online surveys, (for example, see Travis Credit Union example earlier in this chapter), interactive message forums, evaluation forms or needs assessments, Saxton and Guo conclude that community-level organisations, in particular, are “failing to maximize the opportunity to use [social media] to engage stakeholders” (p.287). The American Red Cross is cited by Briones, Kuch, Liu and Jin (2011)

as a non-profit organisation making effective use of social media such as Facebook and Twitter to engage in a two-way conversation with its publics.

Organisations committed to deliberative democracy in governance, such as the FairShares Association, are working with Loomio free, collaborative software for collaborative decision-making and studying its potential to promote participatory decision-making (Ridley-Duff, 2015).

As democratic and participatory governance is a criterion used to define social/solidarity economy organisations, this appears to be an important area of study. The theme is taken up in the case study on the use of collaborative decision-making using Loomio, later in this chapter. A community of practice for practitioners and academics in the social and solidarity economy is discussed in Case study 2.





## Social media – a critical view

While the opportunities for wider participation, autonomy and greater visibility are present in social media, it needs to be remembered that no technology can overcome existing power structures in society, and can indeed reinforce them. Technology use is situated within its cultural context (Miller, 2013), currently one of global capitalism and high inequality of resource distribution. Social media platforms have different forms of ownership: some are free or operate on a non-profit basis (e.g. Wikipedia and Loomio request voluntary donations from their users). Ning is a private corporation which charges for its services. Others,

such as Facebook and Twitter, are private corporations which sell the data provided by users' 'activity work' for marketing purposes and make multi-million dollar profits, whilst arranging their tax affairs to ensure that very little of this profit returns to the public domain (Fuchs, 2014; Keen, 2015).

It is also important that organisations which exist for primarily social/environmental purposes critically reflect on their use of all available tools, including reflection on whether social media is the most effective tool to help them achieve their mission and enable the change they seek (Keen, 2015).

## 2.3 AFRICAN PERSPECTIVES ON COMMUNITY RADIO

Community radio is a “two-way process ... in which communities participate as planners, producers and performers and it is the means of expression of the community rather than for the community.” (Onekutu, 2013, p. 267, citing AMARC, The World Association of Community Broadcasters, 1998). This Nigerian author argues that the AMARC definition emphasises participation for all in the entire process from the planning stage to evaluation. As well as being participatory in nature, community radio is development oriented.

The role of radio in development in general and in the developing world in particular, cannot be overstated, according to Magak, Kilonzo and Ogembo (2013, p.114). Despite the rapid growth in media technology such as mobile phones, it is widely acknowledged that radio is still the most easily accessible form of communication in Africa. This can be explained by its flexibility, low cost and oral character. It allows significant opportunities for local programming in local languages, in contrast to television, which depends largely on programmes produced for global consumption (Mano, 2011). In addition, most print media in Sub-Saharan Africa is published in colonial languages and is not effective in areas with low rates of literacy (Chibita, 2011, p.270).

Writing from South Africa, Gunner, Ligaga and Moyo (2011, p.5) state that radio must be seen as a process of culture involving an exchange of meanings among members of society rather than a mere instrument of power.

Democracy and development are central to discussions in the literature about community radio in Africa. Fundamental to democracy and development, and closely interlinked with them, are peace and gender equality. Therefore, the following will be considered in the sections below:

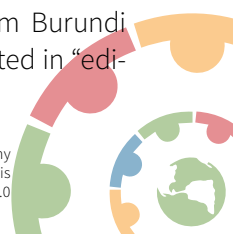
- a. democracy,
- b. development,
- c. peace, and
- d. gender equality

### Community radio for democracy

According to Onekutu (2013, p.267, citing Wanyeki, 2000), community radio seeks to foster debate about, reach consensus on and build democratic solidarity in promoting and protecting human rights and achieving sustainable development including peace and reconciliation.

A key advantage of community radio is that it provides a platform for debate and exchange of ideas (AMARC, 1998). It is seen as addressing “knowledge-power imbalances and permits the voiceless and marginalized access to the media” (Mhiripiri, 2011, p.109). However, numbers of broadcasts alone are not sufficient to guarantee this. The ideal of community radio is that “each citizen, however poor, should have access to broadcast information from which he or she can make choices” (Mhiripiri, 2011, p.110, citing Hills, 2003).

Ojebode (2013) points to an example from Burundi where community radio stations collaborated in “edi-



torial solidarity” (p.16) and deployed election monitors which reportedly contributed to transparent elections. Space was provided for political debates among different groups in Cape Verde. And in the same country a community radio mobilised the participation of citizens in drawing up municipal budgets (p.16-17).

Commonalities around democracy involve “self-determination, periodic elections, citizens’ engagement, and ongoing deliberations facilitated by an expanding access to means of expression” (Ojebode, 2013, p. 15). However, some governments on the continent have been far from enthusiastic supporters of radio which opens up political debate. For example, the Zambian government has given a number of community radio licences to groups which are unlikely to use the medium to discuss politics and were seen as “harmless” to government interests (Moyo, 2011, p.50). Javuru (2012) identifies a “political environment that builds a media atmosphere of fear and self-censorship” in East Africa (p.289).

### Ownership of the radio station

As well as providing content which aims to promote access to information and space for dialogue, the ownership and management of the radio station itself are key to ensuring it reflects the concerns of the community.

AMARC (1998) contends that for a station to qualify as a community radio, the ownership and control of the station must rest with the community it claims to serve. This will normally be through a trust or association. Ownership is critical to the concept of ideal community radio, and of radio’s ability to facilitate community development, according to Mhiripiri (2011). The dynamics of participation and ownership are seen as “indicators of social change and development which correlate with progressive social transformation within the community” (2011, p.110, citing Solenvicens and Plauer, 2007).

The significant role of aid organisations is also acknowledged: in particular, the Catholic Church (Mhiripiri, 2011), UNESCO and NGOs (Da Costa, 2012, p.4; Javuru, 2012, p.289). However, in order to achieve “social sustainability” (Da Costa, 2012, p. 6) the station needs to be managed by the community, and its operations should rely mainly on the community’s own resources (p.3). To be true to the values of community radio, it needs to be managed and controlled “by a board which must be democratically elected, from

members of the community in the licensed geographic area” (South African Government, 1999).

Some stations in East Africa view community participation as a consultative process and have “networks of listeners’ clubs who meet and deliberate on issues to be broadcast”. However, there is seen to be a tension between inclusion of the community and professionalism of the service (Javuru, 2012, pp.293 - 294).

Ojebode (2013) argues that not all claiming to be ‘community radio’ is true to its fundamental principles. He describes as “disturbing” the state-owned and private and commercial radio stations “disguised as community radio”. Indeed, they are often registered under the name of community radio and enjoy legal concessions as such, whilst existing to “support the financial and political ambitions of their founders” (p.13).

### Community radio for development

Adegbola and Oyedele (2013) view community radio as the right of a community to “freedom of expression” (p.291). They give an overview of notable examples of significant contribution of community radio to community life. In Ghana, they include Radio Ada which safeguards the rights of minorities and women, provides weather reports for fishermen and information on security and cooperation at sea. It teaches the Dangme language and recounts the history of the community to young people, reinforcing cultural and social values; and Radio Peace promotes health and sanitation and economic development. In South Africa, Bush Radio promotes economic development, dialogue and conflict resolution and crime prevention (p.291).

Ojebode (2013, p.14 drawing upon United Nations, 2006) finds some common ground in discussion and practice of development. He argues it is about improvement in people’s lives, including their standard of living and their capacity to take informed decisions; their cultural integrity and their fundamental human rights, including freedom from poverty and want and fear of insecurity. It is also about using resources so that future generations have their share. He argues that however one measures development, the impact of community radio on this has been demonstrable in Africa (2013, p.11).

The following example from Magak, et al. (2013, pp.114-136) discusses Radio Lake Victoria in Kenya,



a Luo language radio station run by a community development non-governmental organisation called Osielala (Friends of Lake Victoria). They highlight the potential for community radio to work hand-in-hand with 'on the ground' development work. The NGO initially used radio to communicate its work and ideas to the target community and became "an indispensable development tool" (p.123). It became a focal point for community links and an advocacy centre. Their "openness" (p.123) gained trust from local communities and international research groups, and collaborations include the Global Nature Fund, Living Lakes Network and the International Lake Environment Committee, Japan. Originally funded through Finnish donors, it is sustained by advertisements and NGO-sponsored development programmes. It targets 4.9 million Luo-speaking people in Kenya and Tanzania. The radio has played a significant role in promoting environmental management, linking its programming to projects with environmental objectives. The radio has used its programming to promote access to micro-finance, again, linking this to a specific project for provision of financial services for the fishing community. It has been instrumental in the promotion of renewable energy, in awareness and advocacy for change in gender equality, in sharing of agricultural practices for higher productivity, in the expansion of eco-tourism practices, in giving information about community health and hygiene, particularly in relation to HIV/AIDS, and in honouring language and cultural practices which have been considered inferior to those of the British colonisers. "Used for good the communicative power of indigenous language and ... radio is a potent force ... the result is the rapid community development being witnessed" (p.134).

### Community radio for peace

Broadcasting for peace is considered a vital role for community radio in a continent with countries and regions comprising culturally diverse populations and "bedevilled with local and internal tensions," according to Nigerian writers Oyero, Joshua and Aduradola (2013, p. 94). They argue that the media plays a key role in agenda-setting by assigning importance and broadcast time to some issues over others. Peace journalism seeks to identify issues underlying the conflict, "highlighting common ground and linking people of good will in the belligerent communities" (p. 107, citing Opubor, 2012). Skilled journalists need a deep understanding of culturally-based forms of reconciliation. Oyero

et al. (2013, p.108) identify values being espoused on indigenous communication channels, such as generosity, forgiveness and compassion. They note how indigenous healing, reconciliation and justice methods promoted the reintegration of child soldiers into their communities in Mozambique and have strengthened solidarity in post-genocide Rwanda.

The other side of this coin is *hate radio*, privately owned radio stations representing narrow, exclusive interests (and by criteria given above, not community radio) which is blamed for stirring up tensions and inciting violence in Rwanda and Kenya (see, for example, Straus, 2011; and Javuru, 2012), illustrating the agenda-setting and legitimising power of radio for good or ill on the continent.

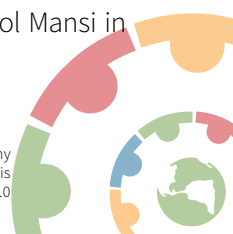
### Community radio for gender equality and empowerment of women

Women have been traditionally excluded from roles in society, particularly those involving the exercise of power, and are more likely than men to suffer marginalisation through poverty, according to Duru, Nwosu and Onyejelem (2013). They highlight the need to pay particular attention to the inclusion of women in community radio, as both "gatekeepers and newsmakers" (p.159): as those who influence decisions about which stories are worthy of inclusion, and as protagonists in the stories.

Emancipation and self-worth is a key advantage of community radio (AMARC,1998). When eliciting information from community groups in Kenya and Tanzania about the impact of community radio on their lives, women's empowerment was a recurring theme (Onekutu, 2013). This included the ability of women to voice their issues and concerns, gender equality including the attitude to the education of the daughters of Masai communities, improved health among women, and increased awareness of human rights, especially the rights of women. She quotes a woman in Ivingoni village in Kenya:

The radio has created a very good feel about ourselves – I am saying this with particular reference to the status of women in our community. We might not be rich or powerful .... However, we have all of a sudden gained recognition, starting from family and household level all the way up to district and national levels (pp.273-274).

The themes developed in this literature review are exemplified by the case study about Radio Sol Mansi in Guinea Bissau later in this chapter.



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### 3. DIALOGICAL SECTION

Following information gained from a questionnaire and interviews, web page links to social media, such as Facebook, Twitter, YouTube and LinkedIn were explored. Altogether 329 web pages were visited from countries in Latin America (148), Europe (170) and Africa (11).<sup>4</sup>

Given that, according to the literature, social media promotes “new ways of being together”, and that a community is essential for this, evidence of the presence of a community was sought in the use made of social media by organisations, as a sign of potential effective practice. This included recent and regular activity, such as recent posts with information and evidence of the engagement of community. The number of ‘followers’ (Twitter), ‘likes’ (Facebook), ‘views’ (YouTube) ‘endorsements’ (LinkedIn) were understood as potential signs of this. Evidence of activity around individual posts, such as ‘retweets’ and ‘likes’ was also gathered, as potential evidence of participation by a ‘community’. The use of blogs was examined for their potential reach and relevance to target communities. Where possible, short interviews were carried out to establish the organisation’s purpose in their use of social media and their understanding of its usefulness

<sup>4</sup> Note: the geographical scope of the study meant that some organisations were based in remote rural areas where there was no internet. In these regions, community radio was often an important way of communicating.

and impact. From this, examples were selected that illustrated practices from which other organisations in the social and solidarity economy could learn.

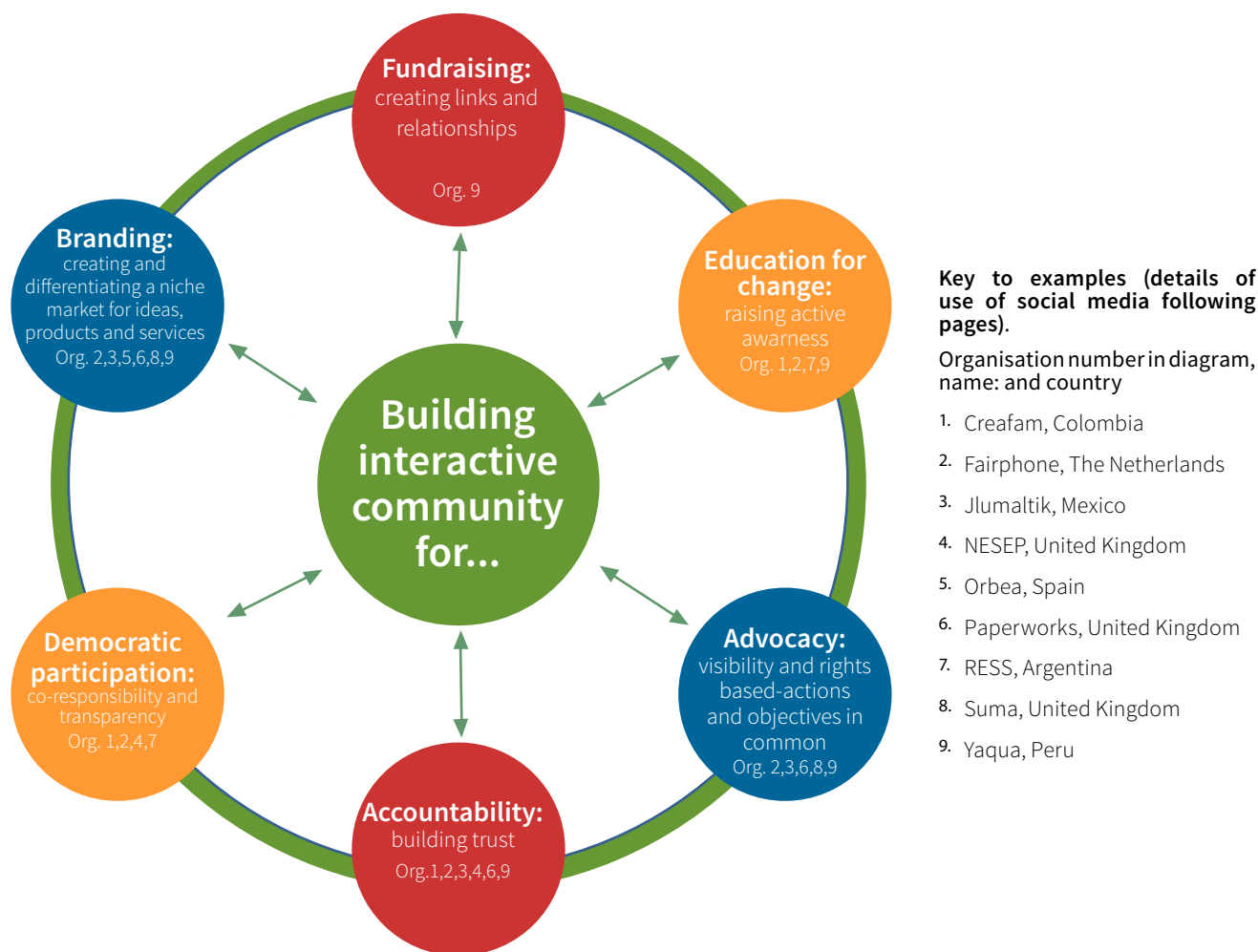
Nine organisations were chosen to exemplify building and engaging community towards the aims of the organisation, and therefore able to offer pointers towards effective practice. In this selection, a variety of organisations was sought in terms of: geographical spread, legal status of organisation (e.g. cooperatives, social enterprises, NGOs, etc.), sector of activity and use of social media. These are discussed in this section and in the Practical Cases section.

Some organisations in the study are successfully building and engaging communities. This is the lynchpin of effective social media activity of the organisations in the study. Echoing the purposes of social media use explained in the UK, Canada and USA literature review. Figure 5.1 shows the use being made of social media where there was evidence of active engagement by a community. It highlights the potential benefits of social media use where there is clear evidence of active involvement by a community.



FIGURE 5.1

POTENTIAL BENEFITS OF SOCIAL MEDIA USE WITH COMMUNITY INVOLVEMENT



In reality, the uses highlighted in Fig. 5.1 are interlinked. In the following section, the uses made of social media by specific organisations will be shown.

Much of the literature discussed earlier in the chapter referred to non-profits, in which fundraising from donors is a critical issue. In this study organisations ranging from donor-funded NGOs to cooperatives with fully self-generated income from trading were studied. Therefore, social media activity which may promote strong branding and gain more customers was considered by the Consortium.

Education for change has been added because organisations in the social and solidarity economy are often selling goods and services which attract a premium price because the full social and environmental cost is built in to the product instead of being left for others (e.g. local communities,

governments) to pick up. Therefore, education about the way in which the product is bringing about change needs to be communicated. An example is Fairphone in the Netherlands, which is working towards creating an ethical supply chain in mobile phone manufacture. In other cases, education is helpful to explain the workings of the organisation. The cooperative Creafam in Colombia has videos on YouTube to demonstrate how *one person one vote* works in a cooperative, and thus demonstrates democratic ways of running a cooperative.

Visibility of the organisations, their beneficiaries and their aims was a clear outcome of social media use, and was a recurrent theme in this study. This is not considered as a separate category. It is taken as being more likely in an active online community. It has implications for accountability and making the work of the organisation more transparent to supporters



and other stakeholders. Some organisations used this enthusiastically as a way of showcasing their work. For example, trainees in the UK printer and mail fulfilment service provider, Paperworks, wrote on

the organisation's blog and were thus able to show development of their interests and communication skills.

## Strategies for using social media by organisations in the social and solidarity economy

The following examples illustrate four practical strategies used by organisations in the study for using social media towards fulfilling their aims and values.

### Strategy 1: Brand recognition through links with other networks

**TABLE 5.5 ORGANISATIONS DEVELOPING BRAND RECOGNITION THROUGH LINKS WITH OTHER NETWORKS**

Name Legal form Website	Aims/values	Country	Sector	Social medium
Suma Cooperative www.suma.coop	We are against poverty and human suffering. We want a sustainable future for people and our planet. We care about animal welfare. We believe in eating a healthy diet	UK	Retail and distribution of wholefoods	Blog
Orbea Cooperative www.orbea.com	Orbea is more than a bike company, we are a cooperative business and passionate family.	Spain	Bike manufacturers	Twitter
Yaqua Social enterprise yaqua.pe	Dedicated to the commercialisation of bottled water. 100% of the dividends finance projects for drinking water in vulnerable parts of the country.	Peru	Sale of bottled water to finance access to water projects.	YouTube Facebook

### Suma: Reaching the vegetarian community through recognised networkers

**Suma** has an invited network of recognised and successful vegetarian bloggers who create recipes and comment on ethical issues related to food. The cooperative supplies the bloggers in its network with products for free every two months. In return the bloggers create a recipe using some of the ingredients sent. The blogs are featured on Suma's website and each recipe created is featured on Suma's Facebook, Twitter and Pinterest pages. The recipes can be viewed in full on each of the bloggers' own blogs. This is a

win-win situation: Suma gets valuable publicity for its products within vegetarian networks and builds its brand. In addition, the blogs are promoting the vegetarian and food security and sustainability agenda, causes advocated by Suma. The bloggers themselves get free products to be creative with and at the same time gain exposure for their blogs by linked to Suma. The *social capital* based on shared values extends the reach of the cooperative and the bloggers. As Bob Cannell, member of the cooperative explains, "We find out some of these amazing recipes that they come up with. We're constantly pumping out recipes for our customers and consumers, which then helps us".



### Orbea: Positioning the brand and building strong social capital

Orbea started its Twitter presence by searching for cycling enthusiasts on Twitter and following over 150 of them. The cooperative then posted a video and began retweeting the tweets of the individuals and organisations it was following. They quickly established an online presence as passionate cyclists. In June 2015 the cooperative had nearly 20,000 followers. It had posted over 8,000 tweets and retweets. The account is dynamic with photos of epic cycling activities and cycling news. It is a community of cycling enthusiasts and positions Orbea as a leader in this field.

### Yaqua: Using humour and a competition to raise awareness of the product

Yaqua launched a competition in which participants could send a video of themselves eating extremely spicy and hot food. The challenge was to continue until they needed to drink from the bottle of Yaqua water. The videos were placed on YouTube and Facebook. Some celebrities were enlisted to create videos once the competition was launched. The videos attracted over 75,000 visits on YouTube with 1500 likes or comments, and had 92 shares on Facebook. There were 50 con-

testants in the competition and 3 winners. The campaign was also covered by newspapers.

### What can be learnt from these examples?

Find established networkers in the field and be part of their community in a reciprocal way.

Both Suma and Orbea have identified respected networkers in their respective fields and have engaged with them, benefitting from and contributing to the community of enthusiasts. The exposure this gives each organisation brand recognition with enthusiasts.

### ... and reach beyond those already interested

Yaqua have reached out beyond those likely to be actively involved in the issue of accessible drinking water for communities living in conditions of poverty, and have raised awareness of it. Their campaign, using the slogan “Quench your thirst by helping, has been particularly amongst young people.

Social and solidarity economy organisations can showcase their work to the public through social media, and in this way they can invite scrutiny, feedback and promote transparency.

## Strategy 2: Using photos and actively seeking the participation of supporters to promote the visibility of the organisations

**TABLE 5.6 USING PHOTOS AND ACTIVELY SEEKING THE PARTICIPATION OF SUPPORTERS TO PROMOTE THE VISIBILITY OF THE ORGANISATION**

Name Legal form Website	Aim	Country	Sector	Social medium
Jlumaltik Cooperative www.jlumaltik.com	Promote, recognise and make known artisanal work. We organise and distribute work in a fair way.	Mexico	Creation and retail of artisanal goods	Facebook

### Jlumaltik: Giving visibility to artisanal products to create new markets.

The organisation promotes the production of artisanal goods from the Mayan cultures of Chiapas. Through their Facebook page the organisation gives visibility to the work of the Mayan craftswomen. The **Jlumaltik Cooperative** in Mexico, which promotes

indigenous Mayan artisanal goods, posts a picture on Facebook of a product or of a cooperative member weaving or creating other artisanal works every 3-4 days. A caption explains what the product is and the indigenous tradition it follows. It also gives details of a venue where the item can be purchased if it is outside the main shop. The organisation has over 1000 likes on Facebook and the posts received comments of appreciation of the products and the cultural



importance of these, as well as questions of a purely commercial nature. The Facebook account is very visual – few words are needed as the photographs are highly colourful and attractive.

### What can be learnt from this example?

Use photos, actively encourage supporters to spread the word, enable people to take action.

Taking photographs which highlight the central activities and mission of the organisation can easily be

placed on Facebook with brief captions to highlight the relevance of the photo to (potential) supporters. Promoting the Facebook page at ‘real world’ events, etc. and specifically asking supporters to ‘like’, ‘share’ with friends and comment on the post expands the reach of the organisation. This, combined with the opportunity to take action, such as information on how to make a purchase, volunteer or take part in an event, can support the creation of a community with wide reach.

## Strategy 3: Educating about the organisation through members of the ‘real world’ community

**TABLE 5.7 EDUCATING ABOUT THE ORGANISATION THROUGH MEMBERS OF THE ‘REAL WORLD’ COMMUNITY**

Name Legal form Website	Aims/values	Country	Sector	Social medium
Creafam Cooperative www.creafam.com	We promote the development of the economic possibilities of our associates and their families.	Colombia	Finance	YouTube
Paperworks Social enterprise www.paperworks.org.uk	Offers training to help people towards work.	UK	Services – printing and direct mailing	Blog

### Creafam: Developing the family economy through savings and access to loans

In addition to building its community through Facebook and Twitter, **Creafam** (creamfam.com) has a YouTube channel on which it has videos containing personal testimonies from people whose lives have been changed through access to savings and loans from Creafam. It also has a video of a General Assembly meeting, showing, for example, how representatives from all branches are informed about their legal responsibilities. Their video to celebrate 20 years since its founding attracted over 400 views. Creafam are operating in an environment in which many people do not have access to financial services and there is little opportunity for structured savings or responsible lending. By having video testimonies of people who have benefitted from these services, Creafam is promoting community opportunity and development. Posting a video of a General Assembly meeting promotes transparency in an environment in which financial services are not trusted.

### Paperworks: Communicating interests and experiences at work

The **Paperworks** blog is almost entirely populated by blogs from trainees. Trainees are supported to write a blog about a whole range of things – everything from a volunteer placement they have been to or the fact they have started at Paperworks, a job they happen to be working on, or a training session. It started when Paperworks ran a ‘writing for a purpose’ course with the Local Authority and one of the trainees wrote a post on the Paperworks blog about a hobby. As Damien Handslip, manager of Paperworks, explains, “It gives everyone a voice. It’s also great for keeping people up to date with what we do, especially if people have got pictures on there as well. It explains things much better than we can do in any marketing literature.” In addition it “gives that voice, feedback. It’s sometimes difficult to get trainees to say what is it they are interested in. We get some ideas of what people are keen on and not so keen on through their blog posts”. It also serves to tell people about the trainees at Paperworks and the progress they’ve made while they have been there.



Damien believes it “gives a real insight into the ethos of the organisation”.

### What can be learnt from these examples?

The organisation can provide and curate a social media platform to highlight the experiences of its target group. Members/beneficiaries can tell the story of the organisation, to explain what they do and why it is different, and to reach a wide audience with this. Videos and blogs can be powerful media for empowering members, sharing their experiences and (sometimes indirectly) promoting the organisation.

In the case of Creafam these videos, which feature members of the cooperative, have been professionally made. As part of its training programme, Paperworks

have provided support for trainees to write on issues of their choice and to share this with the organisation’s customers and supporters.

Where members of a community have particular knowledge and experience to share, the organisation could invite them to create their own material, with the organisation acting as curator and disseminator of this material. Examples might include environmental or heritage skills, personal stories of transformation, etc.

In the case study on Social and Solidarity Economy Network (RESS) from Argentina, later in this chapter, it will be shown how the Network acts as a curator for material provided by its members.

## Strategy 4: Using the online community to inform the future plans of the organisation

**TABLE 5.8 USING THE COMMUNITY TO INFORM FUTURE STRATEGY OF THE ORGANISATION**

Name Legal form Website	Aims/values	Country	Sector	Social medium
Fairphone Social enterprise www.fairphone.com	Making a positive impact across the value chain	Netherlands/ international	Electronics	Survey Monkey

### Fairphone: Transparency and the importance of developing products with customers

Social media use is based on ‘joining the movement’. Fairphone’s blog has photos, videos and explanations of visits to mining regions in Africa where the mining activity does not create conflict and which cause least environmental damage. It has a highly active Facebook, Twitter and blog presence which educates, advocates, positions the ethos of the organisation in the market and is highly transparent and accountable in its provision of information. Notably, it uses social media to understand its community. Fairphone used Survey Monkey, an online survey, to gain information about those who purchased its phone. See: <https://www.fairphone.com/2014/08/07/community-personas-and-survey-results/>

What is the role of the University in the study and practice of the social and solidarity economy, according to the information in this chapter?

- The curriculum should include opportunities to use social media and opportunities to think critically about its use and impact in the sector.
- There should be the opportunity to learn about management of social media applications
- The university should offer access to social media for teaching and practical sessions so that they can be embedded into the curriculum
- Projects can be designed which create communities of teachers and students interested in developing new platforms for interaction in the sector which deal with the needs of the social and solidarity economy, e.g. crowdfunding, access to markets, ethical positioning of organisations.
- Through social media, links can be made between universities and organisations in the social and





solidarity economy, as a means of the mutual sharing of knowledge and experiences

### What can be learnt from this example?

Your community supports your aims. Take them into account to develop your product or service.

A great opportunity that social media provides is to understand the supporting community and use the information to inform the development of the product or service. Fairphone can gain some understanding of their customers and supporters through ‘real world’ events and social media. Using a survey to gain key data about who customers are enables them to create profiles of users and market accordingly. In the spirit of the transparency of Fairphone as an organisation, this

information is placed on the website and feedback invited.

### Conclusion

What do we understand by the effectiveness of use of social media within the SSE organizations surveyed and interviewed?

This study concludes that there are three aspects to effective practice:

- Organisations in the social and solidarity economy are driven by a social mission. Therefore, any consideration of effective practices in the use of social media needs to be underpinned by these values.



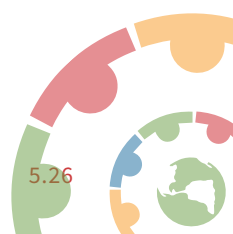
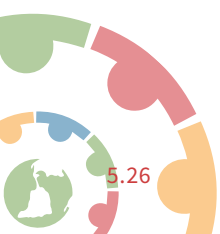
**FIGURE 5.2 EFFECTIVE PRACTICES IN SOCIAL MEDIA USE IN THE SOCIAL AND SOLIDARITY ECONOMY**

- Social media is a tool, and like any other tool it has characteristic features which can be utilised by the user towards particular ends. Social media use which uses the opportunities for interaction, for access to knowledge and the management of it, etc. may fulfil one aspect of effective practice.
- The activity itself will involve community building and engagement for a purpose. Understanding this purpose and working accordingly with the social media application is a necessary third aspect of effective practice. This may coincide with 'real world' activities, such as face-to-face events.

This study argues that where these three aspects coincide, the possibility of practice being effective in

promoting the aims and mission of the organisation are high. This is represented in Figure 5.2

Where accounts are active, typical use in Europe and Latin America is to show the organisation's activities with photos on Facebook and highlight issues of interest or concern based upon the organisation's mission. However, some organisations do this with little evidence of an online community being engaged. Social media has the advantage that this material can be easily edited and updated without the need for a web designer, but the opportunities for outreach to a community offered by social media are not being exploited.



## 4. PRACTICAL CASES

### 4.1 THE INTERNATIONAL SOCIAL AND SOLIDARITY ECONOMY AND EDUCATION NETWORK (RESS), ARGENTINA

#### Rational objectives:

- Identify ways in which social media can be used to create an online community of practice.
- Examine the principles guiding horizontal administration of an education network related to the social and solidarity economy.
- Analyse the factors that help build an active community of practice.

#### Experiential objective:

- Evaluate the potential for participative democracy through social media.

#### Context

The International Social and Solidarity Economy and Education network (RESS) <http://educacionyeconomiasocial.ning.com/> is made up of organisations and members from Ecuador, Brazil, Bolivia, Cuba, Colombia, Chile, Uruguay, Paraguay, Mexico, Venezuela, France, Spain, Nicaragua, UK and Argentina. It began on 26th June 2010 with a group of teachers/educators of adults on the Social Economics for Community Development and Work course, part of the university outreach department, and under the banner of the Self-Organised Work project <http://proyectotrabajaogestionado.blogspot.com.ar/>

It is co-ordinated by the Social Outreach section of the Outreach Department at the National University of Quilmes in Buenos Aires, Argentina.<sup>5</sup>

<sup>5</sup> Claudia Alvarez: Social Economist. Moderation Coordinator RESS. Educator. Adult education and social economics specialist. Universidad Nacional de Quilmes, Argentina - [claudia.alvarez@unq.edu.ar](mailto:claudia.alvarez@unq.edu.ar) Argentina.

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The aim of the RESS is to provide tools for training, workshops and meeting points for reflection. It is built and run by educators, communicators, teachers, trainers, social activists and the general public. The RESS has more than 4000 members, who manage the network and can each be involved as much or as little as they wish by posting, debating, sharing anything related to the social and solidarity economy. Everything uploaded to the network is published and the collaborative moderation committee highlights and shares the discussions and messages posted by members.

#### Content

#### Operating principles of the network

The network is based on five central operating principles:

- Participation and dialogue,
- Visibility,
- Common good,
- Decommmercialisation,
- Voluntary and collaborative work.

*Participation and dialogue:* It is a space with no restrictions; anyone who is online can be involved. Anyone can post their publications, work, videos, or tools for use in different activities. Interacting on a global level allows for creating partnerships, face-to-face meetings and collaborative work with other networks and socioeconomic spaces. The visibility of what is published is regulated by participation, since the videos that appear on the site and are shared the most will be the ones that get the most views. The chat

forum is online but countless conversations take place away from that platform too.

*Visibility:* The network makes visible that which does not have legitimate parameters, helping us learn to recognise the invisible and reclaim what exists in multiple forms (photos, songs, music) or is classed as backward or inferior compared to the dominant classifications.

*Common good:* Pursuing the common good is the objective of everything that is published. This means it belongs to everyone and is for the use of the community, not for the benefit of individuals or organisations.

*Decommercialisation:* Rather than being designed for buying and selling, the network, in Laville's (2004) terms, creates reciprocity - giving to those in need, or simply giving because someone in the online community will give back when necessary, to support the very fabric of symmetrical, social ties, and not expecting anything in return. This leads to redistribution, since knowledge and understanding are gathered for distributing in a way that preserves social cohesion and diversity, but from a socially and ecologically sustainable base, without inequality or discrimination.

*Voluntary and collaborative work:* The moderating committee carries out unpaid, collaborative work, and is maintained by professionals communicating with one another, sending work and gathering volunteers and university students with a spirit of solidarity. The general coordinators help to highlight the most visited posts and to strengthen links to similar groups with a national and international reach.

### **Intellectual and social capital of the network**

1200 photos and 300 videos have been posted about self-management in reclaimed business and self-built residence cooperatives, covering fair trade, barter, social currency, public audiences in the solidarity economy, self-managed cultural communities, fights to defend the earth, water and forests.

There are 646 topics on the forum on, for example, decolonial thinking, depatriarchalisation, feminist economies, school qualifications, agroecology and farming colleges, studies and surveys of community economies. Each topic includes a space for exchange

and discussion. It is an open forum where everyone's questions, comments, opinions and criticisms are welcome.

There are 500 blog posts and 370 events about campaigns, seminars, postgraduate degrees, in-person and online "Alternative Economics" courses, interculturality, Latin American and European conferences on social finance, agroecology, degrowth, good living, and dialogue workshops on knowledge, education and alternative markets.

"Alternative Economics" contains freely available books by authors such as Manfred Max-Neef (Chile), José Luis Coraggio (Argentina), Marcos Arruda (Brasil) and Luis Razeto (Chile-Italia), on specific topics around social currency and a solidarity market e.g. Horacio Machado Araoz (Argentina) on the commercialisation of nature.

"Alternative Education" contains work on: *Zapatismo* and autonomous education, political training in Latin American popular movements by Claudia Korol (Argentina), technology and working as an association by Pedro Cunca Bocayuva (Brazil), and more.

The Argentine 'Towards an Alternative Economy' forum, a multi-stakeholder space for leaving comments and downloading work materials, brings together organisations, universities, local governments and various socio-economic movements with the aim of building public policy from the perspective of different experiences and viewpoints. Since 2010, more than 12,000 participants have debated in workshops, working committees, round tables, panels, fairs, and gatherings both locally and nationally. Work then began on the proposal for a national social economy bill.

*Revista ES* (Social Economy Magazine) is a quarterly magazine on the Social Economy that reclaims knowledge of self-management and associations. It is written by self-managed workers (whether they are building housing or producing healthy food), researchers and academics working towards science and technology that benefits good living, or self-employed artists who independently collaborate in the development of communities. The magazine is compiled by a participatory Editorial Team from across the Buenos Aires province and beyond: Community cultural producer, Culebrón Timbral, in Moreno; the Workers Solidarity Union cooperative in Wilde; the

Housing and Consumer cooperative in Quilmes; the Civil Association BePe in Catamarca Province; El Luchador bar in the city of Rosario; the Self-Organised Work project at the National University of Quilmes; the Civil Association Taa; the Latin American School of Social Economics, and more. Previous editions are free to download: <http://educacionyeconomiasocial.ning.com/page/revista-es-1>

### Sustainability of the project

The project's sustainability is evidenced by the cooperation among those involved, visible and collective actions and relatively autonomous workers. It also collaborates in the development of

other innovative forms of production, distribution, exchange and consumption with a social value that recognises these as legitimate and socially valuable ways of organising work in response to socio-cultural needs and the common good. For Coraggio (2009), "... sustainability depends as much on factors that cannot be reduced to economic value, like public policy, the quality of cooperation and coordination networks in a workers' sector relatively autonomous from capital, the legal definition of quality of life, the correlation of strengths, as it does on the willingness and capacity of individual and collective key figures involved in this context development."

### Questions for dialogue and proposals for action

- Explore the website and identify resources, materials, books and comments about or related to the social and solidarity economy in your country.
- Organise a meeting to present and discuss your findings.
- Make a strategy for sharing materials (with the necessary permission) so the social and solidarity economy in your country is visible through a forum.

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Practical case created by Mag.Claudia Alvarez, Lic.Natalia Lindel, Lic.Alejandro Tombesi, Lic. Mariela Carassai, RESS, in collaboration with the York St John-Erasmus Social and Solidarity Economy Consortium



## 4.2 NORTH EASTERN SOCIAL ENTERPRISE PARTNERSHIP (NESEP), UK



### Rational objectives:

- To identify ways in which social media can be used to promote participatory governance and decision-making.
- To analyse factors which can lead to effective decision-making in an organisation

### Experiential objective:

- To be aware of the challenges and opportunities provided by collaborative software to promote a culture of participation within organisations.

### Context

#### NESEP

The North East Social Enterprise Partnership represents and promotes social enterprise in the North East region. It is working to deliver positive economic, social and environmental change. NESEP is run by social enterprises for social enterprises. [www.nesep.org](http://www.nesep.org)

### Content

#### The Annual General Meeting (AGM)

For the 2015 annual general meeting, NESEP decided to hold a 'Digital AGM'. In a document placed on the NESEP website the process was explained to members:

The Digital AGM is like a conventional AGM, but conducted entirely online. It takes place on a website, where, over several days, members can use a simple message board function to discuss items on the agenda, and then vote on those items where voting is necessary. Like any AGM, documentation is circulated in advance in the formal notice period, and motions by members can be tabled for discussion at the AGM.

See <http://nesep.co.uk/nesep-digital-agm-2015/>

The AGM was available for members to enter and participate digitally over four days. Discussions were ongoing and asynchronous (i.e. not live), in the form of online messaging boards for 72 hours and voting on resolutions taking place in the last 24 hours. This gave all members the opportunity to 'drop-in' at a time of their convenience, contribute to the written discussion and vote.

The Chairman of NESEP, Bob Stoate, identified some of the factors behind the change from face-to-face to a digital AGM. Firstly, it was a matter of promoting a greater presence at the AGM by its members. NESEP is a membership organisation and a company limited by guarantee (a UK legal form for a social enterprise), so its AGM is a crucial tool for the membership to get involved with decision-making and all issues of participatory governance. However, NESEP's membership covers quite a large geographical area, and so in the past it had been difficult to find a location convenient for all members in terms of location and accessibility. Secondly, there were environmental and economic benefits to using the system by removing the need to hire a venue, for people to travel there, to print reams of agendas and so on. Thirdly, the issue of participatory decision-making was highlighted. As Bob explained, "We were aware that this approach could mitigate the risk of 'strong personalities' dominating, which is always a danger at large group meetings and events: e.g. those who would not normally be confident speaking in public could feasibly have more opportunity to contribute", adding that care needed to be taken not to perpetuate the myth that the web is some kind of ideological 'blank space' where privilege and disadvantage are levelled out.

A provisional agenda was circulated previously and available on NESEP's website. It contained only the



formalities of the AGM, such as consideration of the accounts presented by the Board of Directors. As this was the first Digital AGM, the agenda was deliberately left as open as possible to provide memberships with a real opportunity to contribute. All non-statutory business at the meeting was characterised as ‘special’. The final agenda contained motions put forward by members, and would be discussed concurrently, with members contributing to any online discussion as they wished. A ‘Free Discussion’ area was also created for people to discuss matters not directly related to the agenda.

NESEP used the free, collaborative software called Loomio for their Digital AGM.

### About Loomio



Taken from [www.loomio.org/about](http://www.loomio.org/about)

### Our story

Loomio is an online tool for group decision-making. It allows dispersed groups to reach decisions quickly and take constructive action. It emerged from the need for a scalable way to make inclusive group decisions during the Occupy Movement in 2011.

We experienced the transformative potential of collaborative decision-making, as well as its severe limitations: if people have to be in the same place at the same time to participate, it can never scale. We set out to build a solution to this problem: using the Internet to give people an easy way to make good decisions together, wherever they are. It’s called Loomio, like a loom for weaving diverse perspectives together.

### Mission

We’re a mission-driven organisation with a social purpose at our core: Loomio exists to make it easy for anyone, anywhere, to participate in decisions that affect their lives.

We measure our impact in the numbers of people and groups involved in decisions AND the inspiring stories from people using it to do great things in their communities.

## What difference did holding a Digital AGM make?

Around 40 people took part in the AGM – a higher turnout than for their face-to-face AGMs.

While most of the discussion was around the fundamental business of an AGM (examining and signing off organisational accounts, electing directors, etc.) there was some useful discussion around things like NESEP’s strategic plan (which had, notably, been shaped by consultation with the members throughout its development). Bob explained, “The most interesting thing we witnessed was the genuine shaping of a major organisational decision purely through use of the Loomio system. A resolution was tabled (on changing NESEP’s name), but through discussion, the members present disagreed with the resolution, and ultimately voted not to pass it. Most significantly, the original proposer also changed their position as a result of the discussion”. The use of Loomio also meant that several discussions could also happen in parallel and members could participate in the ones that interested them. The written discussions left an audit trail. There was no need for minutes because the discussion was already written down in Loomio.

One NESEP member and participant in the AGM, Cliff Southcombe, also noticed that holding the meeting in this way resulted in some shifting of power. He explained, “Normally in AGMs a few people will dominate. Someone will get up and make a lengthy speech. There will be little debate and the ideas often go unchallenged. However, using Loomio over several days meant that people had time to read the proposals carefully and give a considered response”. He believes that many people find it difficult to *think on their feet* so those who can articulate opinions quickly can dominate in face-to-face meetings. “In the Digital AGM there was greater deliberation over proposals by a greater number of people than had been the case in face-to-face meetings and some of the proposals were modified during the discussion”. Key to the success of the meeting, he believes, was the fact that the discussions were time limited and had a clear cut-off point.

This type of collaborative software promotes one strand of social enterprise theory: democratic and socialised working. However, Cliff believes that the success of the AGM was only partly due to the software. Very importantly, “the process was well managed.

Agenda items were proposed by the participants. Every proposal had to first go via the Chair.”

## Challenges

One of the issues with Loomio is that the easiest thing is to say ‘yes’ or ‘no’ rather than participating in a fuller way with the debate. As Cliff points out, this can lead to voting without engaging. Another issue he draws attention to is that “people with time to spare tend to dominate, but that is often what happens face to face: those who have the time to participate will have a bigger say. I think we will learn better ways of dealing with these issues with experience”.

For Bob Stoate, there were three main challenges:

- Ensuring the process met the requirements of NESEP’s constitution, which does not include specific provision for holding online AGMs. They had to ensure that they adhered to their own rules on things like formal notice, tabling motions, voting and so on throughout the process.
- Making sure that all users understood the process – there was some misunderstanding early on about the process which “we had to work hard to overcome” (e.g. there was an assumption that it would be a ‘live’ web conference-style event, with streamed video, etc.)
- There was a fine balance to be struck in establishing ‘ground rules’ that would encourage frank discussion but also include provision for dealing

with the well-known disinhibiting effect of text-based communication on the web.

Reflecting on what he would do differently if he were to do a digital AGM again, Bob identified three areas:

“We’d be clearer about a few of the nuts-and-bolts elements of the process – e.g. we had a complaint about the number of emails generated by Loomio’s notifications process; it had obviously not been made clear enough to users that they could disable those notifications. To help with this, we’d use more short videos to explain the process alongside the explanatory documents. Some people found the one video we produced a quick and useful way of learning how the process works.

We’d put in place a process or rule to ensure that anyone who tables a resolution is available to discuss that resolution during the discussion period: we did have one situation where the membership were compelled to vote on a resolution that had been tabled by someone who was not actually present for the discussion around that resolution.

We would work out a more effective way for members to table resolutions in advance of the actual meeting and do more work to ensure members are aware of their right to do so. This would form part of a wider plan to give more notice generally. About 5 weeks’ notice was given this time, but I think even more would help to build awareness and understanding in advance”.

## Questions for discussion and action

- What kinds of decisions does asynchronous, online discussion support? Why?
- What points would you put for and against running a meeting using collaborative software such as Loomio?
- Considering groups (formal and informal) you are a member of, how could you use the time before, during and after the online meeting to promote participation of members using collaborative software?
- Explore which other collaborative online platforms that are being used for decision-making processes and decide which would be the most useful for your group.

## 4.3 YAQUA, PERU “Quench your thirst by helping”

### Rational objectives:

- Know how to formulate a theory of change for a product and/or service for social entrepreneurs.
- Become familiar with how value is created thanks to the use of social media to publicize the enterprise and its product.
- Identify opportunities for social enterprises within the market to position their product and service .

### Experiential objectives:

- Value the ability to recognise an opportunity together with the value of creation and transformation of a product or service by social entrepreneurs.
- Evaluate the importance of socially entrepreneurial ideas to transform the approach to local development projects.

### Context

In Peru, despite advances made in basic sanitation, a significant part of the population, especially in rural areas, remains unassisted. In 2010, provision of drinking water reached 76.0% of the population - 89.0% in urban areas and 38.8% in rural areas. The level of sanitation was 66.2% - 81.9% in urban areas and 21.3% rurally.

It was in this context that YAQUA emerged, a new brand of bottled water from a social enterprise that seeks to bring drinking water to people in extreme poverty, through projects funded by the total returns made on sales.

### Content

YAQUA is a social business born out of a problem and an opportunity. The problem is that nearly 8 million Peruvians do not have access to drinking water and 13 million have no sanitation. Every year, 3,600 children die from drinking water that is not fit for human consumption. In 2013, in rural Peru, 32 out of every 100 children under the age of five suffered from chronic malnutrition and 12 in 100 had diarrhoeal diseases. The oportunidad was that the market for bottled water grows by 20% every year. YAQUA is transforming the consumption of bottled water into a wave of changes to people's lives. It began operating in July 2013 and

in 2014 it started to fund drinking water projects and water filter installations.



### The beginnings of YAQUA

“It all began when I was starting an NGO, and I discovered these guys who were doing ‘Thank You Water’ which is like YAQUA in Australia. We realised this was being done in various countries, for example ‘One Water’ in the UK. I mentioned the idea over Skype to Daniel Franco, the need to do something for people who do not have access to water and the problems this leads to like diseases, malnutrition, low productivity...”, Fernando Tamayo recalls.



Fernando, 26, is a young economics graduate from the University of Melbourne, Australia.

“I decided to give up my job and everything, leave my apartment in Miraflores [in Lima] and go back to live with my parents, sell my van and buy a 1966 Beetle, to gather capital so I could do something for the 8 million Peruvians who had no access to water despite the country's economic growth.”



Daniel is a 25-year-old industrial engineer, a graduate of the University of Lima.

“Before YAQUA, I had planned to go into finance. I was working in a big company and was on my way to making a career there. But making YAQUA happen was a dream. One of the challenges I have set myself is to inspire other people to make good

on their enterprise ideas. There is no good reason not to follow your heart.”

They constituted a social business where the surpluses went towards funding water projects. “I sell the product, I do invoices, I pay taxes, and then the rest of my costs for distribution, administration, payroll etc., all the costs of a normal business and whatever is left (the profits, which usually go to partners) is for funding the projects,” Daniel says.

The national market for fizzy drinks and water is driven by Coca Cola, Pepsi, Backus and Aje. “To expect to compete with them was like a little mouse wanting to take on an elephant. It was a utopia even to have our own factory. The better option was to use the strength of the market, like in judo where you use your opponent’s strength rather than your own. The Añaños Group (part of Aje) agreed to support us with production and we could suddenly have an economy of scale. Still being small, we could compete with the big guys,” Fernando explains.

“Then we hit another problem - funding. To begin with it was anecdotal. I was having a coffee and on the next table there was a man struggling to work his computer. ‘Let me lend you mine,’ I said, and I helped him. Then he asked me, what do you do? I told him my idea (I had long hair and a beard, a total hippie). He gave me his card; his wife was social responsibility manager at Scotiabank. They called me within a week.”

To start the project they needed half a million sols (about £100k) and did not have that amount of capital. The strategy was to make alliances with three businesses: San Miguel Industrias (who bottle for the Aje Group); Scotiabank, who financed the launch promotion and publicity; and Unacem, who gave the money for the first production run. They also launched a series of campaigns to receive donations.

In the first month, they produced 120,000 bottles but only sold 5,000. The water only lasts six months and in that time they were unable to clear their stock. In the first year they couldn’t carry out a single project. The following year, they decided to change their selling and communications strategies.

YAQUA is very good quality water: “we need people to buy it because it’s good, not just to help us. If a product is bad, people buy it once, but then never again. And we need sustainability for the enterprise because the

more water we sell, the more projects we will be able to fund and that’s why we need to attract people.”

Fernando recalls: “I started to put posts on Facebook as if I was a bottle of YAQUA. Our communications had been just the same as everyone else, very pretty, very commercial, but that wasn’t us. We were more human, we needed people to know that we have put a lot of sweat and tears into this enterprise. We uploaded photos with the lorry carrying bottles, loading them, sharing the development of the project, saying we’re in this meeting, wish us luck. Noting every success, however small.”

YAQUA proposes a theory of change in three stages: the first is buying a YAQUA product; the second has to do with raising the consumer’s awareness of the problems of access to drinking water afflicting a large part of Peru; and the third relates to the actions that can change this situation. More than just a product, YAQUA is a movement. It has various slogans: “Let’s give back the water we borrowed from nature”, “Quench your thirst by helping”, “Helping is as easy as drinking water”. YAQUA does not see anybody as competition; other brands are just future partners. They believe the movement has to become strong enough for all of them to join in the same shared vision.

YAQUA has received important recognition, including:

- First place in the IV Social Enterprise Competition, 2012, University of the Pacific.
- Second place in the Prize for Innovation and Sustainability, Commercial Category, PREMIO 2014.
- Finalist in the Kunan Prize, 2014, in the Kunan Inspirers category.
- Recognised in the XI Human Rights Gathering “Can we earn responsibly?”, at the Institute of Democracy and Human Rights of the Pontifical Catholic University of Peru, 2015.

### Vision

“In 2050, all Peruvians will have access to clean water and sanitation.”





## Mission

“To transform bottled water consumption into a wave of change and solidarity.”

## The role of social media in YAQUA's work

The use of social networks has been essential in the development of YAQUA. These outlets have given them a broader and broader bottled water market, which has in turn broadened the possibilities for funding projects. At the time of writing, YAQUA has 23,799 'Likes' on Facebook, and on Twitter, 187 tweets, 1,729 followers and 315 favourites. It also has a YouTube channel.

“Unlike the competition, we cannot allow ourselves the luxury of wasting millions on mass advertising. YAQUA moves on social networks. Help us spread the word to more people about how helping can be as easy as drinking water,” says Fernando.

Publicity is aimed at spreading the message that “by buying and drinking YAQUA you are giving eight days of clean water to a person living in poverty.” This is the value offered to the consumer.

They decided to aim for some publicity to go viral. The idea was to state everything positively rather than anything negative. For example, an image of a group of children drinking water from a river was dismissed because it appeals to a different emotion. They tried to find something happy, something that would make people feel happy for having helped. That is how they settled on the message “The more thirsty you are, the more you help”.

They shared videos on YouTube and launched the YAQUA Challenge, a competition among Facebook and YouTube users where people had to record a one-minute home video eating spicy food that made them need to drink water straight away. The aim of this campaign was to “launch YAQUA onto the market, showing that helping others does not have to be tedious: it is as easy as quenching your thirst. Helping can also be fun.” The

challenge was accepted by various artists. (<https://www.youtube.com/watch?v=M4B57-t8QOs>)

## Management and funding

“We have designed a hybrid structure that allows YAQUA to function as a social business. Currently, YAQUA is under the UMA VIDA S.A.C. brand, 99.8% of which belongs to the ‘*Bien por Bien*’ (‘Good for Good’) Association, created by the founders of YAQUA with the goal of guaranteeing the social objective of providing clean water to those who need it most,” Fernando and Daniel explain.

The remaining 0.2% belongs to the co-founders, who keep this symbolic amount simply to comply with the requirements of a *sociedad anónima cerrada* (similar to a limited liability company) i.e. at least two members in agreement with Peruvian legislation. Both Fernando and Daniel have signed an agreement stating that all the profits from this 0.2% will go to ‘*Bien por Bien*’.

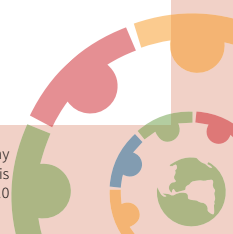
The strategy is based on the development and execution of projects through alliances with various NGOs specialising in creating and implementing water projects, as well as with the community and the local municipality. YAQUA provides the funding, and follows the project, and the NGO does the work on the ground.

The projects are carried out in rural communities that have fewer than 100 houses, with an extreme poverty index greater than 40%, outside the jurisdiction of a Sanitation Services Company and in the areas prioritised by the Ministry for Development and Inclusion for reducing chronic child malnutrition. Peru 2021, Peru's Social Responsibility Gateway, helps with auditing in order to “make sure everything we say is true,” says Daniel.

For YAQUA, it is essential that the community is involved in the decision process regarding the technology and the system to be put in place. It is not a case of merely giving the project as a present, but of making this inclusive and empowering for the population.

## Questions for discussion and proposals for action

- What strategies did the YAQUA team use to be able to compete?
- How could you overcome a lack of resources in order to carry out a social enterprise idea?
- Develop a proposal for a social enterprise where the use of social media is relevant
- What similar strategies are there in your local area?
- Develop a proposal for a social enterprise where the use of social media would be relevant.



## 4.4 RADIO SOL MANSI, GUINEA BISSAU

### Rational objectives:

- To identify the values of Radio Sol Mansi
- To analyse the role of radio in the African context
- To reflect on the impact of radio on social change

### Experiential objective:

- To be aware of the fundamental role radio plays in the wider community.

### Context

<http://www.radiosolmansi.org/>

Radio Sol Mansi (RSM) began broadcasting in Mansoa, an inland city in Guinea-Bissau, on 14th February 2001. The idea for the community radio was dreamt up by the city's priest, Father Davide Sciocco, an Italian Catholic missionary, during the civil war of 1998-99. RSM grew over time and in 2008 became the Catholic Church National Radio, with nationwide coverage. There are currently three studios, in Bissau, Mansoa and Bafatá, and two retransmitters, in Canchungo and Gabu.

The success of RSM has been recognised in a variety of ways: the appreciation of its listeners, invitations to take part in conferences nationally and internationally (in the US and Portugal), and various national and international prizes (sports journalist of the year; best national media outlet for information and awareness on HIV/AIDS; best national journalist on the subject of HIV/AIDS; the Takunda Prize, Italy, 2005, as an innovative interfaith project; and the Gabardi Prize, Switzerland/Italy, 2008, for services to peace and development.)

RSM is recognised nationally for the quality of its services and programming, and has made associations with a series of renowned organisations in Guinea-Bissau and even internationally: the United Nations (UNIOGBIS, UNICEF, UNDP), the Red Cross, the Voice of Peace Initiative, Caritas Germany, various development NGOs, the Criminal Police and the Army, among others.

News programmes are broadcast through six community radio stations, whereas programmes on peace education are broadcast on all the community radios

in the country. The weekly round-up is rebroadcast by two stations in Cape Verde and RSM reaches both southern Senegal and northern Guinea-Conakry.

The station currently broadcasts from 06.30 until 23.00, with a schedule including news (recommended for its credibility, impartiality and content), education (on health, agriculture, human rights, peace education, religion, environment and traditional culture, programmes for women and children and programmes for members of the military) and entertainment. The three studios work to a common schedule, but there is also a local schedule in Bafatá in the afternoon. A network of 50 correspondents across the whole country gives a voice to those normally excluded from communication circles.



### Content

#### Internal operation

The legal status of Radio Sol Mansi is as an Association, considered the best way "to be able to establish a greater link with different community interests, because although the station is on a national level it continues to have a community component, offering a public service" (Mussa Sani, RSM studio coordinator in Mansoa).

The station's journalists have employment contracts with RSM but the voluntary spirit is also very much present. In the first few years of RSM, when it was in Mansoa only, the station relied on more than 120 volunteers, in technical areas and programme



preparation, and as parochial correspondents. This voluntary spirit lives on. According to Ana Bela Bull, studio coordinator in Bissau and one of the interviewees for this case study: “We work because we want to, but not only for the salary ... I never thought that Radio Sol Mansi could get to this scale, national radio and so on ... It gave me the chance to begin to help my community, the one where I was born. I knew the problems that existed in the Tabancas, in the communities, and through the radio I could help, giving people information on what they could do, what was better and, once I had begun presenting a programme related to libraries, motivating people to read and to let their children go to school.” A real spirit of solidarity among colleagues strengthens relationships and helps to overcome difficulties, whether it is a case of sharing lunch, which is bought on a rota, or giving support in difficult situations, such as “taking on the funeral costs for the mother of a colleague; we gave collaborative financial help, and those who had no money at the time got a loan from the radio and we were able to help in that way” (Ana Bela).

Another aspect of RSM that attracts journalists and volunteers is its credibility in Guinean society and a commitment to training reporters and technicians, who have attended workshops given by journalists from Portugal, Brazil, Cape Verde and Italy. Some reporters and presenters also had opportunities for professional experience and courses in Burkina Faso, Zimbabwe, Angola, Portugal and Brazil.

Since 2008, the Mansoa studio has also operated as a Radio School, offering practical training weeks for all the community radios in Guinea-Bissau (with an average participation rate of 25 radios and more than 50 people trained per year).

### **Radio Sol Mansi “A Voice of Peace in Guinea-Bissau”**

RSM emerged from the armed conflict of 1998-99 with the aim of being a voice of peace in Guinea-Bissau and that remains its motto today. As is written on the RSM website, “if radio was used to support the war, why not start a radio to support peace, reconciliation and development?” Public backing has been huge, and this position has granted RSM much credibility among both Guineans in general and a broad range of public, private and civil society institutions. “What I think distinguishes us from other stations is our way of working, our commitment to our listeners, our com-

mitment to working for peace in Guinea-Bissau ... We continue to disincentivise violence and show that it is possible to build peace through radio with awareness-raising messages” (Ana Bela).

To carry out this role effectively, RSM journalists regularly attend training sessions on themes such as: peaceful language in the run-up to Presidential elections, journalistic independence and impartiality, human rights, international humanitarian law, gender, interfaith dialogue between the Muslim majority and Christians, and planning civic education programmes for members of the military.

Maintaining this position is not always easy, however, posing a persistent challenge in a country which has seen real political instability and constant coup attempts, both successful and failed -the most recent was on 12th April 2012 before the country returned to political legitimacy with the April 2014 elections.

Journalists decided in the most difficult period of the 2012 coup to cancel the programme dedicated to human rights as the reports made during the programme created tension with the provisional government: “people’s fundamental rights were being violated so we had to suspend the programme, bearing in mind the danger it posed at that time” (Ana Bela). In such a context, many journalists have said that Guinean law should give more support to communication professionals, as although it seems “that everything is very clear, very open for journalists, that we can do our job, and there is plenty of tolerance, in practice that is not the case.” Their view is that “the law protecting journalists ought to be stricter” (Ana Bela).



### **The power of communication**

The fundamental role of RSM, tied to its efforts in fighting for peace, is to “give a voice to those without one, to the capital’s most isolated populations, those punished most by the country’s situation” (Ana Bela). The station is thus fulfilling a unique social role, which

gives rise to new concerns about which language to use and about scheduling.

RSM chose to prioritise programmes in the true language of national unity, Guinea-Bissau creole (of Portuguese origin). Although Portuguese is the official language, in reality a large part of the population struggles to understand and speak the language, using the creole in almost every situation. Also taking on an educational capacity, however, the station presents some news segments in Portuguese, and includes in its schedule some programmes in that language, one of which is dedicated to Portuguese culture across the world. The level of language used on the station is also worthy of attention, given RSM's social function: "We try to use very basic language so that the whole population can understand what is being said - precisely what the population can do in order to have a more or less balanced life" (Ana Bela).

RSM's programme schedule includes space for education (programmes on themes that could educate the population in areas considered essential), news and entertainment. It is worth highlighting the announcements service, part of the news section, and characteristic of community radios, including RSM. The radio, in contexts where access to means of communication is difficult, serves to make family announcements or to bring together meetings or gatherings. The radio remains one of the favoured means of communicating, for example, the death of someone special, inviting relatives to the funeral and providing details (when and where to arrive, what to bring as an offering, or to eat, etc.). The same happens for weddings.

### Radio for interfaith dialogue

A characteristic of RSM from the beginning has been collaboration between ethnicities and religions. Despite the station being connected to the Catholic Church, there has always been a great deal of collaboration from Muslims as well as Christians, and notable ethnic diversity. In August 2009, RSM signed an historic collaboration agreement with the Muslim Radio Coránica de Mansoa and since then they have worked together to create programmes. Each station also has a weekly slot dedicated to the other religion: the Catholic radio broadcasts an Islamic programme and the Islamic radio a Catholic one. This interfaith aspect also extends to other Christian churches, with a weekly slot given to an Evangelical group. Armando Mussa Sani, studio coordinator in Mansoa, is convinced

he is the only Muslim in the world coordinating a Catholic broadcaster; indeed, the subject of religion is wherein lies "the great lesson Radio Sol Mansi could give to the world."

### Community development

RSM sees itself as a radio station that serves the community. Its schedule focuses on education, including programmes dedicated to various subjects considered essential to the personal and social development of society, and on a quality of information guaranteed through established associations. In the words of Mussa Sani, "we can help and advise through communication ... There is a programme where every day we interview a representative of some art form, including tailors or cobblers, making them feel valued ..."

- Health and hygiene - the station includes in its schedule a programme called *Viva Saúde* (Healthy Life) in collaboration with, for example, the Nutritional Services Department and the National Secretariat for the Fight Against AIDS.
- Education - RSM also schedules programmes encouraging families to send their children to school, such as *Skola ta kumpu terra* which tackles important themes around schooling and its value in 'building' (kumpu) the country (terra). Other programmes to highlight include those which give a first-person voice to groups that are generally invisible, such as the programme Disabled Voice.
- Gender - Questions of gender are another of RSM's main concerns, whether in terms of programming or its own practices. Listening to Ana Bela, it has clearly been a long path to achieve more equal professional practices: "When the station was still Community Radio, I was the only woman on the Board of Directors [one woman and six men] ... If I was even a little bit late, it would all start - 'we knew you wouldn't be on time because you're a woman' ... but I pushed myself to the limit, stayed until the very end with the men to try to balance that prejudice. The situation has improved now, there are 12 women at the station, we have some great female journalists and reporters." Ana Bela herself highlights the path women in general have to take in the programme *Mindjer i balur*, through which she hopes to support women in their decision, for example, to continue to study or to fight for their children to do so.

## Questions for discussion and action

- What three things struck you most in the case study? Why?
- Analyse RSM's programme schedule and comment on it with reference to its social aims.
- Explore how Radio Sol Mansi (or your local community radio) combine radio and social media to promote community development.
- Find out which community radios operate in your area. Analyse their aims and programmes. How consistent are these with the values of the social and solidarity economy?





## 5. PEDAGOGICAL ACTIVITIES

CHAPTER 5: BUILDING YOUR SOCIAL NETWORK - ANALYSING THE USE OF SOCIAL MEDIA	
<b>Title</b>	Building your social network - Analysing the use of social media
<b>Theme/ Focus</b>	Social networking and analysing the use of social media
<b>Group size</b>	Groups of 3 to 4
<b>Time needed</b>	Project over one semester (approx. 4 months)
<b>Purpose/ Learning objective</b>	<ul style="list-style-type: none"> <li>▪ To identify with a social/environmental issue within student's community/university.</li> <li>▪ To know how to initiate a social network with a social purpose.</li> <li>▪ To identify the appropriate social media to start the network.</li> <li>▪ To analyse the use of social media organisations.</li> </ul>
<b>Competences addressed</b>	<ul style="list-style-type: none"> <li>▪ Put into practice the values of the social and solidarity economy in a virtual environment.</li> <li>▪ Know how to select the most appropriate social medium to meet the organisation's objectives.</li> <li>▪ Reinforce the virtual presence of the organisation.</li> </ul>
<b>Keywords</b>	Social network, social issue
<b>Materials needed</b>	A computer/portable device connected to the internet, data base.
<b>Preparation/ Instructions for educator -trainer</b>	<p>For building your social network:</p> <p><b>1st step:</b></p> <p>Choose a social enterprise working around an issue that you identify with.</p> <p><b>2nd step:</b></p> <p>Of the purposes identified for building virtual community (e.g. advocacy, fundraising, education for change, democratic participation, etc. what will you aim to do?</p> <p><b>3rd step:</b></p> <p>Review and answer the following questions:</p> <ul style="list-style-type: none"> <li>▪ Which social media will be the most appropriate to achieve this purpose.</li> <li>▪ Who are some important existing networkers in this field?</li> <li>▪ How can you support and build upon what they do, and vice versa?</li> <li>▪ What content you will post online and how you will maintain this?</li> <li>▪ Why will this content be of interest to others?</li> <li>▪ How can you promote engagement of others?</li> <li>▪ How will you use online activities to support offline activities, and vice-versa?</li> <li>▪ How will you consider the impact of your social media campaign?</li> </ul> <p><b>4th step:</b></p> <p>Analyse your own use of social media around your issue of concern. Which posts/tweets, etc. attract most interest? Which ones elicit responses? Which ones promote real world actions around your social change issue?</p> <p>For analysing the use of social media:</p> <p><b>1st step:</b></p> <ul style="list-style-type: none"> <li>▪ Select a social enterprise/cooperative in your field of interest and analyse its use of social media.</li> </ul> <p><b>2nd step:</b></p> <ul style="list-style-type: none"> <li>▪ Find out to what extent and how successfully are they using social media to (choose those which apply):</li> <li>▪ Build and engage community, fundraise, advocate, educate for change, promote democratic participation, be accountable, brand the product/service, etc.</li> </ul> <p><b>3rd step:</b></p> <ul style="list-style-type: none"> <li>▪ What suggestions would you make to the organisations to develop their presence and impact on social media?</li> </ul>
<b>References</b>	Nonprofit tech 4 Good: <a href="http://www.nptechforgood.com/category/social-media/">http://www.nptechforgood.com/category/social-media/</a>
<b>Notes</b>	
<b>Person to contact for more information</b>	Margaret Meredith and Catalina Quiroz <a href="http://www.yorksj.ac.uk/socialeconomy">www.yorksj.ac.uk/socialeconomy</a>

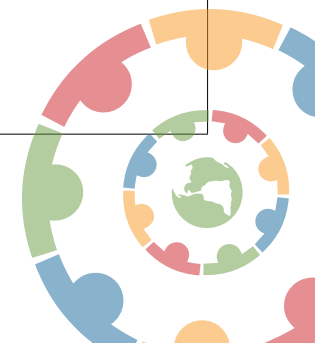


CHAPTER 5: COMMUNITY RADIO / ANALYSING THE USE OF COMMUNITY RADIO	
<b>Title</b>	Community Radio / Analysing the use of community radio
<b>Theme/ Focus</b>	Radio programme/podcast to promote a social issue of concern
<b>Group size</b>	Groups of 3 to 4
<b>Time needed</b>	Project over one semester (4 months)
<b>Purpose/ Learning objective</b>	<ul style="list-style-type: none"> <li>▪ To know how to start and plan to launch a radio programme.</li> <li>▪ To know how to analyse the effectiveness of the radio for raising awareness about a social issue.</li> </ul>
<b>Competences addressed</b>	<ul style="list-style-type: none"> <li>▪ Put into practice the values of the social and solidarity economy through the medium of radio.</li> <li>▪ Know how to make the most of the medium of radio to promote themes which are relevant to your community.</li> <li>▪ Know how to educate, inform and mobilise the community around a social issue using the radio.</li> </ul>
<b>Keywords</b>	Community radio, tackle issues, mobilizing people.
<b>Materials needed</b>	A community radio station, or audio recording equipment (digital recording device and audio editing software, such as the free software Audacity and web space to publish the podcast e.g. podomatic.com)
<b>Preparation/ Instructions for educator -trainer</b>	<p>For building your social network:</p> <p><b>1st step:</b></p> <p>Choose a social issue of concern in your community.</p> <p><b>2nd step:</b></p> <p>Create a short radio programme to broadcast in your community or on the internet</p> <p><b>3rd step:</b></p> <p>Of the purposes identified in the literature review (democracy, development, peace, gender equality, or others relevant to your area of concern) what will you aim to do (e.g. debates, get opinions, suggestions for action, feedback about policy regarding the themes described before)</p> <p><b>4th step:</b></p> <p>Consider the following questions:</p> <ul style="list-style-type: none"> <li>▪ Which community radio programme style will be the most appropriate for your audience?</li> <li>▪ What other community radio programmes are deal with the same issue?</li> <li>▪ What is being said about them and what is their outreach?</li> <li>▪ What content you will you prioritise and how you will maintain this?</li> <li>▪ Why will this content be of interest to others?</li> <li>▪ How can you promote engagement of others?</li> <li>▪ How will you consider the impact of your community radio programme?</li> </ul> <p>For analysing the use of community radio:</p> <p><b>1st step:</b></p> <ul style="list-style-type: none"> <li>▪ Analyse the programme content of a community radio station.</li> </ul> <p><b>2nd step:</b></p> <ul style="list-style-type: none"> <li>▪ Identify the purposes of the programmes in relation to development and democracy.</li> </ul> <p><b>3rd step:</b></p> <ul style="list-style-type: none"> <li>▪ Found out about the ownership and governance of the station. What are the opportunities and challenges associated with this in terms of community-interest programming?</li> </ul> <p><b>4rd step:</b></p> <ul style="list-style-type: none"> <li>▪ What suggestions would you make to community radio owners to widen their audience and achieve their goals?</li> </ul>
<b>References</b>	<p><a href="http://www.amarc.org/">http://www.amarc.org/</a></p> <p>AMARC (1998) What is community radio? AMARC Africa and Panos Southern Africa in collaboration with IBIS/Interfund and WACC. Available <a href="http://www.amarc.org/documents/manuals/What_is_CR_english.pdf">http://www.amarc.org/documents/manuals/What_is_CR_english.pdf</a> Accessed 27th June 2015</p>
<b>Notes</b>	
<b>Person to contact for more information</b>	Margaret Meredith : <a href="http://www.yorks.ac.uk/socialeconomy">www.yorks.ac.uk/socialeconomy</a>



## 6. COMPETENCES

STAGE 1	AREA OF COMPETENCE	Competence further explanation & descriptors:  <b>ORGANISATION AND USE OF LOGICAL, INTUITIVE, CRITICAL AND CREATIVE NARRATIVE THROUGH SOCIAL NETWORKS</b>	SELF-ASSESSMENT ACTIVITIES
Developing communicational skills for social media	<b>Effective practice in communication through social media</b>	<p>Have a clear understanding of how to maximise the use of social media in building and engaging community:</p> <ul style="list-style-type: none"> <li>▪ I am able to embed SSE values in all communication through social media.</li> <li>▪ I exercise active listening to find out what stakeholders' interests and motivations are.</li> <li>▪ I can break strategic plans down to enable others to collaborate.</li> <li>▪ I can acknowledge people's contribution in appropriate ways.</li> <li>▪ I can communicate complex issues in ways that motivate people to action.</li> </ul> <p><b>Education for change</b></p> <ul style="list-style-type: none"> <li>▪ I can place key current educational issues on mainstream virtual discussion.</li> <li>▪ I can promote critical thinking, suggesting current development issues for constructive debate.</li> <li>▪ I am able to promote positive behavioural change through the use of social media.</li> </ul> <p><b>Democratic participation</b></p> <ul style="list-style-type: none"> <li>▪ I can find innovative ways in which people can participate in on-line communities.</li> <li>▪ I encourage students to have a say in political and social issues through social media.</li> <li>▪ I can coordinate action on social or political issues: demonstrations, petitioning, environmental action</li> </ul> <p><b>Accountability</b></p> <ul style="list-style-type: none"> <li>▪ I am committed to reporting all facts that are relevant to stakeholders/students/staff.</li> <li>▪ I am open to ask for and give genuine feedback to students/staff/stakeholders.</li> <li>▪ I am open to engage stakeholders/students/staff in improving an educational product or service.</li> </ul> <p><b>Advocacy</b></p> <ul style="list-style-type: none"> <li>▪ I am well informed about the human rights I advocate.</li> <li>▪ I can motivate others in advancing activism for a social, political or cultural causes.</li> <li>▪ I am aware of some obstacles (e.g. political, social) to the change I am advocating.</li> </ul> <p><b>Ethical branding</b></p> <ul style="list-style-type: none"> <li>▪ I am able to position ethically regarding the offer of a specific training service or product</li> <li>▪ I am committed to promote visibility of causes such as fair trade, traidcraft, fairphone, etc.</li> <li>▪ I can develop a distinctive identity showcasing the values of my organisation through branding.</li> </ul> <p><b>Fundraising &amp; crowdfunding</b></p> <ul style="list-style-type: none"> <li>▪ I can build strong and convincing arguments for asking for funding and/or investment.</li> <li>▪ I am able to attract social investors through innovative and effective socially entrepreneurial ideas.</li> <li>▪ I am able to keep relationships with donors and supporters from a win-win perspective.</li> </ul>	<ul style="list-style-type: none"> <li>▪ I create a communication strategy using social media.</li> <li>▪ I manage a blog to promote the exchange of ideas, proposals around a specific theme to raise students' awareness before deciding on their course of action.</li> </ul> <p>I study webpages for evidence of effective practice in social media use, such as:</p> <ul style="list-style-type: none"> <li>» care.org</li> <li>» conservation.org</li> <li>» eqca.org</li> <li>» malarianomore.org</li> </ul> <p>For fundraising</p> <ul style="list-style-type: none"> <li>» healthbay.org</li> <li>» nrdc.org</li> <li>» pih.org</li> <li>» savethechildren.org</li> </ul>





STAGE 1	AREA OF COMPETENCE	Competence further explanation & descriptors:  <b>ORGANISATION AND USE OF LOGICAL, INTUITIVE, CRITICAL AND CREATIVE NARRATIVE THROUGH SOCIAL NETWORKS</b>	SELF-ASSESSMENT ACTIVITIES
<b>Developing social media literacy</b>	<b>Social media use</b>	<p>The practical knowledge and understanding of the use of diverse social media:</p> <p><b>The nature of social media</b></p> <ul style="list-style-type: none"> <li>▪ I understand social media's political efficacy and utility.</li> <li>▪ I can access websites which give practical tips for specific social media use.</li> <li>▪ I know how to select the appropriate social medium for a specific task.</li> </ul> <p><b>Focus on virtual actions</b></p> <ul style="list-style-type: none"> <li>▪ I am able to launch virtual campaigns raising awareness about unfair situations calling for specific action</li> <li>▪ I promote collaborative learning in the use of diverse social media.</li> <li>▪ I am able to find, adapt and present information from a variety of sources concisely and logically in a variety of media (text, image, video), focusing on key points.</li> <li>▪ I can use language and images which promote engagement, interaction, and action in the real world.</li> </ul> <p><b>Convey ideas and facts in writing and image</b></p> <ul style="list-style-type: none"> <li>▪ I can compose clear, direct, concise and complete messages</li> <li>▪ I can use images to reinforce messages</li> <li>▪ I am able to present information clearly, concisely, and logically, focusing on key points.</li> </ul>	<ul style="list-style-type: none"> <li>▪ I make a list of software or apps which can support building and engaging community.</li> <li>▪ I analyse the success of the citizen movement <a href="http://avaaz.org">avaaz.org</a> and its use of social media.</li> <li>▪ I study the use of Twitter in organisations such as the following and analyse why their use is successful <ul style="list-style-type: none"> <li>» <a href="https://twitter.com/feedingamerica">twitter.com/feedingamerica</a></li> <li>» <a href="https://twitter.com/hrs">twitter.com/hrs</a></li> <li>» <a href="https://twitter.com/fairphone">twitter.com/fairphone</a></li> </ul> </li> </ul>





YORK ST JOHN-ERASMUS  
SOCIAL AND SOLIDARITY  
ECONOMY CONSORTIUM

# Enhancing studies and practice of the social and solidarity economy

A reference handbook

Meredith, M. & Quiroz Niño, C. (Coords.), Arando, S.,  
Coelho, L.S., Silva, M.F. & Villafuerte Pezo, A.M.

## Chapter 6: Social Capital



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## 1. INTRODUCTION

Social capital means making objectives achievable through the relationships between individuals, objectives that would be unachievable individually. The use of the term social capital goes back to the early decades of the 1900s but the culmination of social capital theory was only at the end of the 20th century.

Social capital is generated at various levels. The existing literature offers various classifications, but here it will be considered on these three levels:

- **Individual social capital**, which each person possesses and is created through the relationships that person has (Mujika, Ayerbe, Ayerbe, Elola and Navarro, 2010)
- **Organisational social capital**, defined as the relationships that exist within an organisation.
- **Community social capital**, defined as the relationships that exist within a community.

Naturally, social economy organisations, like all other organisations, are generators of social capital. The values and principles that characterise social economy organisations, however, mean that theirs is a different social capital. Key authors in the field recognise the importance of social economy organisations in the generation of social capital (Putnam, 1993; Coleman, 1990; Pradales, 2005; Cooke and Morgan, 1988).

### Glossary

**Social capital:** capital derived from the relationships between people. Through these relationships, objectives can be achieved that would be unachievable individually.

**Individual social capital:** social capital that each person possesses, derived from their relationships.

**Community social capital:** social capital created through relationships that exist between members of a community. These relationships characterise the values of a society.

**Intra-organisational social capital:** social capital created through relationships that exist within an organisation.

### KEY QUESTIONS

- What are the existing conceptual approaches to social capital?
- How do social sector organisations generate social capital?
- How can the social capital of organisations have an impact on employment, social and environmental policies?

The existence of social economy organisations and their geographical concentration mean the potential benefits of social capital are not limited to organisations. Rich individual and community social capital is also generated, exponentially increasing the potential benefits of social capital.

Lastly, social capital may be presented differently in various countries around the world, where there are different norms of reciprocity and different values are embraced. Here, special emphasis will be placed on visualising and understanding social capital from the different geographical perspectives covered by this project.

**Relationships:** the principal source of social capital. Relationships between people and organisations breed confidence and comply with norms, as well as building cooperation, all of which translates to greater social capital.

**Trust:** one of the aspects of generating social capital, referring to the expectations of reciprocity and the exposure to risk that some people face with others.

**Norms of reciprocity:** another aspect of generating social capital, referring to shared values and unwritten rules dictating conduct between people within a community.



## 2. LITERATURE REVIEW

### 2.1 EUROPEAN PERSPECTIVES

#### Theoretical approaches to social capital

The principal argument in the theory of social capital is that relationships matter. People relate to one another and maintaining these relationships achieves objectives that would be unachievable individually.

To make an analogy with the term capital from an economic perspective, social capital could be defined as investment in the human relationships expected to be the most profitable (Lin, 2001). And the more it is used, the more it grows and reproduces. The World Bank has quite extensively classified the concept of capital, defining four different forms:

- natural capital, which refers to a country's vital natural resources.
- constructed capital, which includes financial and commercial capital.
- human capital, reflected in the health, education and productivity of the population.
- social capital, which measures the social collaboration between different groups and the individual use of the opportunities arising from these relationships. People relate with one another through networks and tend to share values with those with whom they interact in the network, to the extent that this network itself becomes a profitable resource.

Bourdieu (1986) defines social capital as the body of existing and potential resources related to a stable network of more or less institutionalised relations of mutual familiarity and recognition. Coleman (1988) defines it as the aspects of a social structure that facilitate certain common actions by agents within that structure, and Putnam (1993) understands social capital as the combination of intangible factors (values, norms, attitudes, trust, networks and so on) found within a community that help foster coordination and cooperation, gaining mutual benefits. Lastly, Fukuyama (1995) describes the concept of social capital as the expectation of normal, honest and cooperative behaviour that arises within a community based on norms shared by all the members of that community.

International institutions have also given special attention to the concept of social capital. The World Bank took up the concept to refer to “institutions, relations, attitudes and values that govern interpersonal interaction and facilitate economic development and democracy.” The OECD offers a similar definition to the World Bank, stating that social capital “joins networks with norms, values and shared opinions, facilitating cooperation within and between groups” (Portela and Neira, 2003, p.106). The International Development Bank describes social capital as “norms and networks that facilitate collective action and contribute to common benefits.”

It is possible to extract two recurring characteristics from all of these definitions:

- It is the relations between different agents that generate social capital.
- These relations generate value, assets and/or opportunities.

As Durston (2000) writes, the social capital paradigm supports that stable relations based on trust, reciprocity and networks of cooperation can contribute to:

- Reducing transaction costs.
- Producing public goods.
- Facilitating the founding of grassroots management organisations that are effective and socially active and that boost the health of civil society.

#### Features of social capital

Given its intangible nature, social capital is difficult to measure from a quantitative perspective, as it involves subjective and cultural concepts, which Mujika et al. (2010) note. However, as the same work discusses, the majority of researchers agree that social capital exists around three features (Putnam, 1993):

**Trust:** a subjective aspect of social capital which refers to the expectations of reciprocity and exposure to risk that some people face with others (Barandiarán and Korta, 2011). Social capital theory distinguishes levels of trust: a) general trust (trust in society in general, in strangers, or in particular groups), b) specific



trust, which refers to trust in families, friends, neighbours or workmates and c) institutional trust, which refers to trust in different institutions (public institutions, the church, political parties, the military, unions etc.)

The theory suggests that trust has positive effects on economic development, crime reduction and democracy (Barandiarán and Korta, 2011).

**Networks and associations:** relationships between people and organisations generate trust and mean that norms are complied with, whilst also generating social capital in the group or the local area. These relationships can exist between people or organisations with common attributes (bonding) or those with different attributes (bridging) (Barandiarán et al., 2011).

**Norms of reciprocity:** these fall under shared values and unwritten rules that regulate social behaviour associated with community values (Barandiarán et al., 2011). Usually, the behaviours that generate these norms of reciprocity are the search for the common good, tolerance of diversity, solidarity, comradeship and social responsibility. These behaviours and values facilitate the creation of social capital (Glanville and Bienenstock, 2009; Molm, Schaefer and Collet, 2007).

## A proposal of a theoretical model: the case of Mondragón

Social economy organisations are based on values which encourage social capital. For example, the International Cooperative Alliance states that cooperatives are based on values of self-help, self-responsibility, democracy, equality, equity and solidarity. In addition, the members of the cooperative should act in accordance with ethical values such as honesty, transparency, social responsibility, and care for others. Social capital is sustained by the existence of these values. The same can be said for the intrinsic values of other families that belong to social economy. According to Smith, Maloney and Stoker (2004 in Marcuello et al.) the “nature, vitality and the density of associational life” are directly related to social capital.

In fact, writers referring to this theory of social capital and other studies carried out based on this paradigm proposed by these authors recognise the importance

## Levels of social capital

Social capital is defined by the relationships that exist between individuals. Each person throughout their life constructs his own social capital, through the relationships maintained with other people in different parts of life. However, the interaction of different people in a group creates a different sort of group social capital. Some studies, like Mujika et al. (2010) distinguish two levels of social capital: individual and community. Other authors, such as Durston (2000) propose a four-level classification: besides individual and community social capital, he includes group social capital (between the other two in size) and external social capital, that relates to the State or bigger entities.

In this chapter, we have opted for a classification on three levels:

- Individual social capital: possessed by the individual and made up of the ‘credit’ that person has accumulated in the network of relations (Mujika et al., 2010). Individual social capital is created through interpersonal relationships that vary from person to person.
- Organisational social capital: defined by the relationships that exist between people within an organisation. This level corresponds with the group level of social capital to which Durston (2000) refers.
- Community social capital: defined by the relationships that exist between members of a community.

of social economy organisations in the generation of social capital. For example, Putnam in 1993 stated that social capital is generated where horizontal relationships are established such as cooperatives (including them in his list of associations and organisations where such relationships exist). At the same time, Putnam (1993) states that confidence and cooperation are essential components of social capital. Cooperation and inter-cooperation are basic principles of social economy organisations, from which can be deduced that these organisations support the creation of social capital.

Coleman (1990), on the other hand, suggests that stability favours the creation of social capital. Geographical mobility caused by lack of stability in work mean that the links necessary for the generation of social capital are not created. Social economy organisa-



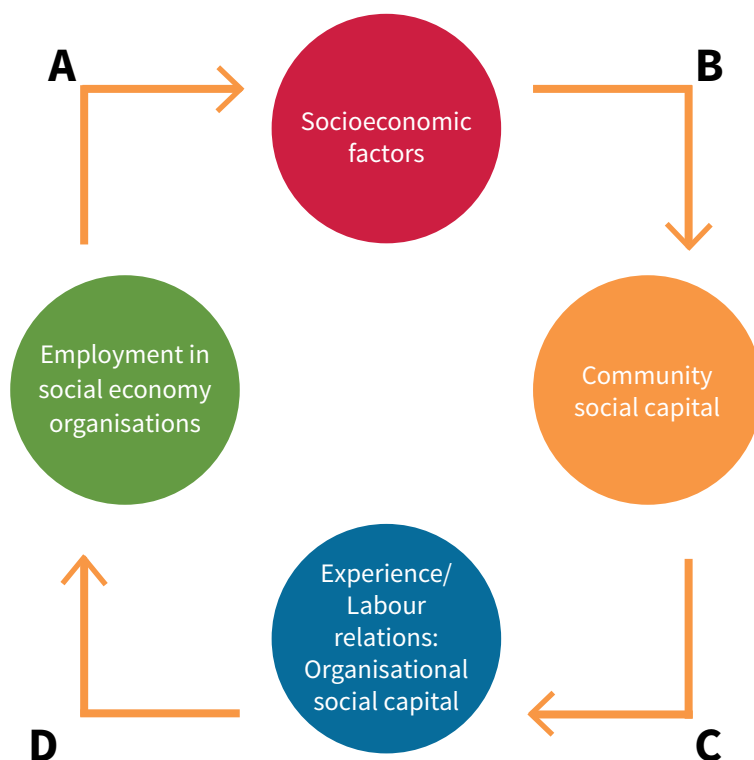
tions that provide stable employment are the source of social capital. In fact, Pradales (2005) in his thesis arrived at the conclusion that, in an area with high levels of cooperativism among those over 35 years old, the level of employment instability decreases significantly. This, according to Coleman, should contribute to social capital.

In addition, there are a number of studies that link cooperativism with social capital. Cooke and Morgan (1998) put forward the case of cooperatives belonging to the Mondragón Corporation as a model of regional development based on social capital and Mugarra (2005) analyses the cooperative experience in the Basque Country and its contribution to social capital. In this article, Mugarra examines the cooperative principles and values and finds clear links to elements of social capital (shared actions and values, participation and solidarity, cooperation and mutual help, community agreement, social responsibility ...). Finally, Irizar and Lizarralde (2005) link social capital with

regional development, arriving at the conclusion that economies with high social capital achieve high levels of regional development. These writers analyse the Mondragón case and its contribution to the Basque economy illustrating the high levels of local development achieved. In this way also, they link social capital and cooperativism. From a more econometric perspective, there are studies that show the existence of a greater social capital in those communities where cooperatives are based. Thus, Jones and Kalmi (2009) found a positive relationship between the distribution of the 300 biggest cooperatives and the level of confidence of the countries where they are found.

In the following section a theoretical model is developed to show the contribution of social economy organisations and the generation of social capital (see Figure 1). This is a model that has been applied in Mondragón Unibertsitatea (University in the Basque language) in several of projects related to social capital.

**FIGURE 6.1: DESCRIPTION OF THE MONDRAGON MODEL**



The existence and the concentration of social economy organisations generate community social capital which favours social and economic development in a region. However, this relationship is not direct. The fact that there is a significant concentration of employment in social economy organisations impacts favourably on a number of socioeconomic factors in an area (Arrow A) and having socioeconomic indicators with very positive values creates community social capital (Arrow B).

However, people who work in social economy organisations have different experiences and relationships to those who work in conventional organisations and these different relationships create an organisational climate which generates an organisational social capital of its own (Arrow C). It is shown that organisational social capital generated in social economy organisations creates greater community social capital (Arrow D).

- **The relationship between social economy organisations and socioeconomic factors in the environment (Arrow A)**

The first relationship proposed by our model suggests that work in social economy organisations determines the socioeconomic conditions in the environment. These organisations tend to create social and economic conditions that are more favourable for people who work in them and for the communities in which they find themselves. The research literature in this area is not extensive but there are some studies that research this link.

Some of the most important socioeconomic variables which are influenced by the existence of social economy organisations are linked to work in terms of: job creation, stability of work/unemployment and the rate of bankruptcy of firms. A significant number of studies conclude that **social economy organisations, for example cooperatives, tend to generate more jobs in general, which are more stable and of higher quality**. Research in this field has been carried out with respect to work cooperatives (Arando, Freundlich, Gago, Jones and Kato, 2011; Bartlett, 1994; Burdín and Dean, 2009; Clemente, Díaz and Marcuello, 2009).

Burdin and Dean (2009), for example, showed the superiority of Uruguayan cooperatives in the creation and keeping of jobs in comparison with conventional businesses. Arando et al. (2011) show how the level of cooperative employment in the Mondragón

group has been very stable in comparison with the level of employment in the autonomous region in general over the years leading to traditionally low levels of unemployment in the area of Alto Deba where these cooperatives have a strong presence.

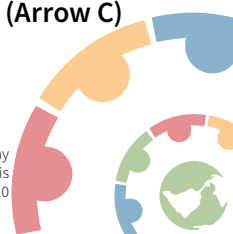
Finally, there is also a line of investigation which has explored the relationship between work in social economy organisations, specifically work in cooperatives and the level of income and/or prosperity of the workers. In a range of research that has been carried out, it has been found that cooperative companies produce better results than conventional companies for the workers with respect to their pay and prosperity (Buchelet et al., 2010; Pencavel et al., 2006; Rosen, 2005). This phenomenon has also been investigated in Gipuzkoa. The Provincial Government Department of Treasury and Finance conducted research (Urrutia, 2004) which showed that four out of five towns in Alto Deba with more than 1,000 inhabitants, where there was cooperative labour, had levels of earning per tax payer higher than average for the province.

- **Relationship between socioeconomic indicators and community social capital (Arrow B)**

A range of studies of work and local development have investigated the relationship between socioeconomic variables and community social capital. One of the main arguments in this line of enquiry is based on the effects that socioeconomic inequality can have on an area in terms of community social capital. This phenomenon has been recognised since the beginning of modern social science. In recent decades studies have increased in number which affirm that inequality is a source of social division (Wilkinson and Pickett, 2010) and generate friction, lack of trust, envy and distance between people, factors which do not contribute towards the creation of healthy community social capital.

Social economy organisations seek to reduce the inequalities in a region aiming for fairer wages, distributing work, encouraging equal pay and stable employment. This is why in areas with a greater concentration of social economy organisations, the social indicators are more positive and, as a result, there is greater community social capital.

- **Relationship between social economy organisations and organisational social capital (Arrow C)**



Social economy organisations are bodies where relationships are different from those of conventional organisations. For example, the means of communication and participation based on transparency and shared governance are such that allow the workers to behave differently in their work and mean that they relate differently to each other and with the management of the company, making suggestions, collaborating in groups, reducing costs, improving quality, innovating, et cetera. This different form of relating to each other is what creates a richer organisational social capital in social economy organisations.

- **Relationship between organisational social capital and community social capital (Arrow D)**

It seems logical that the positive effects of organisational social capital is not limited to the organisation itself but that it extends to the wider society stimulating community social capital. People who work in organisations with a high level of organisational social capital (for example, social economy organisations) bring about different social relationships both in terms of quality and quantity where they live, creating a different community social capital.

Whilst it is true to say that both theoretical and empirical evidence which investigates the relationship between organisational social capital and community social capital is not extensive, there are studies that relate both aspects through social economy organisations, specifically cooperativism, as has been mentioned previously.

### **Evidence of social capital creation**

Social capital is understood as an accessible resource when broad personal networks are available in different social and economic environments and actively participated in, with an atmosphere of trust. These networks can boost the personal and social development, as well as economic development, of a society (Basque Statistical Office - Eustat, 2012).

The indicators designed for the survey on social capital in the Basque country, carried out between 2007 and 2012 by the Basque Statistical Office (Eustat), confirm the diversity of people's relations, interaction and participation in various contexts, and that they can guarantee their presence in the time and space in which they find themselves. These aspects of relation, interaction and participation are also present in social networks of family and friends, trust in people and institutions, social participation, cooperation, information and communication, social cohesion and inclusion, happiness and health. The values of the social and solidarity economy ensure these three aspects are present so as to demonstrate qualitatively the capacity for creating social capital both within and outside organisations.

Bearing the above in mind, the study of these indicators and their possible adaptation is of interest in order to prove the active role social and solidarity economy organisations have in generating and consolidating the various forms of social capital in a certain area.





**TABLE 6.1 ORGANISATIONS IN THE SOCIAL AND SOLIDARITY ECONOMY AND SOCIAL CAPITAL INDICATORS**

Indicators of social capital	Description adapted to social and solidarity economy organisations
<b>Access to support for mental (emotional) integrity</b>	Being aware of and knowing people and groups in need of emotional support within their own communities, creating mutual support groups they can turn to as required.
<b>Access to credit</b>	Supporting financial and economic education and/or literacy, facilitating access to credit through collective or rotating funds, or credit cooperatives.
<b>Access to support in case of health problems</b>	Support for relatives, whether living together or not, friends, neighbours and work or study colleagues and ease of asking for support in case of health problems.
<b>Access to means of communication</b>	Use of traditional means of communication in order to be visible and heard.
<b>Access to protection and support as consumers</b>	Representing consumers in the protection of their rights against monopolistic abuses and other issues directly affecting the consumer's situation.
<b>Social cohesion</b>	Creating and perpetuating work with a sense of belonging and active intergenerational collaboration.
<b>Trust in institutions</b>	Putting personal security, development and growth ahead of economic interests and promoting equal and horizontal gender agreements.
<b>Access to internet and social media/networks</b>	Enabling the creation of a community virtual identity towards a common cause, going beyond the local environment.
<b>Resolution of unrest and power imbalances</b>	Working to reduce or eradicate normalised conflict within a community, as well as power imbalances.
<b>Cooperation</b>	Cooperating to secure basic resources at an affordable price.
<b>Anti-corruption</b>	Fighting against corruption and power abuses.
<b>Holistic health</b>	Providing environments and services for maintaining integral health affordably.
<b>Access to information</b>	Giving access to key information for personal or group decision making.
<b>Personal independence</b>	Providing support on decisions that affect people's daily activities.
<b>Personal influence</b>	Promoting people empowerment towards identification and work connected to the immediate environment.
<b>Socio-political influence</b>	Encouraging activities for developing the identity and socio-political interest of people and groups towards more active and influential participation that affects the neighbourhood, town, community, region and country.
<b>Participation in associations</b>	Incentivising volunteering, economic contribution and membership of associations.
<b>Protection and support</b>	Developing socio-political activities that defend human rights causes.
<b>Community closeness</b>	Generating unity and bridging between different interest groups in a community.
<b>Reciprocity</b>	Encouraging a high level of trust and reciprocal help between people and communities.
<b>Personal relationships in the network</b>	Activating personal contact with relatives, friends from various paths, work and study colleagues, and neighbours.
<b>Equality and equity at work</b>	Fighting for equity and fair distribution of resources.
<b>Gender equity</b>	Fighting to value work done by women and to respect their rights.
<b>Reduction of inequality</b>	Providing opportunities to improve the quality of life of the population and to empower them in every sense.
<b>Size of social network</b>	Continually fostering a network of innovative community projects to broaden the web of social entrepreneurship.
<b>Size of close network</b>	Strengthening the nuclear family and close friendships as a network and for internal support.
<b>Volunteering</b>	Incentivising voluntary work, especially in areas not covered by other economic sectors.

Source: Basque Statistical Office (2012) Licence CC BY. Adapted by Consortium



## 2.2 LATIN AMERICAN PERSPECTIVES

### Social capital for collective action, subsistence and living well

Latin America is a region where the practice of solidarity, reciprocity and trust is part of daily life and in building society in traditional cultures. Times of crisis, persistent poverty and increasing inequality, only lend strength to these practices, linked as they are to subsistence and enterprise in situations where acting as an individual becomes almost, if not entirely, impossible.

“The current interest in the concept of social capital in studies on national economic development is due to the limitations of an exclusively economic focus on succeeding with basic development goals: sustained growth, equity and democracy” (Portes, 2004, p.149). Bridges have been built between different disciplines on the back of this concept, which demands a multi-disciplinary approach: social, economic and political. “[Social capital is] a virtue which increases in the context of dominant neoliberalism, by bringing attention to solidarity and the importance of networks, linking it to what appears to be the greatest challenge: eradicating poverty. This is all the more so because it is backed by organisations that have been very successful in driving the development of neoliberal economic thought” (Montaño, 2003, p. 69).

With the persistence of poverty and social inequality in the region, it can only be hoped that poor households will continue to find ingenious ways of fighting for survival. According to Hintze (2004), social capital cannot be extracted (let alone autonomised) from capital economics, which it helps to perpetuate.

### Social capital in Latin America

Despite the huge quantity and spread of research and thinking around the concept of social capital, the various definitions given show some commonalities: relationships between individuals and groups, networks, collective action, social structure and trust.

#### Some debate

The main conflicts surrounding the definitions of social capital include:

- What some call social capital, others consider to be the manifestation or product of social capital.

- Should social capital be considered a micro or macro concept?
- Is social capital another concept like institutions, norms and networks, or are these concepts component parts of the social capital paradigm?
- Should the localisation of social capital in units such as civil society, communities and families be included in the definition or not? (Siles, 2003, p.39).

Arriagada of the Economic Commission for Latin America and the Caribbean (CEPAL) maintains that analysis in approaches to social capital is insufficient, for example in the following areas:

- **Social and power inequalities.** There are two approaches to this: the first (from founders such as Bourdieu) centres on conflict, highlighting the inequalities in social capital resources and the exploitation of this to sustain positions of power; it considers both political conflict and internal conflict in communities. The second approach focuses on consensus, cooperation and coordination, aspects that are more to do with trust and the possibility of providing skills and tools to those lacking them. Development organisations and neo-institutionalists tend to take this perspective. One of the criticisms the founding discourse on social capital has faced is the vagueness and confusion with which it treated the subject and the tautology of explaining social capital as both a cause and an effect: without favourable conditions, social capital alone will not produce positive effects, since it is not only shared norms, social control and sanctions at a local level that determine these positive effects; the wider macroeconomic and political mood also contributes to the favourable conditions in which people can develop skills and implement social capital assets. On the other hand, the primary material for building social capital - the ability to bring organisations together to work as a team and give mutual help based on a shared identity - is present in all societies.
- **Gender inequality.** The majority of studies on social capital ignore gender relations or focus exclusively on male networks, omitting the social capital inequalities between male and female networks. What is produced by the domestic and voluntary work of women, especially the poorest, is more important than is accounted for. Their overburdened



roles do not necessarily translate into greater respect of their civil rights.

- **Negative or perverse social capital.** The various discourses on social capital essentially only highlight its positive dimensions. There are, however, four negative consequences: the exclusion of strangers; excessive demands on group members; restrictions on individual freedoms; and top-down norms. Generally, positive aspects are associated with sociability and negative ones with economic behaviour and fighting for control of scarce resources. “On an individual level, the processes that the concept [of social capital] alludes to are a double-edged sword. Social ties can bring about greater control over errant behaviour and provide privileged access to resources; they can also restrict individual freedoms and prohibit strangers from accessing the same resources through partisan preference. For this reason, it seems preferable to approach these multiple processes as social facts that must be studied in all their complexity before being seen as examples of a value” (Portes, 1999, p.262 cited in Arriagada, 2003).
- **Clientelism.** One of the oldest and most central problems in relations in Latin America between community and grassroots organisations and state and non-governmental agencies (Arriagada, 2003, pp. 18-21).

### The social capital paradigm and its features

The main features of a group’s social capital are the skill of mobilising certain resources and the availability of networks of social relations. Mobilisation is connected to leadership and empowerment, and resources refer to the notion of association and the horizontal or vertical nature of social networks.

These characteristics have provided a distinction between networks of relations within a group or community (bonding), networks of relations between similar groups or communities (bridging) and networks of external relations (linking). The role of these networks could be contributing to the well-being of members of a network (bonding), opening opportunities up to poorer or excluded groups (bridging) or connecting with social and economic policy (linking). The social capital of a social group could be understood, then, as the effective mobilisation - productively and in the interests of the group - of collective resources rooted

in the various social networks to which the group’s members have access (Atria, 2003).

The underlying paradigm of social capital is based on “the impact of relations on social, emotional and economic transactions and involves concepts borrowed from almost all the social sciences. ... It includes the following: social capital, networks, socioemotional goods, rooted values, institutions, and power. ... Socioemotional goods are exchanges between people that express affection, validate or provide information that increases self-respect or recognition .... They are valued throughout the exchange and sometimes can be exchanged for physical goods or services ... Socioemotional goods constitute the basic means of social capital investment ... and have a preferential impact on the assignment of resources” (Siles, 2003, p.42).

### Social capital in perspective

Social capital is understood as the body of norms, networks and organisations built on relations of trust and reciprocity, that contribute to the cohesion, development and well-being of society, as well as the ability of its members to act on and satisfy their needs in a coordinated and mutually beneficial way. It is derived from relationships between people, it has a certain longevity and, like capital of any sort, tends to accumulate.

In Latin America, it is a means of combating poverty, so states and local and international development organisations encourage its creation and growth. Partnerships are created with the motivation of carrying out social policy in Latin American countries.

“What is important about social capital for individuals and groups is the potential it gives them which the isolated individual lacks. The essential thing is that it represents the ability to reap benefits through the use of social networks” (Flores and Rello, 2001, p.3).

The inherent level of trust, as a cultural characteristic of a country, conditions its well-being and competitive capacity. Only societies with a high level of social trust will be able to create flexible business organisations on a large scale to successfully compete in the emerging global economy.



### **Trust: The social virtues and the creation of prosperity**

Studies have shown that there is a significant correlation between the amount of social capital and the social, economic and political development achieved in the different countries of the world. This shows that the countries with high levels of social capital are prosperous whilst those with low social capital are backward communities where poverty has a very negative effect on a large percentage of the people. There is no doubt about the influence of social capital on the economic and political development or on the possibility of it being strengthened or weakened. The values of confidence, solidarity, cooperation and reciprocity amongst the people is not achieved once and for all but lessens or increases through collective actions, the experiences of working as a community and the goals achieved since social capital arises from the relationships and social actions that are shared from living and being together. For this reason it is considered to be a special capital since the more it is used, the more it is strengthened and it the more it spreads confidence and cooperation (Fukuyama, 1996, p.193).

Social capital is used by people as an instrument for increasing their capacity for action and to satisfy their objectives and needs (for example finding a job or receiving help) and for mutually beneficial coordination and cooperation between people. Historically, it is an asset accumulated by societies through:

- Organised action of members (individuals or groups) on the basis of determined social norms of cooperation.
- Embracing various values (trust, solidarity, reciprocity).
- The existence of a social web (or “civic commitment networks”, as they are known), making social capital more effective in achieving well-being.

The existence of a civil society based on horizontal organisations builds social trust between the individuals it comprises, at the same time creating a social environment which demands and earns a government that is more sensitive and responsible towards the common good (Putnam, cited in Urteaga, 2013).

A strong society generates a strong economy and a strong state, and the basis for a strong society is civic commitment. This consists in citizens greatly identifying with the interests of the community in which they live. Patriotism, solidarity and civic virtues, therefore, become central concepts.

Interest in public affairs and commitment to public causes are the key signs of civic virtue. Civic community is characterised by active citizens concerned for everything public, fair public relations, and a social web based on trust and cooperation (instead of a fragmented and isolated social life and a culture of mistrust).

The concept of social capital is useful when trying to explain the reasons why two regions with the same political and institutional agreements in place will not perform the same economically.

Among the various reasons, the extent of social capital, and to what degree it is consolidated, stands out. It is a less tangible reality than human capital (knowledge) or physical capital (material goods), but critical in productive activity, satisfaction of personal needs and community development.

Social capital can exist latently between people or groups with characteristics in common (acquired or inherited) that they have not discovered. Converting latent social capital into active social capital requires special interactions or situations where these characteristics may be recognised. Mention should be made of two such situations: the first is related to crisis or structural failures such as, for example, a natural catastrophe or famine which see people group together based on their shared characteristics in order to deal with the problem; the second is related to external interventions, as community development programmes sometimes are. Many of these programmes require the active participation of members of the target communities at different stages of the project, which means people who have lived in the same community for many years recognise the advantages that working as a community can bring (Siles, 2003, p.40).

Social capital, “... is in action every day and carries great weight in development processes. Hirschman (1984) sets out, in a groundbreaking way, something which deserves all our attention. He notes that social capital is the only form of capital that does not diminish or run out with use; on the contrary, it grows with it” (Klitsberg 1999, p.89).

### **Social capital in indigenous and peasant communities**

Two different forms of social capital exist in the rural world: individual, and collective or community. Individual social capital is demonstrated mainly in the social relationships of trust and reciprocity established



by that person and is extended through self-centred networks. Collective or community social capital appears in complex institutions, with a sense of cooperation and management. One of the aspects of individual social capital is the credit that the person has accumulated by way of general reciprocity and can claim back, in times of need, from other people who received, directly or indirectly, services or favours from that person in the past. This resource does not lie within the person but in the relationships between people. Collective or community social capital, however, consists of the social structures and institutions where everyone in the area cooperates. It is not found in two-way personal relationships but in these complex systems with normative management and sanctioning structures. Capital is in the system.

The institutional characteristics and functions of community social capital are: social control through the group's shared norms and sanctioning or punishment of those that transgress these norms; the creation of trust relations between members of the group; coordinated cooperation in tasks that go beyond the network's capacity; conflict resolution by leaders or by an institutional legal team; the mobilisation and management of community resources; legitimacy of leaders and executives with management and administrative functions; and the creation of team-working environments and structures.

Among the anticipated benefits specific to community social capital institutions are: the prevention of unfair exploitation by individuals (*free riders*) who want to profit from the results of the social capital without put-

ting any effort or resources into strengthening it; and achieving a series of public goods, such as crime prevention, construction of watering systems or management of rotating funds. The presence of community social capital is no guarantee of producing these results, as this depends on an additional set of favourable conditions. Likewise, the presence of these benefits cannot be taken as proof of the presence of community social capital. However, the majority of the effects mentioned are linked to the relations and institutions particular to community social capital, and it is difficult to imagine the former without the latter.

When community social capital exists, it is a feature of these social systems because it impacts on the systemic sustainability of community institutions. In particular, relations where there is much cooperative exchange and joint effort can contribute to reproducing an institutional community system (Durstun, pp. 27-32).

For Durstun, community social capital is not an individual resource but a form of social institutionalisation of the local community. Participants in community social capital set out, explicitly or implicitly, the common good as an objective although they do not necessarily achieve it. Community social capital refers to interpersonal relationships and practices that really exist, unlike formal institutions for common good (co-operatives, for example). Informal institutionalisation that exists within and outside formal institutions, at a community level or in a wider social system, is what really determines how those organisations operate.

## 2.3 AFRICAN PERSPECTIVES

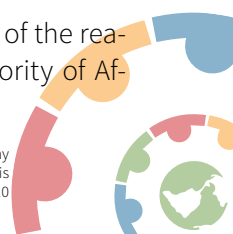
### Concept of social capital in Africa

There is not an abundance of literature on social capital and that which does exist is in the conceptual framework presented by the founders of social capital theory, Bourdieu (1980), Fukuyama (2001), Coleman (1988) and Putnam (1993), among others. For these authors, the concept refers to norms and structures that facilitate trust, cooperation and better governance and, despite being difficult to construct, are considered durable and essential to economic prosperity. Since these have been discussed in the sections

above, we will focus on understanding how social capital is perceived in an African context.

Although in Africa there is little trust in the state and its structures, this does not mean that the majority of the population living in rural and peri-urban areas does not develop networks of trust, mutual help and solidarity among themselves that allow them to overcome the shortcomings of official structures (Aye, 2000, p.43), as will be seen in this section.

Kitissou and Yoon (2014) maintain that one of the reasons for the current instability of the majority of Af-



frican countries is precisely the lack of strong social capital. These authors believe the origin of this fragility lies in the impact of the slave trade, in colonialism and in the civil wars of post-independence which took place in various parts of the continent. The slave trade destroyed the existing social order, undermining prosperity and trust at the heart of some African kingdoms. Colonialism used divide and rules policies, creating differences in the treatment of different ethnic groups and ignoring territorial boundaries: dividing geographical zones and splitting the continent. These actions had a devastating effect and caused the draining away and destruction of human capital.

In practice, the literature reveals that the existence, or lack, of significant social capital has social, political and economic consequences. One of the conclusions of the study made by Temple (1998) on two African countries (Botswana and Zambia) was that the country with less social capital was more exposed to bad political results, less investment and less growth. For that reason, the study on Measures of Social Capital in African Surveys, carried out by Richard Rose for the World Bank (1997), highlights that, despite the difficulty countries in the North have of accepting social capital because it is hard to measure, it must be considered of great importance in “developing countries, especially in sub-Saharan Africa, where much activity is not totally monetised” (p.1).

Given the importance that social capital has in Africa, the same report notes what should be measured in the continent:

- a. **Ways in which networks cooperate**, informally and formally, to produce basic goods and services. While the concept of networks may sound abstract, it refers to familiar activities in everyday life [...] such as transporting goods from a village to a market.
- b. **Goods and services produced, such as food, child care, or getting water**. African surveys routinely measure quantities of goods and services produced by an individual and household, including non-monetized production consumed within the household.
- c. **How social capital is used**. Since social capital is not the only resource of individuals, it is an empirical question how people use it to add to other resources, for example, asking a friend to help complete an application to a government agency;

to substitute for other resources, e.g. growing and processing food in the household rather than purchasing it; or to frustrate formal organizations, as in tax evasion.

- d. **How much social capital adds to poverty avoidance or welfare**. African surveys regularly collect data about the living conditions of a household in terms of health, diet, education, etc. By including measures of social capital in surveys, it then becomes possible to test statistically under what circumstances and to what extent social capital adds to the welfare of households and whether there are differences in the distribution of advantages within the household, for example, women benefiting more than men or vice versa (2000, pp. 2-3).

Social capital only becomes a reality when mobilised by action. Rose’s report (2000) notes the practical uses of social capital as follows: (i) productive activities in the family (e.g. building and maintenance of housing, access to water and waste disposal, and childcare); (ii) family agriculture and other productive activities; (iii) shipments of money made by emigrants; (iv) education; (v) a greater sense of security; and (vi) greater control over corruption (p.5).

### Savings groups and rotating credit funds

In various African and Asian countries there is a long tradition of diverse mutual aid systems, including the use of rotating savings and credit as survival systems for the poor in an informal economy (Costa, 2011). Examples of rotating savings and credit groups have already been mentioned in Chapter II, such as *Tontines*, in francophone Africa, *ROSCA (Rotating Savings and Credit Association)* in English-speaking Africa, and *Abota* (Guinea-Bissau), *Kixikila* (Angola) and *Xitique* (Mozambique), in countries where Portuguese is spoken.

According to Paulo Costa (2011) the origin of these practices goes back centuries, having evolved from regular cooperative experiences between neighbours, in the form of help in kind or work, and still being interconnected with traditional needs. It is possible to find many examples in Africa and Asia but also in minority communities in America and Europe.

Fonteneau y Develter underline that what is special about these practices is the fact of combining savings





and credit, allowing participants to be the ones who decide the conditions and the rules with development and social interaction: “The financial service offered, therefore, is part of a social relationship that creates and fulfils reciprocal obligations and common interests” (2009, p.11).

The practices are based on a group of individuals who come to an agreement amongst themselves on a regular contribution to a common fund and, on a rotation, each member of the group ends up with the total amount collected. The simplicity makes it easy to begin and end, as it only depends on the individual members. Accounts are easy to do and the fund does not accumulate, explains Costa (2011).

These groups are based on the social capital of the members and are generally made up of family members, neighbours, colleagues, or others already known to one another.

Costa gives various motives for belonging to such a group:

- The ability to save individually as well as collectively, as the credit is always reciprocal;
- Women may be those responsible for looking after the money, instead of their husbands.
- The advantage of managing to save more than as an individual given the savings commitment made by the group.

Referring to other authors (Low, 1995; and Adair, 1997), he adds that: the group is close and therefore more accessible than the bank; transaction costs are minimal; there is no bureaucracy; the risk is low due to the selection process being based on a system of reciprocal trust; and there is very little chance of over-indebtedness, since debt is proportional to the savings of the group’s members.

He indicates the following disadvantages: the fact that members say what their contribution will be and there is a risk they will not fulfil it (especially if social capital is reduced due to members not knowing each other well); and that credit is the result of the group members’ savings and may therefore limit larger investments.

It is important to point out the role of gender in these rotating credit groups as for many women this is the only opportunity to gain an income and access savings and credit systems. In many case, such practices allow for social mobility.

These groups are a powerful indicator of the social capital of a community, family or ethnolinguistic group, since they are only created between equals, individuals with a great deal of trust capital between them.





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### 3. DIALOGICAL SECTION

How is social capital created and maintained in organisations? This key question is intended to gain an understanding of how people, the backbone of social and solidarity economy organisations, decide to relate to one another to create a personal and community support network, and how this boosts the growth of personal initiatives and enterprises for mutual benefit.

The project consortium has divided its response into four dimensions for this chapter (see Figure 6.2):

- Social capital created and maintained between people and their shared values.

- Social capital created by a person for an organisation, in that the person decides to join based on certain obligations and expectations.
- Social capital from the organisation to the community; two-way access to opportunities and resources is vital.
- Social capital created between organisations to build a solid collaboration to keep it going in its own socioproductive environment. These organisations exist at local, regional, national and international levels.

**FIGURE 6.2 HOW IS SOCIAL CAPITAL CREATED AND MAINTAINED IN ORGANISATIONS?**



In the centre of these dimensions are trust and trustworthiness. Underpinning these is the assertion that the active trust in others and demonstrating that one can be trusted to go hand in hand and that, without these, relationships will lack integrity and longevity.

We will provide a narrative for each of the four, capturing actions that create social capital as well as those that are detrimental to it, and what needs to be done to counter that. This will reveal what must be considered in the training curriculum in relation to the theme of social capital.

- **Social capital created and maintained between people and their shared values**

This is created through organic relationships, ones that do not require formality or a fixed structure, instead sustained by informal meetings that both parties want. It is also about unifying element of perceiving one another from the same perspective, creating and nurturing trust. At this level, personal identity is reaffirmed and covers an ontological dimension: *I identify myself in relation to others, so the other person is vital.* In this context, social capital

strengthens and grows from diversity, and from the resolution of conflicts (themselves a product of this diversity). Person-to-person social capital also arrives at people's most sensitive needs, which tend to be communicated in the relationships at this level. It is important to consider that, by rights, *my identity is endorsed and validated*, in a mosaic of identities, in both the public and private sphere. We cannot speak of social capital if we do not recognise a person's multiple identities: social, cultural, political, territorial. But above and beyond these differences we are all mutually recognisable as human beings and we can see in others what we are capable of building together.

This person-to-person identification, and recognising that sharing a mission contributes to a greater good, builds motivation for starting joint activities which both strengthen and are strengthened by existing social capital.

Some indicators for building evidence of social capital between people

- Access to psycho-emotional support
  - Access to non-traditional credit sources
  - Access to a network of friends and family in case of emergency
  - Holistic health
  - Access to one-to-one information
  - Personal independence
  - Community closeness
  - One-to-one reciprocity
  - A network of personal relationships
  - Size of close network
  - Volunteering to strengthen trust and reciprocity in voluntary work
- **Social capital created by a person for an organisation, in that the person decides to join based on certain obligations and expectations.**

Relationships in this dimension are created when a person decides to invest their knowledge and experience in an organisation, to which they will have certain work or legal obligations and a set of positive expectations, which are reciprocated. This leads to direct, frank and honest communication in relation to the fulfilment of these varied obligations and expectations. Transparency is vital to this relationship of trust and this is achieved, and sustained, through

direct participation in operational and strategic decision making within the organisation.

The selection process in this dimension is focused more on the person's qualities than their skills and level of academic or technical education, which could be developed in the organisation. This means the learning provision of these organisations is vital for generating 'double capital': social and human. Remuneration on the basis of skills and experience is a very long way off in comparison with other economic sectors; but commitment to and identification with the mission come before economic benefits, at different levels of the organisation, with the ethical, human aspect of recognition, respect and value of the existence of others coming first.

The responsibilities and obligations of the position carry with them a duty of fellowship, of working well together, including in training.

Some indicators for constructing evidence of person-to-organisation social capital:

- Social cohesion
  - Cooperation
  - Access to information at a level which enables basic participation
  - Personal impact: capacity to influence mutually beneficial change
  - Free choice to participate in organisations
  - Defence and support
  - Reciprocity towards the organisation linked to
  - Size of close network that can strengthen mutual obligations and expectations
  - Volunteering: work experience opportunities in organisations
- **Social capital from the organisation to the community; two-way access to opportunities and resources is vital**

The socialising role of social organisations creates community social capital with an inclusive and highly integrating approach. This dimension of social capital, from the organisation to the community and vice versa, highlights and validates the work of people who are not valued in other sectors or economic systems.

The construction of this level of social capital is fundamental to the success of organisations; without it they run the risk of being seen as an 'outside/foreign influence' coming with its moral superiority to 'help with problems in the community', which can lead



to 'rejection' in the area. When, on the other hand, the organisation is seen as a part of the community, a part that shares its difficulties, experiences the same problems and seeks to create positive solutions for everyone, as a group, a network is created that unites around shared concerns, strengthening the organisation, community and individuals it comprises.

Some indicators for constructing evidence of organisation-to-community social capital:

- Access to means of communication
  - Access to consumer rights
  - Social cohesion
  - Trust in institutions
  - Anti-corruption
  - Access to information for equal and active participation
  - Reciprocity from the organisation to the community
  - Size of social network for bringing about substantive change in the community
  - Size of close network, for organisations which are based on specific territory
  - Volunteering based on the exchange of good practice
- **Social capital created between organisations on the same and different levels**

In this dimension, capital creates a solid base for collaboration locally, regionally, nationally and internationally, guaranteeing a permanent presence in the respective socioproductive environments.

This capital is sustained by a strong rational, systemic and psycho-affective element, which gives guidelines to internal political attitudes and aims for effective coordination. A driving element of social capital at this level is plentiful access to quality information, to help create a new series of symbols, signs and signifiers which consolidate the inter-organisational relationship. The unifying aspect of this dimension is equal participation in decision-making processes. Effective implementation of the principle of reciprocity key, with organisations advising others and making recommendations, and being influenced in return.

Social capital is increased on demonstrating the service which is being provided in an innovative way to other organisations in the public and private sec-

tor. It demonstrates in a proactive way what they have to offer.

Some indicators for constructing evidence of social capital with organisations at the same or different levels:

- Access to information for collective decision making
- Influence on socio-political themes that affect the organisation's development.
- Reciprocity with related organisations
- Working equity and equality
- Size of social network for strengthening the human capital of social entrepreneurs
- Volunteering between organisations to exchange good practice
- Linking and type of relationship with organisations at other levels

### Factors that weaken social capital

It is important to recognise that trust, common aims and shared interests are, altogether, what unifies all of these dimensions of social capital. Meanwhile, a loss of trust tends to follow discrepancies in people's commitment and a lack of participation (whether because of changing jobs, poor communication, misinformation, ganging up, unconstructive criticism, poor administrative management, or some other factor). A lack of trust means a loss of interest in the organisation and the social capital created is undermined. In these conditions it is impossible to maintain, let alone strengthen, a social network that makes the organisation's actions and projects sustainable.

One of the challenges and the dangers to make clear and to work on is the possibility of social and solidarity economy organisations closing down if they merely claim to be linked to situations of poverty and self-sufficiency, even if it is these situations in which they show their greatest strength. Building social capital, beyond the size or the economic state of the organisation, is rooted in shared values (not only practical aims and interests) relating to life, the economy, society and nature.

Another challenge has to do with the difference between equality and equity and the matter of incentives. Could the concept of equality, if poorly applied, weaken social capital?





## 4. PRACTICAL CASES

### Rational objectives

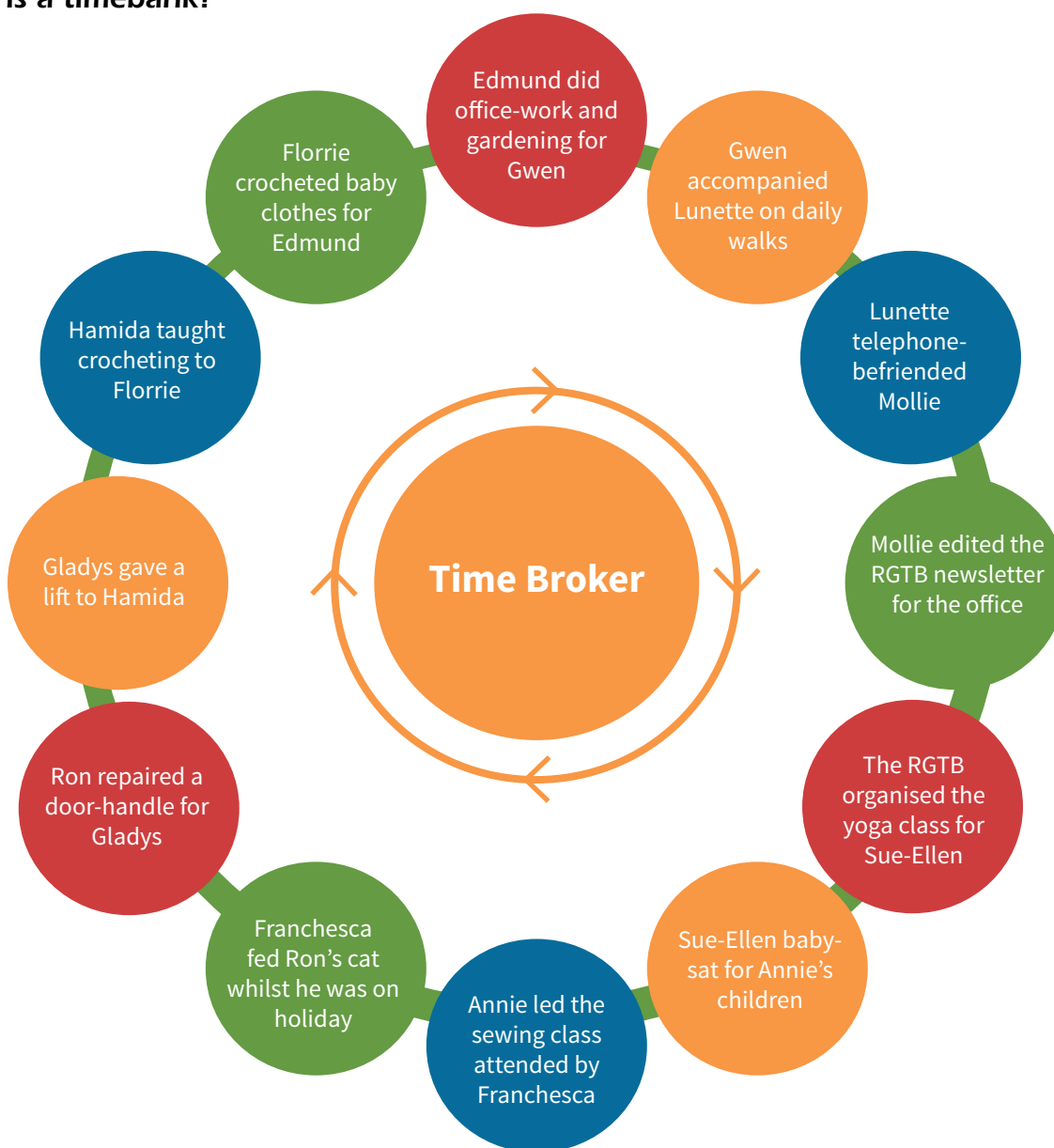
- To identify the factors which promote social capital in a timebank
- To analyse how these factors can be built in to the organisation

### Experiential objective

- To be aware of different forms of exchange and their impact on community relationships

## Background

### What is a timebank?



**Diagram:** Person-to-person timebank with time broker organising exchanges  
(New Economics Foundation, 2008, p.15. Adapted from Rushey Green Timebank Members' Handbook).

The pricing system built into money assigns a high value to things that are scarce and a low value to things that are commonly available. It assigns a high value to activities that make money and a low value to activities that don't make money. That means that the "tool" we are using to fix the problem can never adequately value certain activities ... caring, learning, imparting values, sharing helping others". Money devalues the very things we need most in order to fix some of our most critical problems

(Cahn, 2004, p.41).

For more information on timebanking, see: <http://www.yorks.ac.uk/erasmus-mundus/social-economy/library-and-resources/timebanking.aspx>

## Context

York Timebank was founded in 2011 as a pilot and was publicly funded through York CVS

Since then, the city council have partially funded it through their ward budget. The main funders have been Joseph Rowntree Foundation, Santander and the Big Lottery. This money has funded the 'time broker' (coordinator)

It in May 2015 it had 100 members.

## Content

Timebanking is a means of exchange used to organise people and organisations around a purpose, where time is the principal currency. For every hour participants 'deposit' in a timebank, perhaps by giving practical help and support to others, they are able to 'withdraw' equivalent support in time when they themselves are in need. In each case the participant decides what they can offer. Everyone's time is equal, so one hour of my time is equal to one hour of your time, irrespective of whatever we choose to exchange. Because timebanks are just systems of exchange, they can be used in an almost endless variety of settings (taken from Timebanking.org).

Viv Chamberlin-Kidd, maths tutor, website designer and member of York Timebank since 2012, was attracted to the way the Timebank treats everyone's time as being of equal value. She explains "someone coming in and feeding my chickens when I'm away is just as important to me as maybe me doing a maths

lesson for someone else, so I loved the idea that it's making everybody equal, because I don't understand why, say, somebody doing my floor is valued less than me writing a website".

The Timebank is based in a part of the city with troubling levels of unemployment and issues around social isolation. Its explicit aim is very much about building community. One of the main challenges it seeks to address is ensuring people in the community who don't feel valued to realise that they have something to give.

When people express an interest in joining the Timebank, they are visited by a 'timebroker' or another member of the group to have an initial chat and welcome them. A discussion is carried out about what they might be able to offer the group and what services they might need in exchange. The process of identifying potential contributions to the group starts immediately. Viv Chamberlin-Kidd explains, "The timebroker goes round and sees to people and they say '... well I can't do anything.' And she says, 'Well let's go through a list of things that people have asked for. Can you walk somebody's dog? 'Oh yeah, I could do that.' 'Can you go and help somebody do their shopping? Can you drive a car and pick somebody up, can you water someone's plants? Can you phone someone once a week and have a chat with them? 'Oh yeah, I can, I can do that'."

She draws a distinction between traditional volunteering which has "a hierarchical thing where I've got skills and I'm going to help you, which is great because you need people to do that". But the Timebank works on the basis that "everybody's involved and everybody can do something important". People are valued equally. This can have a significant impact on members of the group "who don't think they are worth very much or valued as part of society" and who may be treated as passive recipients of social security. Through offering services which other members of the group need, the Timebank is successful in making people realise they have something to offer. "The impact on self-esteem is noticeable in members of the group as they realise they have something to give. I think it's much more effective than I've seen in other volunteering activities."

A key element is the local community-based nature of the Timebank, ideally each member is just walking

distance from other members. “You get to know local people, find out what’s going on”. Members of the group see each other socially, and ‘bump into’ each other in the street. Specific social events are also organised by the group and this face to face element is seen as critical to its success. Viv Chamberlin-Kidd includes herself in the examples she gives of people who have felt more part of the community, thanks to the Timebank: her opportunity to sing and play in a band; the single mother who didn’t have time to go out and meet people, but has found like-minded people within the group who care about community; and the people who were house-bound who had made friends.

The role of the timebroker is to match ‘deposits’ and ‘withdrawals’ of time: what people can offer and what people want. Social events help with this process, but the timebroker needs to ensure that “two vulnerable people are not placed together”. In terms of the balance of deposits and withdrawals, the group was looking for ways of some members donating some of their ‘credits’ of time so the more vulnerable don’t need to worry about their balance of deposits and withdrawal of time.

Viv Chamberlin-Kidd is personally aware of the impact of the Timebank. Potential funders for the part time role of timebroker, however, require evidence of

impact. “If people now are being friends who weren’t friends before, how much money is that saving? That person might have needed to get some counselling because they were lonely, how do you quantify that? They (funders) like to see the bottom line don’t they? How many people have stopped going to the doctor with ailments because they feel valued now?” It has been funded by the City Council, but this funding was cut due to reduced council budgets. The group has also negotiated with the Council-run swimming pool where people can exchange time credits for a swim. They would like to get referrals from doctors and mental health professionals. Payment for this could cover the one day a week needed for the timebroker.

In order to collect qualitative data the timebroker does questionnaires systematically, including questions about their perceptions of being connected to the community, which can be compared over time.

Viv Chamberlin-Kidd believes the Timebank has made her realise what’s important. “When you hear other people’s stories about why they joined and what’s important to them and you see the needs of people out there. It’s just a sort of sharing of what you already knew but hadn’t vocalised or realised”.

### Questions for discussion and action

- How is work valued in the timebank? How is this different from your experience of the value of your work?
- How are people valued? How is this different from your experiences of being valued at work?
- How do the principles and practices of York Timebank construct social capital?
- How might these principles and values inform your own personal and professional practices?

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## 4.2 WOMAN FOR A LOCAL ECONOMY, GUINEA BISSAU

### Rational objectives

- To identify the values of the Women for a Local Economy group.
- To analyse the role of women in the African economic context.
- To understand types of rotating credit in an African context.
- To reflect on the impact of community experience on social change.

### Experiential objective

- To be aware of the fundamental role of women's emancipation in the fight against poverty.



### Context

Women for a Local Economy (*Mulheres pela Economia Local* - MEL) is an informal group created in 2008 in Guinea-Bissau, in the Sao Paulo area of the country's capital, Bissau. The group works in textile crafts - clothes, bags, etc. - and in fruit processing, making sweets, jams and drinks. The group currently works with almost 40 women, and two men, from different areas of Bissau. Working with women is the key to the organisation's mission which is centred on "human advancement, specifically that of the woman", explains Ivone Gomes, founder and general coordinator of MEL.

MEL began its work with the backing of the Church, through the organisation Caritas, selling jointly outside the cathedral. Although still an informal group, MEL aims to formalise, having already created a direc-

tion of work for increasing sales, growing the group and becoming an association.

### Content

#### Internal operations

MEL aims to stimulate social and economic independence for women in the community and in their families, providing the conditions in which to do so. "The Missionary Company<sup>1</sup> works to help men and women out of total dependency. In Guinea[-Bissau], many women have nothing and depend completely on their husbands. That is not right. There are things a woman could do to have her own income to supplement that of her husband." Support comes in various forms: through training or providing primary materials. Some people join the group to carry out their activities, such as dressmaking. They gain the support of the group and work together to make a profit. Others come to learn skills, and once they have acquired a skill, will become part of the group. The joining fee is 1500 CFA francs, which goes towards buying some things the person needs in order to start and into channels for selling their products.

Although it is yet to be formalised as an association, MEL already has a Board of Directors, made up of seven people (six women and one man), which drives the group based on values of transparency and participation: "Decisions are made by assembly, not by the Directors. We usually work to decide together. We create a meeting and do something as a group." Participation and transparency incite greater agreement; the women "are more motivated and know that they are contributing. When a new opportunity for work arises, before making any agreement the developer says 'I am going to transfer this issue to the group of women and then we are going to decide approximately what quote we could make.'"

MEL concentrates its efforts on three objectives:

<sup>1</sup> Compañía Misionera – a group of lay people living consecrated to the Charism of the Religious Congregation of the Sacred Heart of Jesus, founded by Father Leão Dehon in 1878

1. The creation of funds which will allow the group to formalise as an association and create its articles of association;
2. Diversification of its activities, by selling fruit, juices and jams;
3. Increasing production to be able to publicise (through Facebook and a website) the work it is undertaking and create more profits that way, through selling at markets, for example.

### Gender

MEL is based on questions of gender and the group is proud of the opportunities it creates with its members, mostly young women who have, as added value, a “desire to learn, a desire to know how to do something.” Regarding the advancement of women, Ivone recognises that the greatest challenge is changing mentalities: “what we are interested in is changing that awareness, to make people aware that women can do something [...] to stop being dependent. They are not limited to relying on their husbands or their families, because women can also make a contribution to the family.”

Within the group, women are valued for their active role in the social fabric. The essential value of women in creating greater stability in the country and in families is recognised, as is the subsequent economic and social development of the community: “for the love of this work, to give value to things, something has to be done - don’t limit yourself to total dependency, do something to get out of it.” The beginning of this path towards independence is, Ivone says, “full literacy”. Therefore, as well as producing and processing primary materials, MEL also provides education, operating as a school for women.

Through literacy and a certain degree of financial independence, MEL believes that “women can do something, can contribute to the development that our country so desperately needs”, development not only “of the state, but of every person”. It must not be forgotten that women play an essential role in African society as educators of children.

### Social cohesion and combating poverty

Participative involvement of communities (especially prevalent in rural communities) strengthens, and is strengthened by, social cohesion. After the community’s needs have been assessed, it helps create opportunities for development in the region. The operation of MEL, based on training women as another driving workforce and as wealth creators, encourages social cohesion, and is a practical example of “local solutions to local problems”.

What makes the group distinctive, according to Ivone, is not only the quality of the work but also the *emotional* engagement because of the time dedicated to producing goods, not merely reselling them, and the *social work* carried out on top of all the other tasks: “We also act on a social level; as well as doing the work, we talk and help the women in difficult situations, including with payment, and sometimes we even go to their houses to mediate in family reconciliation.”

To tackle financial difficulties, MEL draws on a system of rotating credit, called ‘Abota’ in Guinea-Bissau and quite common in some African countries. At the end of every month, Ivone explains, the women subscribed to Abota put a contribution of 10000 CFA francs in the collection box and the money collected is handed to one of the participants in the system. “Then, we collect funds again and give them to someone else, so that person can have more money to buy more materials.” The system allows people to save and to make the necessary investments to cope with production costs “because no-one can get from here to Senegal [to buy primary materials] without any money. Even just the transport costs are very high.” But this type of credit has other advantages: it helps to satisfy personal or family needs (“there are people who now have a suitcase - people here aspire to buying a suitcase. Someone else bought a sofa for her house.”) and it is a sort of guarantee in times of crisis because although the monthly recipient of Abota is predetermined, the group allows changes in order to support a member who is in need. “When the group sees that someone has a need it is better to help that person directly so we give them the opportunity to receive the money. Rather than asking for money elsewhere, we give them it ourselves.”

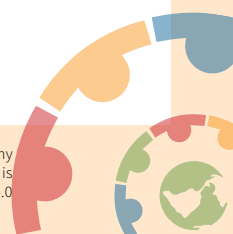
This type of rotating credit thereby allows each member of the group to accumulate investment, the aim being that production is never interrupted and the

output helps families improve their living conditions and combat poverty and social exclusion.

### Questions for discussion and action

- What three things struck you most in the case study? Why?
- Reflect on the role of informal community groups in local development.
- Speculate on the importance of the 'fund' created by the group as a means of financial sustainability.
- Explain the relationship between women's emancipation, combating poverty and community development.

Case study created by York St John-  
erasmus Social and Solidarity Economy  
Consortium in collaboration with Inês  
Cardoso, University of Oporto





## SANTS: THE COOPERATIVE NEIGHBOURHOOD, SPAIN

### Rational objectives

- To understand community and identity management models within a neighbourhood.
- To identify the factors that make the cooperative management model possible.
- To recognise the roles different social and political agents are expected to take in order for this cooperative management model to work.

### Experiential objective

- To appreciate the possibility of creating a new way of life as a community, under a model of cooperative management and communal living.

### Context

(<http://sants.coop>)

The Sants area is Barcelona's cooperative neighbourhood - a tradition that originates from the middle of the 19th century amidst the industrial revolution. Benavides, one of the authors of this study, notes that the area was one of the driving forces of the revolution: "In 1910, in Sants, Hostafrancs and La Bordeta there were 50 factories with some 14,000 workers. The first cooperatives came from these workers neighbourhoods, to satisfy the needs of the proletariat through self-management, solidarity and ethical principles." At the beginning of this century, there remains a good number of collectives in the area that aim to operate by helping one another and by putting people before profit.

### Content

#### Sants, the cooperative neighbourhood *par excellence*

Sants is Barcelona's cooperative neighbourhood *par excellence* (Ortiz, 2014), as the number of cooperatives in the area demonstrates. Let us start by introducing one of them: The Invisible City cooperative (<http://lacutatinvisible.coop>) has a bookshop full of essays, a wide selection of books and critical and independent publications. It also stocks clothing that combines a design with a message; as well as being a bookshop,

this cooperative offers services in design, social and urban research, and community intervention. Arretxea (2015, p.4) highlights that alongside the cooperative's equal pay system, decisions at The Invisible City are made horizontally. It was also agreed to limit recourse to public finance contributions: to remain independent, it was decided that the total financial aid received should never surpass the total taxes paid by the cooperative.

Just next door to The Invisible City is the editorial office of the Catalan independent weekly La Directa (<http://www.setmanaridirecta.info>, <http://www.directa.cat>), mouthpiece of Catalan social movements. It is supported by a network of 150 photographers and journalists from across the Catalan Countries. Arretxea (2015, p.5) interviewed Ferran Domenech, a La Directa member: "We come from popular movements and we are working for popular movements. Our task is to help change society, make people see the alternatives and reject excesses of power and repression... Everyone works in their own sector but we have personal relationships with people in the neighbourhood and we help each other out when any kind of problem comes up. We have a neighbourhood mentality, we are building a common project between all of us."

#### The cooperative nucleus around Plaça Osca

At number 15 on Carrer de Premià just off Plaça de Joan Peiro, is Barcelona's main cooperative building; it is the headquarters of the ethical finance cooperative Coop57 (<http://www.coop57.coop/>), a delegation from the wine and olive cooperative working on social inclusion, L'Olivera (<http://www.olivera.org>), and the home of the Federation of Worker Cooperatives of Catalonia (<http://www.cooperativestrebball.coop>).

Coop57 is a financial services cooperative. The 3000 members who have their savings in the cooperative help support socially transformative projects through loan payments. According to Arretxea (2015: 7), since 2008, 1200 loans have been made - a total of 45 million euros - showing that solidarity and financial networking can help. Coop57 informs its members, through the magazine it delivers to them, of all the projects they have supported by leaving their money with the bank. Coop57's Head of Communications, Xavi Teis,

confirmed in an interview with Arretxea that “our contribution is to show that other ways of managing finances exist, that they are viable and they can create a fairer and more equal society.”

### **The neighbourhood of cooperative consumption**

The consumer cooperative, Germinal (<http://coopgerminal.coop>), is a pioneer in critical, agro-ecological and local consumption. The Germinal cooperative proposes consumption based on local, agro-ecological products from the social economy or from small businesses seeking social transformation. Germinal applies this operational logic to all common consumer goods: food of all kinds, hygiene and cleaning products, etc. According to Jordi Ortiz, “everything that makes the cooperative run - administration, contacting and evaluating suppliers, site maintenance, decisions, outreach - is based on members’ unremunerated participation... The great success of Germinal is the extension of the self-managed critical consumption model across the whole of Catalonia and, perhaps, all of Spain, and the diversification of organisational models that goes with it.”

The cooperative Kop de mà (<https://ca-es.facebook.com/kopdema>) should also be mentioned; it is a cooperative neighbourhood bar serving mostly organic produce, and a place for people to get together and

suggest initiatives. Jobs and wages are shared horizontally (Arretxea, 2015, p5). The architects’ cooperative LaCol (<http://www.lacol.org>) operates in the same way. Every Monday, decisions are made horizontally, as a group, on whether or not to take on projects and how to share out the work (Arretxea, 2015, p6). At LaCol, architecture is seen as a tool for social transformation and the cooperative tries to translate this focus into all its activities.

### **Can Batlló**

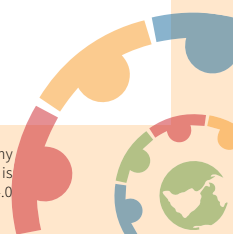
(<http://canbatllo.wordpress.com>)

Can Batlló represents the success of neighbourly resolve. A large part of this former manufacturing complex has been converted into an open space managed by the local residents for cultural and social gatherings (there is a library, and an auditorium is being refurbished, but also a bar, markets and a community garden, and meetings of various groups). Many people, of all generations, took part in the 30-year fight between the city hall and residents over Can Batlló being for the community and not for private investment. Many more are collaborating in the rebuilding and management of the space and in the creation of a common purpose for the building (Ortiz, 2014). Can Batlló has been transformed into a centre of reference for a transformative social economy (Arretxea, 2015, p.8).

## **Questions for discussion and proposals for action**

- Identify the characteristics that mean Sants is considered to be Barcelona’s cooperative neighbourhood par excellence.
- Explore the webpages of the various cooperatives and analyse the language they use, as well as the management models under which they operate.
- What factors make the ‘cooperative neighbourhood’ experience viable and possible?
- How would you describe the new role of the city hall and social agents within the cooperative neighbourhood?
- What social, cultural, environmental, economic or political policies should drive the cooperative neighbourhood?
- Which of the neighbourhood’s cooperative actions could you replicate in your community/neighbourhood/work?

Case study created by Lander Arretxea, Luis Benavides and Jordi Ortiz, Mondragón Uniberstitatea in collaboration with the York St John- Erasmus Social and Solidarity Economy Consortium.





## 5. PEDAGOGICAL ACTIVITY

CHAPTER 6: SOCIAL CAPITAL – PEDAGOGICAL ACTIVITY	
<b>Title</b>	Social capital – Pedagogical Activity
<b>Theme/ Focus</b>	Analysing the way your organisation creates and maintains social capital
<b>Group size</b>	Groups of 3 to 4
<b>Time needed</b>	Class time: one hour
<b>Purpose/ Learning objective</b>	<ul style="list-style-type: none"> <li>▪ To understand the process of social capital formation</li> <li>▪ To analyse the activities which promote social capital in an organisation and understand how this could be developed</li> </ul>
<b>Competences addressed</b>	
<b>Keywords</b>	Social capital, individual, organizational and community social capital
<b>Materials needed</b>	A blank grid showing four levels of social capital, similar to that in the Dialogical Section This can be drawn out or obtained from the companion website.
<b>Preparation/ Instructions</b>	<p>Explain task to students at least two weeks before classroom based activity, to enable them to make enquiries in the organisation and consider the task.</p> <p><b>1st step (prior to the classroom-based part of the activity):</b></p> <p>Choose a social/solidarity economy organisation you are linked to.</p> <p>Consider and investigate how it creates and maintains social capital at the following 4 levels:</p> <ul style="list-style-type: none"> <li>▪ Person-to-person</li> <li>▪ Person-to-organisation</li> <li>▪ Organisation-to-community</li> <li>▪ Organisation-to-organisation</li> </ul> <p>Write these down in the appropriate part of the grid. Use one page per level if necessary</p> <p><b>2nd step:</b></p> <p>In the classroom, share and discuss your findings with your colleagues. Consider the following questions: -</p> <ul style="list-style-type: none"> <li>▪ -In the 4 levels of social capital, is your organisation stronger at one level than another?</li> <li>▪ -How could it benefit from creating social capital at the levels it is less strong on?</li> <li>▪ -How could it do this?</li> </ul> <p><b>3rd step:</b></p> <p>Write some suggestions for activities that the organisation could do to develop its social capital.</p> <p>Develop two or three of these ideas into practical activities which you could organise.</p> <p><b>4th step:</b></p> <p>Work with the organisation in developing these ideas.</p>
<b>References</b>	York St John Consortium Social Economy Project - Chapter 6: Social Capital
<b>Notes</b>	Get the relevant permissions from the organization to gather data and/or for interviews needed to complete the exercise.
<b>Person to contact for more information</b>	Margaret Meredith and Catalina Quiroz www.yorks.ac.uk/socialconomy

## 6. COMPETENCES

STAGE 1	AREA OF COMPETENCE	Competence further explanation & descriptors <b>INTEGRAL UNDERSTANDING OF SOCIAL CAPITAL IN THE SOCIAL AND SOLIDARITY ECONOMY</b>	SELF-EVALUATION ACTIVITIES
<b>Weaving and strengthening social capital into inter-cooperation</b>	<b>Social Capital: knowledge, values and attitudes</b>	<p>Gain an integral understanding of the role and the levels of social capital in the creation and sustainability of a social and solidarity economy, I should:</p> <p><b>Individual Social Capital</b></p> <ul style="list-style-type: none"> <li>▪ Invest time in developing my intrapersonal intelligence: being reflective and aware.</li> <li>▪ Consider myself a highly resilient person.</li> <li>▪ Accept and learn from my own mistakes.</li> <li>▪ Seek opportunities to find and understand other interests, needs and motivations.</li> <li>▪ Cultivate and show empathy and compassion, for myself and others.</li> </ul> <p><b>Organisational Social Capital</b></p> <ul style="list-style-type: none"> <li>▪ Create links and bridges between the interest groups with which I work.</li> <li>▪ Create and encourage horizontal relationships within my organisation.</li> <li>▪ Find alternatives to the problems and challenges of my work group and organisation.</li> <li>▪ Sustain energy and optimism within working teams.</li> <li>▪ Create trust between my work colleagues and the interest groups with which I work.</li> <li>▪ Be a facilitative and inclusive leader to cultivate and develop the social capital of the organisation.</li> </ul> <p><b>Community Social Capital</b></p> <ul style="list-style-type: none"> <li>▪ Create trust within the various interest groups in the community.</li> <li>▪ Encourage the creative use of scarce resources for the benefit of the greatest number of people.</li> <li>▪ Try to counteract the negative impact of social capital within the community.</li> <li>▪ Fight for equality of opportunities and treatment within my community.</li> </ul>	<ul style="list-style-type: none"> <li>▪ I map the key interest groups near the University.</li> <li>▪ I organise regular informal meetings to bring people together.</li> <li>▪ I organise a library for “sharing” objects from and for the community, thus building a bridge between the University and the community.</li> <li>▪ I explore why and how social entrepreneurs can seek and acquire the relevant dimensions of social capital.</li> </ul>



STAGE 1	AREA OF COMPETENCE	Competence further explanation & descriptors <b>INTEGRAL UNDERSTANDING OF SOCIAL CAPITAL IN THE SOCIAL AND SOLIDARITY ECONOMY</b>	SELF-EVALUATION ACTIVITIES
<b>Weaving and strengthening social capital into inter-cooperation</b>	<b>Evidence and indicators of social capital</b>	<p>Clearly understand how to design relevant and appropriate indicators to demonstrate the change and impact of social capital of social and solidarity organisations according to:</p> <ul style="list-style-type: none"> <li>▪ The obligations and expectations of social entrepreneurs.</li> <li>▪ Trust building.</li> <li>▪ Shared norms and behaviours.</li> <li>▪ Shared commitment and belonging.</li> <li>▪ Formal and informal social networks.</li> <li>▪ Reciprocity and mutuality.</li> <li>▪ Dependability.</li> <li>▪ Effective information channels.</li> </ul> <p>To identify the negative use and effects of social capital at its various levels, such as:</p> <ul style="list-style-type: none"> <li>▪ Corruption.</li> <li>▪ Abuses of power.</li> <li>▪ Mistrust.</li> </ul>	<ul style="list-style-type: none"> <li>▪ I create a list of key indicators for each of the forms of social capital specified for social and solidarity economy organisations.</li> <li>▪ I illustrate the variety of effects, impacts, uses and obstacles of the different forms of social capital.</li> <li>▪ I bring the community together to speak openly about the negative effects and uses of social capital and how to address them.</li> </ul>





YORK ST JOHN-ERASMUS  
SOCIAL AND SOLIDARITY  
ECONOMY CONSORTIUM

# Enhancing studies and practice of the social and solidarity economy

A reference handbook

Meredith, M. & Quiroz Niño, C. (Coords.), Arando, S.,  
Coelho, L.S., Silva, M.F. & Villafuerte Pezo, A.M.

## Chapter 7: Social Responsibility and Transformation



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## 1. INTRODUCTION

In this chapter the concepts of social responsibility and social transformation will be introduced. The chapter will begin by introducing the concepts of social responsibility and social transformation in general terms, looking back to corporate social responsibility as the beginning of debate and reflection on this topic and noting the recent emergence of debate about social responsibility in organisations in the social and solidarity economy. Until recently, it seems, social responsibility was considered intrinsic to these organisations and inherent to their mission: it was enough for organisations in the social and solidarity economy to exist for them to be immediately socially responsible.

The concept of social transformation is key to how organisations in the social and solidarity economy work, and this is, or should be, their central objective. The ideological belief which affirms that economic growth is enough to grant humans their full dignity must be challenged. It is also essential to develop thought and action which allow us to navigate in an increasingly globalized world, working to build a more inclusive and fairer society.

We offer some contributions (not exhaustive) to what social responsibility could be in some types of organisations in the social and solidarity economy, particularly in cooperatives, universities, non-governmental organisations (NGOs) and social enterprises.

Organisations in the social and solidarity economy have a responsibility to financiers, donors, beneficiaries and society in general to demonstrate that they

can be held accountable, not only from a financial point of view, but also, and especially, with regards to the impact that they aim to produce through their activities, projects and programmes. This responsibility can only be assessed if valid methods are found to evaluate and measure social impact. In this chapter we will briefly introduce some tools for measuring impact, like the Local Multiplier 3 or Social Return on Investment (SROI), for example.

Finally, we aim to contribute to the recent debate about the specific details of what counts as social responsibility and social transformation in European, African and South American contexts.

### KEY QUESTIONS

- What do we understand by social responsibility? And by social transformation?
- What do we understand by accountability? And how does this concept help us define social responsibility for organisations in the social and solidarity economy?
- Why is it important to measure social responsibility and the social impact produced by organisations in the social and solidarity economy? What methodologies and tools exist for this measurement?
- What specific details can be found in relation to social responsibility and social transformation in African and South American contexts?

## Glossary

**Accountability:** The responsibility of organisations for their decisions and activities, such as the good use of financial and human resources, in relation to stakeholders.

**Advocacy:** the capacity of an organisation to influence the decisions or policies of third parties, especially in public policy.

**Supply chain:** the lifecycle of the activities of an organisation (from acquiring raw materials, their manufacture or transformation, marketing, commercialisation, post-sales service

**Ethical behaviour:** behaviour in accordance with the principles of good conduct. A complex process that determines the impact on third-party (individual or group, as well as the environment) of the individual or collective actions carried out.

**Sustainable development:** Development that includes three equally important factors: environmental preservation, the comprehensive development of people and of their communities, and economic growth. It is development that meets the needs of the present without compromising the ability of future generations. These environmental, social and economic objectives are interdependent.

**Empowerment:** the ability to decide freely for oneself and free from any oppression, formal or informal, other

individuals or institutions. The ability to intervene in the political options of a community.

**Governance:** System of decision-making of an organisation; and the implementation and monitoring of those decisions.

**Social impact:** Positive or negative change that is generated in the society, the economy or the environment, partially or totally resulting from actions or activities carried out by an organisation.

**Measurement of social impact:** concepts, processes and tools that try to determine what influence, positive or negative, an action or activity may have in a particular community.

**Stakeholders:** Individuals or organisations linked and/or affected (positively or negatively) by certain actions or activities.

**Social responsibility:** Responsibility of an organisation for the impact of their activities and the improvement of the human, environmental and economic conditions of the community where it operates, and in the world in general.

**Social transformation:** Formulation of positive processes for social and political action, in order to help communities to improve their livelihoods and cope with the consequences of global transformations.

## 2. LITERATURE REVIEW

### 2.1 GENERAL LITERATURE REVIEW

#### Social responsibility

There are many terms for social responsibility, distinguished especially by their expected reach and the geographic origin of the word. The most important terms, that is, the most used, are: Organisational social responsibility – the widest form that encompasses all types of organisations; corporate – the Anglo-Saxon term used for private sector social responsibility and which, in some geographic areas, can also be used to refer to the social responsibility of a business group or holding; and empresarial (business), used specifically to refer to the social responsibility of businesses and used above all in Spanish and Portuguese speaking countries.

Although it is essentially focused on private enterprises, the European Union's green paper (2010) considers social responsibility as “the capacity to integrate, voluntarily, social and environmental concerns into business activities and their interactions with their interest groups”.

The European Union embeds social responsibility in the United Nation's principle of Triple Balance (also known as People, Planet and Profit), which is based on the three pillars of sustainability: Community/“People”, Environment/“Planet and Economy/“Profit”.

This model also follows closely the concept of sustainable development, as theorised in the 1970s. In opposition to the paradigm of continued growth above



all, it considers development to be produced when economic growth, environmental sustainability and

the inclusion and dignity of people and communities converge.



Figure 7.1 – Triple Balance, Kellogg School of Management (n.d.)

The European Community of Consumer Co-operatives (EUROCOOP) set out two dimensions of social respon-

sibility in their 2008 report, an internal and an external, as can be seen in Table 7.1:

TABLE 7.1 DIMENSIONS OF SOCIAL RESPONSIBILITY	
Internal dimensions	External dimensions
Managing human resources (lifelong learning; empowering collaborators; a better school/work transition).	Participation and impact in communities (interaction with the local workforce and the local natural environment).
Health and safety at work.	Fair and lasting relations with consumers, suppliers and associates.
Managing negative external effects, particularly environmental impacts (eco-efficiency).	Respect for human rights and for the codes of conduct related to fair working conditions and environmental conservation. Commitment to fighting corruption.

### Social transformation

The concept of social transformation has emerged in relation to viewpoints questioning the concept of development and ideas which presented economic growth as the key to everything, since its distribution would automatically give rise to a better standard of living for all. Social transformations are, therefore, an analytical tool which allows for “a wider field of study, which can and should lead to creating positive recipes for political and social action, oriented towards helping communities improve their methods of subsistence and face the consequences of global transformations” (Castles, 2002, 125).

The social and solidarity economy is intrinsically linked to social transformation and to community development. It introduces new social intervention practices, offers new ways of fighting poverty in the most excluded populations, and promotes the mobilisation of local and external resources necessary for such development. In this way, it promotes a break with the old model of salaried and profit-driven society, which is characterised by various exclusions, in terms of both production and consumption (Marques, 2010).





## Accountability

Organisations in the social and solidarity economy must be responsible for obtaining results with a social impact together with absolute financial transparency. For that reason, accountability is fundamental in order to determine the axes of social responsibility in these organisations.

For Edwards and Hulme (1996), cited by Pinto (2012), social responsibility is “the method by which individuals or organisations report to a recognised authority and are made responsible for their actions” (p.34). Accountability, today, “is no longer seen as a mere reaction to impositions by external agents, but also as a proactive, internal behaviour within organisations, which can secure the consolidation of public confidence” (O’Dweyer and Unerman 2010; Ebrahim, 2003, cited by Pinto, 2012, p.35).

We maintain that, in defining social responsibility for an organisation in the social and solidarity economy, the most important transversal axes are: i) governance and, fundamentally, the level of democracy in the decision making process and the effective participation of members; ii) the efficacy of the intervention – whether the social transformation can be achieved with the given budget. An organisation will be accountable to the principal parties involved for whether it meets its promised output (Brown and Honan, 2001, cited by Pinto 2012; iii) without neglecting accountability, or “financial integrity”, we consider it essential to widen social responsibility to the question of labour relations and the conditions offered to collaborators.

## Social responsibility and social transformation in types of organisations in the social and solidarity economy

TABLE 7.2 COMPARISON OF COOPERATIVE PRINCIPLES AND CORPORATE SOCIAL RESPONSIBILITY	
Cooperative principles	Corporate Social Responsibility (CSR)
Open and voluntary membership	Voluntary nature of CSR
Democratic and participative management	Transparency and credibility in CSR activities
Economic participation of members	
Autonomy and independence	
Education, training and information	Transparency and credibility in CSR activities; Balanced focus of CSR on the economic, social and environmental spheres, as well as on consumer interests.
Cooperation between cooperatives	
Interest in the community	Locating communal action in activities to which community involvement brings added value; Balanced focus of CSR on the economic, social and environmental spheres, as well as on consumer interests; Attention to the specific needs of SMEs; Respecting existing international agreements and resources.

Source: Server and Capó (2009) in Arnaez et al (2011)

In the social and solidarity economy the centrality of profit is substituted for the centrality of the social mission, and in this way social responsibility and transformation are part of the essence of these

organisations, given that the mission is to benefit the community and its members (Ferreira, 2009).



### **Social responsibility the cooperative movement**

Social responsibility is at the heart of cooperatives (Belhouari, Buendía Martínez, Lapointe, Trembaly, 2005), as it is for the rest of the organisations which belong to the social and solidarity economy. In fact, as Vargas and Vaca (2005) affirm, the cooperative culture, by its very nature, is strongly aligned with the values and principles which corporate social responsibility requires: the three dimensions that social responsibility takes into account (the economic, the social and the environmental) are pillars which are integrated into the cooperative vision of an organisation. The cooperative is defined as a social enterprise organisation which continually seeks a balance between meeting its economic objectives and its social (including environmental) ones.

The correspondence between the values and principles of cooperatives and the standards set by social responsibility is very high. Authors like Server and Capó (2005) have carried out studies which capture this relationship, as can be seen in Table 7.2.

From interpreting this table, we see that both approaches are based on the transparency of information, participation and being voluntary. In addition, they both seek a balance between economic and social objectives and show an interest in community development.

### **Social responsibility in social business**

Social business has social responsibility within its core strategy and reason for existence. The Mohammad Yunus social business model serves as an example. Yunus (2007) argues that capitalism takes a narrow view of human nature and assumes that “people are one-dimensional beings concerned only with the pursuit of maximum profit”. He argues that the underlying assumption of capitalism is that the best way of contributing towards society is if “you concentrate on getting the most for yourself” (p.18). Yunus introduces the concept of social business, as opposed to profit-maximizing businesses, in order to “complete” capitalism (p.21). Social business under Yunus’s model is one that while using business methods is “totally dedicated to solving social and environmental problems” (p.21).

Examples of companies using these approaches within the Yunus model of social business are: (i) UK

company Traidcraft plc. Owned by 5000 shareholders who are “not seeking to maximise their profits but are using their capital for the social benefits that can be achieved through fair trade” (Traidcraft, n.d.) (ii) Grameen Bank in Bangladesh gives micro-credits at reasonable interest rates to those living in poverty, thus enabling them to start or expand very small businesses. The shares in the bank are owned by the borrowers themselves (Yunus, p.2007, p.30); (iii) Divine Chocolate is part-owned by its cocoa farmers<sup>1</sup>. (See case study in this chapter).

### **Social responsibility in non-profit organisations**

In the non-profit subsector, social responsibility can be analysed in an internal dimension, especially in relation to workers, and an external dimension, above all in terms of dealing with stakeholders (Parente 2011).

If we take the example of Higher Education Institutions (HEIs), we can argue that they are organisations which “always carried out, or tried to carry out, social responsibility before the community and before knowledge and learning. ... Independent of types, models and forms of action, HEIs are by nature socially responsible organisations, by dedicating themselves openly to the quest for knowledge” (Resende da Silva, 2011, p.384).

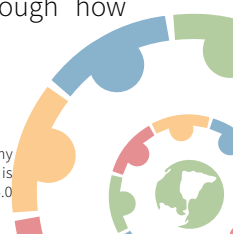
The three pillars of a socially responsible HEI are, according to Resende da Silva (2011), the quality of teaching, the quality of research and the quality of internal management, which must always be at the service of people, change and social transformation. Sánchez Hernández seconds this, seeing the integration of the university into society as an instrument for change (2008).

Another important area of analysis, in respect to the social responsibility of the non-profit subsector, is the quality of labour relations (Parente, 2011).

Internal responsibility, and especially where workers are concerned, is a dimension which can be observed, for example, in employment and payment policies, professional promotion, health and safety systems, personal development and training, equal opportunities and balancing family life with work.

The extent to which organisations in the social and solidarity economy are committed to social responsibility can also be analysed through how

<sup>1</sup> [www.divinechocolate.com.uk](http://www.divinechocolate.com.uk)



democratic their decision-making processes are and how equitable their pay is. Other aspects can be added: the duration of contracts and workers' satisfaction

levels, especially considering that this satisfaction can result from doing a job with values and not just from receiving adequate pay (Parente, 2011).

## Measuring the impact of organisations in the social and solidarity economy

If one of the central themes of these organisations is being responsible (and being held accountable) for their performance, then it is essential to use tools to measure this performance, above all with respect to the social transformation objectives that the organisations suggest and try to reach (Aeron-Thomas, Foster and Westall, 2004).

With this objective, efforts have been made to create and implement measurement tools which make it possible to verify (in monetary terms) the economic, social and

environmental results of these organisations (Manetti, 2014). Blended Value Accounting, a framework for financial analysis, suggests that all organisations simultaneously create economic and social value (Emerson, 2003). This approach highlights the involvement of interest groups or stakeholders in the organisations to make them effective, legitimate and credible, and to improve strategic and organisational control, creating positive externalities at the level of efficiency and efficacy (Manetti, 2014). The rise of this approach was due to the need for information on the

**TABLE 7.3 UN GLOBAL COMPACT - PRINCIPLES OF SOCIAL RESPONSIBILITY IN BUSINESS**

### Human Rights

Businesses should:

- **Principle 1:** support and respect the protection of internationally proclaimed human rights; and
- **Principle 2:** make sure that they are not complicit in human rights abuses.

### Labour standards

Businesses should uphold:

- **Principle 3:** the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4:** the elimination of all forms of forced and compulsory labour;
- **Principle 5:** the effective abolition of child labour; and
- **Principle 6:** the elimination of discrimination in employment and occupation.

### Environment

Businesses should:

- **Principle 7:** support a precautionary approach to environmental challenges;
- **Principle 8:** undertake initiatives to promote environmental responsibility; and
- **Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

### Anti-corruption

- **Principle 10:** businesses should work against corruption in all its forms, including extortion and bribery.

*(United Nations Global Compact, 2015)*

### Global Reporting Initiative – GRI

- **Materiality:** The information contained in the report should cover those aspects and markers which reflect the organisation's significant social, environmental and economic impacts or those which could have a substantial influence on the assessments and decisions of stakeholders.
- **Stakeholder inclusiveness:** The organization should identify its stakeholders, and explain how it has responded to their reasonable expectations and interests.
- **Sustainability context:** The underlying question of sustainability reporting is how an organization contributes, or aims to contribute in the future, to the improvement or deterioration of economic, environmental and social conditions, developments and trends at the local, regional or global level. Reporting only on trends in individual performance (or the efficiency of the organisation) fails to answer this question.
- **Completeness:** The report should include coverage of material aspects and their boundaries, sufficient to reflect significant economic, environmental and social impacts, and to enable stakeholders to assess the organization's performance in the reporting period.

*(Global Reporting Initiative, 2015).*

### SA 8000

SA 8000 is an auditable certification standard focused on working conditions. It is based on the Conventions of the International Labour Organisation and United Nations agreements. It is concerned with child labour, forced and compulsory labour, health and safety, freedom of association and the right to collective bargaining, discrimination, disciplinary practices, working hours, remuneration and management systems. The verification of SA 8000 is in accordance with the International Organization for Standardization (ISO) and the International Forest Stewardship Council (FSC).

*(Social Accountability International, 2008)*

part of financiers, donors, investors and politicians in order to make decisions about investments and/or to justify the decision to fund certain social policies or organisations to the detriment of others (Aeron-Thomas et al. 2004).

For organisations in the social and solidarity economy, it is important to demonstrate the social and environmental benefits that they create to be able to

justify investment in activities and/or projects which might not bring financial returns and to be able to justify their management decisions.

Some models presenting different aspects of socially responsible organisations which should be measured can be seen in Table 7.3:

Table 7.4 shows a summary of tools for measuring impact:

<b>TABLE 7.4 TOOLS FOR MEASURING SOCIAL IMPACT</b>	
<b>Cost-Effectiveness Analysis</b>	Combines measurement of impacts with costs so that projects or alternative policies from the same area can be compared in terms of the effectiveness of their results.
<b>Cost-Benefit Analysis</b>	Attributes a monetary value to benefits and costs associated with a given initiative to allow comparison of the cost-benefit relationship or the level of return on investments to facilitate investment decisions.
<b>Social Return on Investment (SROI)</b>	Allows organisations to attribute an economic value to the social and environmental impact of their activities.
<b>The Robin Hood Foundation's Cost-Benefit Analysis</b>	Created exclusively for the analysis of projects dedicated to fighting poverty, this indicator translates the results and outputs of projects into monetary value.
<b>Acumen Fund's BACO ratio</b>	Quantifies the estimated social output of an investment and compares it to other investment possibilities which aim to solve the same social problem.
<b>The Hewlett Foundation's Expected Return</b>	Aims to respond to issues related to a given investment portfolio: what is the objective, what is the expected change, is it a good bet, what difference does it aim to make, what is the price?
<b>The New Economics Foundation's Local Multiplier 3</b>	Evaluates the economic impact that an organisation has on the local economy of its area.
<b>Logical Framework Approach</b>	Project design tool for identifying problems, targets, objectives, activities and markers relevant to the project, as well as for guaranteeing its sustainability and viability.
<b>Foundation Investment Bubble Chart</b>	Graphic which illustrates markers/metrics which allow comparison between different organisations' activities.
<b>The Center for High Impact Philanthropy's Cost for Impact</b>	Provides information and tools which allow donors, financiers and investors to understand which is the best option for their funding.

Table 7.4 based on Manetti (2014); Emerson (2003); Hustedde, Pulvar & Shaffer (1993); and Miller & Hall (2013).

This section of the chapter introduces two of the tools which allow organisations in the social and solidarity economy to evaluate their impact: the Local Multiplier 3, recognised its ease of use and objectivity, and Social Return on Investment, as the tool used in various parts of the world.

**The Local Multiplier 3: evaluation of the economic impact of an organisation at the local level**

The biggest impact of organisations in the social and solidarity economy takes places in the communities in which they operate. For example, they may solve a given social problem with the aim of reducing social exclusion. The local economic impact that they generate is also important: given that these organisations are economic agents, they create new



jobs and they consume goods and services. For that reason, it is important to evaluate the economic impact of these organisations, in order to show financiers, donors, investors and politicians the impact that their investments or donations could generate; as a way of making organisations responsible for the management of their funds; or as a path to collecting funds and to demonstrating good practice in management.

According to Hustedde et al. (1993), one of the instruments which allows organisations in the social and solidarity economy to evaluate their impact is the Local Multiplier 3 (LM3), whose methodology is based on the Keynesian multiplier. The LM3 considers only the first three rounds of expenditure used in consumption in the local economy of an income flow which originates outside this local economy. The LM3 measures the increase in benefits to the local economy resulting from the introduction of income of a monetary unit in this same economy. To give an example, an LM3 with a value of 2.04 means that for every euro which enters the local economy, the local income will increase by 2.04 euros, that is, the initial euro plus 1.04 additional euros generated by the reuse of that euro in consumption in the local economic circuit. This value has an upper limit of 3 (indicating that the total capital is used in the local area) and a minimum limit of 1 (which assumes maximum capital flight).

The LM3 calculation begins with an initial external capital from outside the local economy (state funding or donations from non-local agents to a local organisation, for example), which is directed towards an organisation (first round – R1). The organisation which receives this income spends this capital on goods and services (second round – R2) and these expenses, which are analysed according to their local application, are put through the same analysis (third round – R3). In the first round, the initial income is determined, in the second round, the amount spent by the organisation on local goods and services (such as human resources, supplying goods and services, interest and similar expenses, among others); and, finally, the third round determines the local expenditure of those entities with which the organisation establishes contractual links (everyday expenses, like food, paying loans, insurance, entertainment, services, among others). The final calculation of the LM3 results from the following equation:

$$ML3 = \frac{R1 + R2 + R3}{R1}$$

in which R1 designates the initial income into the local economy; R2 consists of the expenditure of that entity which takes place within that geographic area; and finally R3, taking as a basis that the expenditure takes place locally, studies the expenditure of the organisations which establish links with the organisation in question (usually human resources, supplies and external services), checking what expenditure is local and not local.

This tool adapts the simple Keynesian model, in which local output results from the sum of expenditure on consumption, exports and public spending, minus imports. It is based on export-based theory in which change in total local yield results from the sum of change in total yield of the basic sector (which includes the total yield from exports, investment and state funding in the local area). According to Sacks (2002), this tool was applied in the UK in ten communities in five different sectors, which allowed for better understanding of the economic impact of each of these sectors in these communities and the role played by this impact on the ability of each community to retain the profits made by their exports within the local economy.

Sacks (2002), and Lewis and Ward (2002) explain that the LM3 does not seek protectionism, but to strengthen the local links which maximise the use of capital in the local area, independent of its origin. It aims for local prosperity, in order to establish commercial links for goods and services which are not produced in other places, allowing for new market opportunities to be discovered. This author concludes that this mechanism, through the analysis of monetary flows, has a high practical potential and provides information to aid decision-making local development project.

### **Social Return on Investment (SROI)**

Brought about by the Robert Enterprise Development Fund in the United States and tested by the New Economics Foundation, SROI assigns a monetary value to the social and environmental impact of an organisation and/or a project in order to illustrate the creation of value by these organisations, value which is not focused solely on financial value (Rotheroc and Richard, 2007, cited by Miller and Hall, 2013).





SROI was developed in order to understand, manage and report the social, economic and environmental value created by an organisation (New Economics Foundation, 2007). It is based on the principles of accounting (with the specific aim of monetising results obtained) and of cost-benefit analysis (as it assigns a monetary value to social and economic returns) (Miller and Hall, 2013).

According to Manetti (2014), the principal objective of SROI is measuring the social and economic value created by an organisation in the local community where it operates, so that a rational quantification of its impact can be obtained. The premise of SROI is that value is created in three dimensions: the economic, the social and the environmental (Scholten et al. 2006, cited by Manetti, 2014), obtaining as a final result a marker which represents the return, in socioeconomic terms, of the whole monetary unit invested into a project or an organisation.

SROI includes qualitative and quantitative information which allows the organisation to maximise its results. It is calculated in the following way:

$$\text{SROI} = \frac{\text{VAL of benefits}}{\text{VAL of costs}} = 3.1^2$$

An SROI with the value 3:1 indicates that for every euro invested in the organisation or project, a value of three euros is returned to the society; that is, for every euro incurred as expenditure, the organisation created three euro of benefits in the pursuit of its mission and strategy.

Although it indicates the impact made, this resource should not be analysed as a mathematical tool and should be accompanied by a structure which allows for analysis of the impact created as a whole and for communicating the organisational reality in an integrated way (Emerson, 2003).

But how is SROI calculated? The Office of the Third Sector (2009), a department of the British government, and Aeron-Thomas et al. (2004) set out the phases of the process (Table 7.5):

<sup>2</sup> VAL - Valor Actualizado Líquido

**TABLE 7.5 PHASES OF CALCULATING SOCIAL RETURN ON INVESTMENT**

1	Define what is going to be evaluated (the organisation as a whole or just one project) and identify the key interest groups and how they are going to be involved.
2	Create a logical model which shows the relationship between <b>inputs</b> , <b>outputs</b> and results (create an impact map; identify <b>inputs</b> ; assign a value to the inputs; clarify and describe <b>outputs</b> ).
3	Demonstrate results and assign a value to them (this implies finding the necessary information to prove that the results were produced and assigning a monetary value to them; developing <b>output</b> markers; compiling information relative to the <b>outputs</b> ; establishing the duration of the <b>outputs</b> ; assigning a value to each <b>output</b> ).
4	Establish the impact: remove from the analysis impacts produced independently of the work of the organisation or which are the result of other activities.
5	Calculate the SROI.
6	Share the results with interest groups and stakeholders.

For the Office of the Third Sector (2009) the advantages of evaluating impact using SROI are based on:

- understanding the social, economic and environmental value created by the organisation;
- the possibility of maximising the positive change created and identifying and managing the negative outcomes which could result from the organisation's activity;

- including the continual monitoring of social impact, being at the same time a forecast and an evaluation;
- signposting the organisation to possible backers and donor organisations.

Applying purely quantitative evaluation methods to impact can be beneficial for organisations in terms of knowledge and recognition, growth, improved internal controls, organisational learning, relations between





different interest groups and/or stakeholders and identifying problems with activities and processes.

Despite these advantages, some studies point to many disadvantages of using this tool, the most commonly

mentioned of which is the implementation costs, whether financial (training staff), in time (compiling data), or in human resources; and that it is complicated to apply (Emerson, 2003; Office of the Third Sector, 2009; Manetti, 2014 and Lingane and Olson, 2004).

## 2.2 LATIN AMERICAN PERSPECTIVES

Given the impact of globalisation on the economy, the microelectronics and telecommunications revolution and increasing ecological awareness, the link between business and society has acquired a new dimension and importance in Latin America, translated into what is known as social responsibility.

In Latin America social responsibility is related to issues of climate change, sustainable development and social inclusion, as opposed to in Europe where it is more concerned with financial management, or the United States, where the emphasis remains on philanthropy.

Font (2010, p.63), citing Canessa and García (2005), affirms that “The first manifestations of the social responsibility movement in [Latin] America appeared in the 1960s, with the emergence of the Christian Association of Business Executives (Associação de Dirigentes Cristãos de Empresa, ADCE) in Brazil in 1965, an institution concerned with spreading the idea of social responsibility across the region, but it is not until the 1980s that it achieves prominence”. In the 1990s, a group of institutions in different countries appeared like the Corporate Social Responsibility Program (Programa de Responsabilidad Social Empresarial) in Mexico in 1997, Perú 2021 in 1996, Instituto Ethos in Brazil in 1998, Action CSR (Acción RSE) in 2000, FUNDEMÁS in El Salvador in 2000; as well as international networks like Business Forum (Forum Empresa), created in 1997 by business owners, civic leaders, NGOs, universities and public institutions, with its headquarters in Santiago de Chile.

Even though social responsibility has been and still is focused on businesses, it is the work of everybody; it is everybody’s responsibility to build a responsible society for themselves. It falls to public and private social actors, both for-profit and non-profit, because their acts generate impact which affects others. It is an intra and intergenerational issue, where each individual is responsible for the world which we are all contributing

to building. Consequently, it is no longer only a question of business social responsibility or corporate social responsibility, but the social responsibility of organisations.

This implies moving towards a global ethical dimension of co-responsibility, where the subject is not a person or society, but humanity. It is about new mental models, new levels of consciousness which emerge from a profound transformation of the human being, of society and of humanity, where each person is aware that his or her life and survival depends on that of others.

### **Towards measuring the impact of social responsibility in Latin America**

The markers of social responsibility are oriented towards measuring the impacts of a business’s activities on society and the environment; as well as redirecting those activities which have a negative impact.

It is necessary to clarify that – at least in Latin America – specific markers to measure the social impacts of social businesses do not exist. However, as social businesses are still businesses: the markers defined by different organisms can be adapted for them.

In Latin America one of the biggest efforts has been made by Instituto Ethos, through the Latin American Social Responsibility Programme (Programa Latinoamericano de Responsabilidad Social – PLARSE), which aims to use one system of markers for all Latin American countries. Various organisations participate in the Programme, from Paraguay, Ecuador, Bolivia, Argentina, Brazil, Peru and Nicaragua.

The Programme proposes the following system of markers, which has been adapted and applied in the countries of the participating organisations. There are 40 markers divided between the following areas of measurement:



**TABLE 7.6 LATIN AMERICAN SOCIAL RESPONSIBILITY PROGRAMME****1. VALUES, TRANSPARENCY AND CORPORATE GOVERNANCE**

## 1.1 Self-regulation of conduct

Indicator 1: Ethical commitment

Indicator 2: Rooted in the organisational culture

Indicator 3: Corporate governance

## 1.2 Transparent relationship with society

Indicator 4: Relationship with the competition

Indicator 5: Dialogue and involvement of stakeholders

Indicator 6: Social and sustainability reporting

**2. EMPLOYEES**

## 2.1 Dialogue and participation

Indicator 7: Relationship with trades unions or other employee associations

Indicator 8: Participatory management

## 2.2 Respect for the individual

Indicator 9 – Commitment to the future of children

Indicator 10 – Commitment to child development

Indicator 11 – Appreciation of diversity

Indicator 12 – Commitment to non-discrimination and promotion of racial equality

Indicator 13 – Commitment to the promotion of gender equality

Indicator 14 – Relationships with outsourced workers?

## 2.3 Decent work

Indicator 15 – Policy on remuneration, loans and career development

Indicator 16 – Care for health, security and working conditions

Indicator 17 – Commitment to professional development and employability

Indicator 18 – Conduct towards those who leave the company

Indicator 19 – Preparation for retirement

**3. ENVIRONMENT**

## 3.1 Responsibility towards future generations

Indicator 20 – Commitment towards improvement of environmental quality

Indicator 21 – Environmental education and awareness raising

## 3.2 Management of environmental impact

Indicator 22 - Management of environmental impact and in the life cycle of products and services

Indicator 23 – Sustainability of the forest economy

Indicator 24 – Minimisation of carriage of materials

**4. SUPPLIERS**

## 4.1 Selection, evaluation, and partnership with suppliers

Indicator 25 – Criteria for selection and evaluation of suppliers

Indicator 26 – Child labour in the production chain

Indicator 27 – Forced labour in the production chain

Indicator 28 – Support for the development of suppliers



## 5. CONSUMERS AND CLIENTS

### 5.1 Social dimensión of consumption

Indicador 29 - Commercial communications policy

Indicador 30 - Excellent customer service

Indicador 31 - Knowledge and management of potential harm caused by products and services

## 6. COMMUNITY

### 6.1 Relationship with local community

Indicator 32 – Management of the impact of the Company in its local environment

Indicator 33 – Relationship with local organisations

### 6.2 Social action

Indicator 34 –Financing of social action

Indicator 35 – Involvement in social action

## 7. GOVERNANCE AND SOCIETY

### 7.1 Political transparency

Indicator 36 – Contributions to political campaigns

Indicator 37 – Building a culture of citizenship by companies

Indicator 38 – Anticorruption and anti-bribery practices

### 7.2 Social leadership

Indicator 39 – Leadership and social influence

Indicator 40 – Participation in government-led social projects

(Ethos, n.d.)

## 2.3 AFRICAN PERSPECTIVES

In *The Oxford Handbook of Corporate Social Responsibility* Visser offers a chapter on Corporate Social Responsibility in Developing Countries (note that the vast majority of African countries are labelled as “developing”), in which he defines what he understands by this concept: “The formal and informal ways in which business makes a contribution to improving the governance, social, ethical, labour and environmental conditions of the developing countries in which they operate, while remaining sensitive to prevailing religious, historical and cultural contexts” (Visser, 2008, p. 474).

The reasons for which the approach to social responsibility in developing countries is different to that in the developed world are the following:

i) “developing countries are where the social and environmental crises are usually most acutely felt in the world (WRI, 2005; PNUD, 2006)”; ii) “developing countries are where globalization, economic growth, investment, and business activity are likely to have the most dramatic social and environmental impacts (both positive and negative) (World Bank, 2006)”; iii) “developing countries present a distinctive set of corporate social responsibility agenda challenges which are collectively quite different to those faced in the developed world” (Visser, 2008, p.474). Visser points to the dominance of South Africa with regards to concepts of social responsibility, having found other specific studies about the Ivory Coast, Kenya, Nigeria, Tanzania, Malawi and Zambia (2008, p.478). He concludes that studies are very scarce and lack

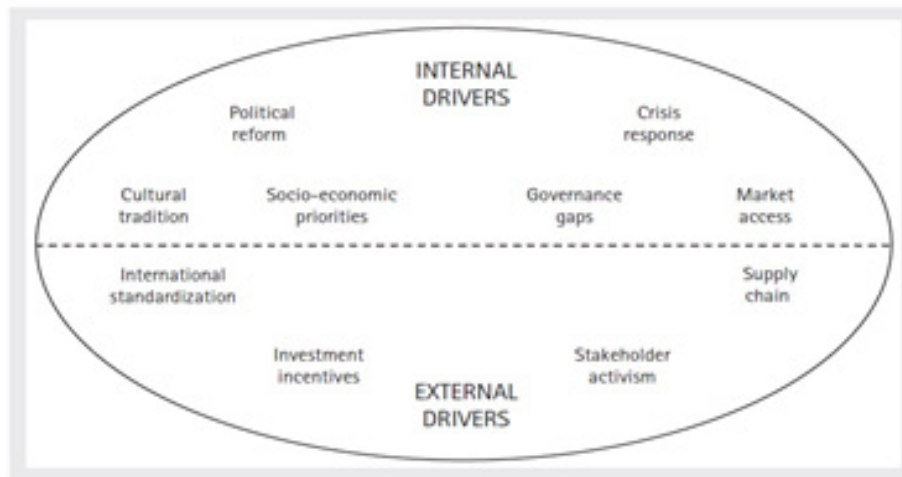


depth. According to Visser, there are ten key factors which define social responsibility in developing countries and which lend it its individual character. In his research, Visser divides these factors into internal, referring to pressures within the country, and external, which tend to have a global origin.

The following diagram (Figure 7.2) illustrates his conclusions:

**Figure 7.2 Internal and external factors defining social responsibility in developing countries**

(Visser, 2008)



The author sees in cultural tradition, political reform, socio-economic priorities, crisis response, market access and weakness in governance as the key traits of the social responsibility profile of African countries.

As for external drivers, Visser identifies the process of international standardisation (through the homogenisation of legislation, such as the application of ISO 14001), investment incentives, stakeholder activism (generally to compensate for weakness in governance), together with the necessity for investors to stock their supply chain, as the principle factors which differentiate social responsibility in developing countries (p.488).

### **Social transformation in Africa: the centrality of empowerment**

By promoting the active participation of citizens, organisations in the social and solidarity economy promote, directly or indirectly, their training and empowerment. This concept has meant a

fundamental paradigm shift in the approach to poverty, as it stopped being seen only as a lack of material resources and began to be considered the result of unequal power relations (Lewis and Kanji, 2009, p.76). The concept of empowerment is very wide and always supposes increasing the “individuals’ options of free choice, increasing the control that they have over resources and options, and freeing them from institutional oppressors, both formal and informal” (Costa, 2011, p.17). These new actors are trained to achieve a clearer vision of problems and to be able to mobilise the necessary resources to solve them. The so-called “social entrepreneurs” (Marques, 2010, Hespanha (2009, p.18) fall into two categories: “opportunity entrepreneurs”, associated with the capacity to spot opportunities, innovate and potentially gain profit, and “necessity entrepreneurs” which encompasses individuals who, through lack of other opportunities in the job market, decide to start a business to support themselves or their families. Necessity entrepreneurship, the most common kind

in African countries, has less impact, as it does not use as much technology or innovation, it creates little wealth and few jobs, and is, normally, a reflection of the lack of opportunities in the country, the absence of jobs, poverty and the need to survive.

However, as Costa (2011) highlights, the fact that opportunity entrepreneurship has more impact does not mean that necessity entrepreneurship does not play an important role. Although some fail, the businesses which survive provide entrepreneurs and

their communities with economic improvement and increased dignity. They are often the only possible way for people to escape from absolute poverty, strengthen their financial autonomy and change their lives, primarily by buying long-lasting consumer goods and basic services, which provide better housing, better food, better access to education, health and information, more free time, and in some cases, the escape from conditions of extreme poverty via returns on investments. They imply, in short, a clear change in the lives of people and communities.

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### 3. DIALOGICAL SECTION

The model (Figure 7.3) presented aims to answer the question: **How can organisations create positive social change; and how can they demonstrate this?**

Our starting point has focused on the responsibility that an organisation should have for its community and the place where it is located. With this model, we propose that in order to legitimise positive

social change generated by organisations in their communities, it is important that those who work for these organisations are aware of their responsibility for their actions (or lack of actions). This awareness is part of a process of personal and collective reflection that questions the simple idea of doing something to comply rather than having any personal conviction about what should be accomplished.

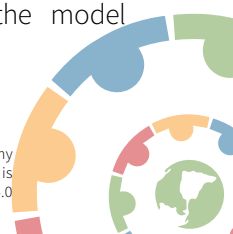
**Figure 7.3 The four compass points of social responsibility and transformation**



Currently, organisations recognise and identify their exercise of social responsibility based on a triple bottom line: the social, economic, and environmental aspects.

Their relationship contributes to a new aspect: the ability and responsibility within social enterprises for individual transformation, giving rise to a new model that does not only emphasise social responsibility. We call this model The Four Compass Points of Social Responsibility and Transformation. This model aims to overcome a vision that only promotes and validates

changes in one direction: that of organisations as promoters of change outside their own environment and work space. It advocates a two-way sense of responsibility and transformation, in which people as a part of the social economy play an active role in shaping and defining changes within their own organisations, together with other stakeholders. This is through processes of participation, involvement, and reciprocal transfer between community/society and the social enterprises. With this understanding, the model presented consists of four aspects:



- Individual transformation
- Community well-being
- Economic sustainability
- Care for the environment

The four aspects complement each other and are inseparable: separation would entail the devaluation and limitation of human relational abilities, which this system is designed to nurture.

### **Individual transformation**

This deals with becoming aware of, and responsible for, our relationship with our immediate surroundings. Our view in presenting this model is based on the conviction that it is not enough to have personal knowledge or understanding, but rather the responsibility lies in the decisions made by each person in relation to their knowledge and understanding. The belief underpinning this is that we cannot speak of social responsibility and transformation that does not start with full consciousness and commitment of individual responsibility to others within their environment and space of interaction.

From the perspective of human transformation, this is conceived of within a holistic paradigm; where overall well-being is highly valued by those who work in this sector. This is a well-being that promotes their personal fulfillment, the meaning and direction that individuals attribute to their lives, and the respect that they deserve from other people. It is a well-being that must be defined by certain standards of quality, fair work conditions, and implies a greater understanding of the well-being of all.

Individual transformation means that each person feels that his/her work is valued, is personally significant and meaningful to others; and that they are aware that their well-being and empowerment depends on the well-being and empowerment of others. Therefore, there is an interdependent relationship between people.

The co-independence factor arises in relation to liberation from relationships that detract from the ability and freedom to make decisions and to take actions without external coercion. It is a co-independence that allows the person, together with others, to regulate their time, context, and working conditions, and to be aware of the impact that is

derived from their active participation in making personal and collective decisions.

The psycho-affective processes that occur within this individual transformation are key to confronting the realities of injustice and those that align or marginalise the person from his/her rights and needs.

### **Community well-being**

This aspect proposes that there is a strong relationship between personal well-being, including self-esteem, and the well-being of the community. This represents a strong commitment to the community, with a vision of active citizenship, interpersonal development, innovation, the ability to be autonomous, and an openness to take risks and try new things. It assumes that all can participate and contribute on some level, for themselves and the community.

The participatory model of governance and management, involving representatives of all stakeholders, becomes values-laden in itself. In order for everyone to feel part of the same community and share problems and solutions, it is important to involve the community and other institutions in strategic and operational decisions and to assess the advantages and disadvantages of community development proposals with those affected. These experiences often represent the learning and development of democratic skills.

This aspect promotes collaborative work focused on continuous and life-long learning and extends throughout the entire nuclear family, from an inter-generational and gender approach. This also applies to forms of independent work, such as self-employment.

Personal fulfillment resulting from professional and work fulfillment is very important, and often results from the feeling of participating in community problem-solving. Furthermore, commitment to this aspect does not decrease due to the wage gap that exists between the private and public sectors. This means that the people who opt for this system consider the diversity and transformation of community experiences, personal fulfillment, and the mission of their service to be one of the rewards of their work. This means that the advantages transcend monetary issues and become personal, relational and collective rewards.



Social enterprises add to their responsibilities the inescapable responsibility of being spokespeople for communities that feel forgotten by the government and others who hold power.

### **Economic sustainability**

The interpretation of this aspect refers to more than sustainability in a purely financial sense. It also takes into account how the manner in which work, income generation, its purpose, and its impact within the community are conceived.—

Achieving and maintaining sustainability is one of the characteristics of organisations with social and solidarity-based economies, but it also represents a challenge. Organisations are fully aware that any income diversification and generation will increase their ability to take responsibility for the positive transformation of their own community. Furthermore, it gives them greater responsibility when making decisions related to the development of the location in which they operate.

For social enterprises, it is vital to know the impact that their productive activity generates. Fair trade is one example of this; it goes beyond the simple process of production and exchange and extends into the realms of fair wages, work conditions, and the governments of the countries of origin of raw materials. The prices of services or products are sometimes above the market average because they adopt fair working conditions and practices to care for the environment.

This results in an *intrinsic value* to the modus operandi of the organisation, rather than an *added value*. Social enterprises assume these costs, while in other sectors the real cost is not made visible and is assumed by the civil society in the form of high levels of poverty or social/economic marginalization and environmental destruction.

The ability of each participant in a social enterprise to decide the fate of the organisation's financial surplus is fundamental to economic sustainability. It becomes an incentive for people to maintain the collective will

to continue their work and promote the development of the organisations themselves.

The social responsibility and transformation within this aspect referred to as economic sustainability inexorably takes place from the knowledge and understanding of the traceability of the resources that the organisation uses for raw materials, their practices, their buying habits, and the relationships generated by these activities. This involves continuously instilling transparent communication practices, in which information on these supply chain and procurement aspects is accessible to all stakeholders and society in general, in order to promote and strengthen value-based relationships and behaviours such as reciprocity, one of the lynchpins of a social and solidarity-based economy.

### **Care for the environment**

The commitment of organisations within the social and solidarity-based economy involves using technologies in production processes that protect the environment, also known as ecological rationality in the use of technology. Protection of the environment implies a more rational use of resources, using fewer contaminants, recycling a greater proportion of waste generated, and treating residual waste in a more efficient manner than conventional technologies. The certification of products and services becomes an efficient mechanism to demonstrate the organisation's commitment to reducing or eliminating the negative by-products that their work causes in the environment.

Traditional practices are recovered and promoted by organisations whose work is environmental protection or the improvement of resource management.

The social transformation discussed here refers to individual and societal change with respect to others. But crucially it also refers to respect towards oneself and towards nature.



## 4. PRACTICAL CASES

### 4.1 COOPERATIVE AND ASSOCIATION OF THE NORTHERN ALTIPLANO, CAPE VERDE (SANTO ANTÃO)

#### Rational objectives

- To identify cooperative values in the African context.
- To understand the response/resolution mechanisms and operation of formalised groups in the African context.
- To reflect on the impact of these community experiences on social change.

#### Experiential objective

- To be aware of the role of social economy organisations in social and community development.

#### Context

The Resistance Cooperative of the Northern Altiplano (Cooperativa de los Resistentes del Altiplano Norte - CRPN), is a consumer cooperative in Chã de Feijoal in Cape Verde, officially started in 2008 after working as a 'pre-cooperative' in 2007 with the corresponding committee. The cooperative works to provide the community with basic consumer goods in times of drought (which are frequent), to guarantee the survival both of the inhabitants and of the animals bred for the population of the northern Altiplano.

The term Resistance and the fact that it is a consumer cooperative are justified by the difficult living conditions the population suffers (lack of water, wild landscapes and long periods of drought) and the response of the cooperative in difficult times to meet the population's urgent needs. "In such situations a consumer cooperative was necessary both to guarantee the nourishment of animals in the area and to have access to basic consumer goods - there was no point having a cheese production cooperative if there was no forage to feed the animals to be able to make cheese. We know there is drought throughout the year, almost the whole year, so we must have feed to sustain the animals," explains Antonio Sabino, President of the Cooperative's Finance Board.

#### Content

The choice to become a cooperative was for reasons of social justice and equity of access to consumer

goods. "The cooperative, as well as having accessible products, also manages to secure fair prices, affordable for the producers." The consumers/producers are at the same time investors "because the cooperative is ours." As such, the prices of products sold by the cooperative and the profits derived from sales are for the consumers and the producers at the same time.

The President of the cooperative, Manuel Vitória, is also President of the Board of Directors for the Association of the Northern Altiplano, created in



2004 through Caritas, in Porto Novo. According to Manuel, the association was started with community development goals, to respond to problems specific to the northern Altiplano region, with great community spirit. "It was essential to unite to try and resolve jointly the problems affecting the Altiplano populations."

The association has already worked on projects related to water, building reservoirs, protecting soils and planting trees but is currently inactive and waiting to secure funding. Now, the association's objective is to raise awareness so that people pay membership fees and are moved to participate. Future projects depend on any funding obtained to help the region be valued from a tourist perspective, as its potential is huge. The plan is to focus on solidarity tourism; rather than building a hotel, the idea is to "improve family homes so they can offer an acceptable bedroom and bathroom for welcoming tourists into the house. That way, the money would be for families rather than staying in the hands of one person."

## Internal operation

The operation of CRPN, which has 45 members, is unlike many 20th century cooperatives over which governments exercised a great deal of control. “The cooperative was created top-down and that is different to our model. We left the cities; our model is created from the inside moving out” (Antonio Sabino). The Resistors struggled in setting up since they first had to “build awareness because we were so discredited, everyone thought it didn’t work and that it was a way of cheating people.” One way of attracting members was the distribution of profits among legal members of the cooperative: “It was decided in an assembly that if you don’t pay fees you can’t be a member. It’s illegal otherwise. That created a lot of motivation .... The fees are a symbolic amount; if the member earns 2500, he has to pay 600 - he’s up 1900 escudos.”

This is a case in point of an organisation system based on principles of democracy and autonomy, and where management responsibilities are assumed by the members of the cooperative itself. The principles of voluntary membership, responsibilities for every member and democratic control of the cooperative are very much present.

Decisions are made by voting in a General Assembly. Members with limited literacy are always kept in mind: more technical documents are presented on posters, and the directors make an effort to encourage members to participate in the discussion and to make sure they understand, as Antonio explains. This method of sharing information, alongside the distribution of profits, encourages even more member participation: “Everyone knows that an assembly will take place in March .... Everyone comes on that day and pays their fees and it is arranged so they can also receive their share of the profits. On the same day, proposals are presented in plenary and are voted on” (Antonio Sabino).



An obvious concern for the CRPN is the remuneration of key people in the association, i.e.:

1. The people who make the business sustainable - the associated members.
2. The people who work to make the business viable - the employees and management.

The first are safeguarded by the organisation’s mission and articles of association which state that “the cooperative must distribute among its members.” The second illustrates an awareness of the time and costs involved in coordinating the cooperative - an awareness of social responsibility. Bearing in mind the time spent coordinating the cooperative takes away time that could be dedicated to their main activity on which they survive, usually rearing livestock, the assembly voted to allocate a ‘small bonus’ to the coordinators as a form of compensation.

The CRPN currently has full-time employees, with the right to a contract and insurance, and management, without a definitive contract but receiving a bonus for their dedication and motivation.

## Impact in the community

The organisational models put in place by the Cooperative and the Association of the Northern Altiplano are very important agents in removing political ties from the community and in finding local solutions to local problems, solutions centred in the community.

This is clear, for example, in the sale of products at prices that are predetermined by all the members of the cooperative (participation and proximity to the community) and not exposed to the fluctuations that individual businesses or food shops could suffer. “If, for example, that shop were mine, I would set the price I thought fit .... But it is a cooperative and the prices are fixed by member agreement; if there is a product that members think is too expensive, they can bring it up in the assembly. That price must then be discussed, the current price explained, and whether or not there is the possibility of selling it more cheaply, because the main objective is to have an affordable price, not a greater profit” (Antonio Sabino). Clearly, this is only possible by abandoning the logic of the market economy and practising a solidarity and sharing economy, which is



“only achievable with a cooperative”. In other words, “we have to make a profit in order to guarantee the sustainability, development and consolidation of the cooperative, but not such high figures.” This means more fairness and greater balance in defining prices which are inclusive. At the same time as building social justice with respect to access to products, wealth is also being generated in the region as there is constant reinvestment in the business: “Of the prices set on the products sold in the cooperative, a percentage of the profit is ours - we are investing and finding the product in the area, investing in something that is ours ... 20% is the members’ profit margin, 30% is stock, another 20% is the reserve fund (deposited in the bank for any eventuality) and the other 30% is working capital” (Antonio Sabino). The cooperative also takes on an added social responsibility, emphasising that “if there is some eventuality, an emergency that needs addressing - a family that is struggling financially, for example - obviously as a cooperative we are committed to help.”

Manuel Vitória, on behalf of the Association of the Northern Altiplano, highlights the social responsibility of the State and international organisations, criticising the actions and projects they carry out as either built around an incorrect diagnosis or offering solutions that are inadequate for the local reality. For both interviewees, it is in the community where, in living the problem, the best, cheapest, most sustainable solutions are achieved. They give the example of the reservoirs. An international organisation arrived with good will, sought funding and began work but “they didn’t manage to finish the reservoir with the funding

assigned for it. They did a part of it but then had to stop because the money ran out and they had to secure new funding and start again. They didn’t finish because they spent all the money on labour.” The huge, obsolete tanks are there to be seen for anyone visiting the northern Altiplano. The community uses another water reservoir, built by local people using local resources, for much less money and without exceeding funds or deadlines.

The interviewees also highlighted the responsibility of the two organisations in reinforcing a critical mindset in the community and in community development. Both men feel that, often, African organisations, imbued with a handout mentality, “were used to carry out work” to serve national and international interests, often more to do with resolving problems in the short term than real, sustainable community development. The two directors take on the responsibility of the Association and the Cooperative of the Northern Altiplano to guarantee the quality of investment made in the associations, ensuring they are orientated towards “identifying the problems in the area, seeking solutions, training management and designing projects, so as to be able to go to whichever NGO and knock at the door with a project in hand for resolving the problem” (Manuel Vitória).

What makes these young men continue to give everything to these organisations? “A constant motivation to want something better for the northern Altiplano” (Manuel Vitória), and a belief that “together the community can make its voice heard more easily. Legally, on the one hand, but also simply because it has more force” (Antonio Sabino).

### Questions for discussion and action

- What three things struck you most in the case study? Why?
- Reflect on the features of the internal operation of cooperatives that mobilise communities.
- Speculate on the importance of social responsibility activities for social cohesion and community involvement in social problems.
- Analyse the impact of these two organisations on community development.

## 4.2 JESÚS MESA SÁNCHEZ SAVINGS BANK COOPERATIVE, MEXICO

### Rational objectives

- Identify the role of a savings bank in the process of social transformation through the stories that are presented.
- Analyse the responsibility and social transformation of a cooperative using the model of the quadruple bottom line, presented earlier in this chapter.
- Carry out a case study based on the personal stories, the role of responsibility and social transformation of cooperatives in different sectors (savings, consumer, production, distribution, etc.).

### Experiential objective

- Appreciate the importance of responsibility and social change of organisations in the social and solidarity economy as features that differentiate them from other organisations.

### Context

As the literature has shown, the social and solidarity economy is intrinsically linked to social change and as studies in this field demonstrate, this extends inevitably to the process of personal transformation. This is a key indicator of the ability of organisations to change lives. In this study, we present the personal stories of some of the members of the Administrative Council, of the Accountability Committee, the Head of the Education and Dissemination Committee and of the Juan Mesa Sánchez Savings Bank Cooperative. Each member recounts how belonging to a cooperative has changed their lives, not only at a personal level, but also at a professional level and what it is like to belong to a cooperative family.

The name of the cooperative dates back to 1963, when the priest Jesús Meza Sánchez (parish priest of the Santos Reyes church in the town of La Paz) decided to set up a savings bank to support the economic

development of their community. At that time, 193 people joined. Today, 51 years later, the number of members has increased to 25,000, the number of junior savers to 6,000 and the number of branches to four.

The mission of the Jesús Meza Sánchez Cooperative (JMSC) is to contribute to the improvement of the quality of life of its members and it achieves this through educating a savings culture, mutual support and the responsible use of loans through its different savings, loan and investment products.

The benefits that the cooperative offers to its customers are:

- Access to all the savings accounts that are offered by the institution.
- Availability of the range of products and services.
- Payment services for electricity and telephone bills.
- Participation in promotions and events that the cooperative holds at no cost to the members.

The cooperative has a variety of loan products which cover different personal consumer needs such as medical bills, school fees, family bills, purchase of furniture, etc., building costs, renovation, extensions to properties. In addition, in relation to work costs, there are loans for the purchase of tools and equipment, provisions, agricultural machinery, purchase and repair of transport-related equipment just to mention a few. The cooperative is affiliated to the National Cooperative Alliance (ALCONA according to its Spanish acronym), to the Latin American Confederation of Cooperatives and Workers Mutuals (COLACOT), to the Cooperative Federation of Mexico Valley (CITLALLI) and to the Confederation of Savings Bank Cooperatives of Mexico (CONCAMEX). It has a broad social capital which sets out to safeguard the values and principles that have guided the development and expansion of the cooperative to date.

### Content

**Name:** Santa Guadalupe Castellanos Díaz

**Post:** Vice President of the Administration Council



At home they tell us that whilst you have a job, irrespective of what it is, that you do well and with dignity, that is more than enough. The Cooperative has been a means of obtaining resources and solving our problems. Many families have lived that same experience. My father was always a member of

the Cooperative and when he married my mother, she too became a member. My memories as a child are that they could face up to extremely difficult times thanks to the savings that they had. In fact, our house was built with various loans that were issued by the savings bank. Sometimes, for example, when there were no funds for my college education, they said to me: “We’re going to get a loan.” They came and took out a loan to ensure my education.

I was a junior saver. The savings bank usually sent us, when we came of age, a letter which said: ‘Dear member (and it included your name), we wish you a happy 18th birthday. We would like to inform you that, from now on, you are a full member of the savings bank and we would like to invite you come and carry out the formalities in order to get your membership card’. Being 18, I went to collect my voting ID and other documents to carry this out and so became a member. Our parents always took us from being very young to the assemblies, emphasising that it was important to attend so as to be well informed. I attended the 2007 Assembly as a member and, as one of the councillors was stepping down, elections were held and, as luck would have it, my name came out as a candidate and so I put myself forward for the Directive Council. At that time all the candidates were informed that we were to introduce ourselves to the Delegates, I presented my proposals and they elected me as a member of the Administration Council.

**Name:** Julián Sánchez Salazar

**Post:** Secretary of the Accountability Committee



My mother enrolled my brothers and sisters and I in the cooperative and I’ve been a member for 37 years. That is where I met the woman who is now my wife, born here in Reyes, where I’ve always felt very well treated. I know that our parents bought the land on which to build their house thanks to the cooperative.

I only studied as far as secondary level (high school) and I always sought to work in companies that offered me a future. The knowledge and experience that I got in the private sector, especially in the financial administration part of the companies, was very helpful for me when they elected me as a councillor round about 2012. There was tight competition with ten applicants for the two places. I am confident that I can offer the present members the experience and knowledge that got me here to the Accountability Committee. Today the government is tightening up the regulation processes and the laws so as to get rid of this sort of cooperative.

**Name:** Jovita Tello Villa

**Post:** Secretary of the Administration Council



I am the secretary of the Administration Council of the Jesús Meza Savings Bank. My father always instilled in us sound principles and always told us that to be in a cooperative we should be honest, loyal, efficient and be a role model for all the members.

I liked that way of thinking and I enrolled as a member. I underwent the cooperative course, because then the people who gave it were the same people as were on the committees. Later, a colleague encouraged me to put myself forward for the elections since I had always loved the cooperative and liked helping others. They all voted for me and I was delighted that they had trust in me.

Then I thought to myself 'I'm going to check the state of the finances' and I found out that everything was correct and in order. I'm very pleased to belong to the cooperative. I am satisfied that we have people with outstanding qualities. The values of this cooperative are honesty, loyalty, friendliness and efficiency. It stands out because it is not motivated by earning money and this is true of all cooperatives.

I want to tell you the truth that it is so satisfying to help others when they haven't a clue. I used to say that perhaps the banks were better but then I realised they can't compare with cooperatives. We should make every effort and come together as one cooperative movement to carry on supporting all the cooperative community.

**Name:** María de Lourdes Mejía Juárez

**Post:** Spokesperson for the Administration Council



I've been a member of the Jesús Meza Savings Bank since I was five. I am the daughter of farm workers. Some friends of my parents told them where to put their money because they had been to the bank and they knew nothing about interest rates. One day I was elected as a councillor and I began to pre-

sent reports, proposals. At that time, I was studying for a master's in business administration. I come from a family that has had to fight and work. On that master's I did my dissertation on the business model of a cooperative. They asked me: what is a cooperative? Is it a business?

At the time that I submitted my proposal to the postgraduate assessor at the University, I was told: I shouldn't accept it because they are supporting me and people say that cooperatives are a fraud. I was going to be thrown out and I asked the Jesús Meza Savings Bank permission to do a study here and they agreed. My argument for doing it was: the cooperative is a business not because it generates profit but because it genuinely helps to stimulate the economy

not only in one sector but in all sectors. However, this is something that is hard for many to take given the non-profit making aims of cooperatives. I got to the professional exam stage and they were still asking me: 'but what is a cooperative. I don't understand how it can be a sound business'.

The doctoral programme was management and I followed it in my role of councillor. I must say that it is very different keeping up the image of the member because I take part and express my views in the Assembly and, being here, the challenge is to maintain the cooperative model. In actual fact, the institutions do not support this cooperative and, rather flippantly, we just hope that we can carry on being a cooperative institution without dying in the attempt.

**Name:** Miguel Lecona Guzmán

**Post:** President of the Accountability Council



I've spent half my life in this cooperative. I'm 25 and I joined at the age of nine as a junior saver. I've been a member for 16 years and the truth is that it could seem impossible to reach the post of councillor at my age. There has always been this prejudice, at least in Mexican culture, that being young

we do not have the knowledge or the necessary skills. However, when I came in as councillor, I was half way through my studies.

I studied social work and the project attracted me a great deal. From the first term, for example, I studied epistemology, knowledge theory and as well as studying the social aspects, I was drawn to work at the front line, to be a part of a cooperative with its social role. I got in thanks to my mother. All my family had been members of this cooperative from being young although as a child I did not see or imagine what being here meant. They took me to all the events that the cooperative organised: assemblies, children's day, mothers' day, etc. and, little by little, the sense of belonging grew in me being part of this cooperative.

**Name:** Elizabeth Montiel Torres

**Post:** Head of Education and Dissemination



I have a degree in communication and journalism and I qualified in 2011. For this reason, my professional journey is quite short. I arrived by chance at the local savings bank through the work exchange at the Autonomous National University of Mexico (UNAM). I

was in the process of looking for a job and I could see that it fitted my professional profile. I really began to learn about cooperativism when I started to work here. I didn't really have any clear understandings except in the area of communication. I'm really interested in what

is going on here and it breaks down prejudices as communicators and journalists. I've been here for two months now and the truth is I have learnt a great deal about economic and financial matters. Without knowing what a local savings bank is, you think as an outsider that it is a bank. Being here has allowed me a better insight into this world of savings banks. I like the fact that economic growth is linked to cultural and educational growth. For example, in the place I live in, it is interesting to note that we offer summer school courses. On them, they organise cultural activities and also events such as birthday celebrations. They want people to feel good and not to feel like customers but to feel a part of something and that seems to me to be very important for the values that underpin this.

### Themes for discussion and proposals for action

- Choose one of the stories and analyse the relationship between the life of the individual and that of the cooperative, how they relate to each other and what other questions you would like to ask in order to arrive at a better understanding of how their personal and professional identity has been influenced by the values of the cooperative.
- Choose a cooperative and analyse its strategy of responsibility and social change using the quadruple bottom line model from the dialogical section of this chapter.
- Visit a cooperative and carry out a case study based on the stories of the members' lives to understand how responsibility and social change in the cooperative have influenced and had an impact on their lives. The study will be published on the project blog. Send it to [socialeconomy@yorksj.ac.uk](mailto:socialeconomy@yorksj.ac.uk).

The case study was carried out by members of the Administration Council, The Accountability Council and the Head of Education and Dissemination of the JMS Cooperative, Mexico in collaboration with the York St John-Erasmus Social and Solidarity Economy Consortium.



## 4.3 DIVINE CHOCOLATE, UK

### Rational objectives

- To identify the implications of business and organisational practices on producers, consumers and wider society.
- To understand some of the issues around how and where products which differentiate themselves by their ethical stance are sold.



### Experiential objective

- To be aware of some of the consequences of worker ownership of a business.

### Context

[www.divinechocolate.com](http://www.divinechocolate.com)

The Ethical Consumer Research Association (2015) highlights a number of issues within the chocolate industry, including:

- Human rights abuses: child labour, including child slave labour and child trafficking. This is a particular problem in the Ivory Coast and Ghana, which between them produce more than half of the world's cocoa. The industry has pledged a 70% decrease in the amount of cocoa being produced with the worst forms of child labour by 2020. However, this unambitious target has been weakened and pushed back by 15 years since the industry first promised to deal with the issue in 2001.
- Use of palm oil, sometimes described on packaging under the more generic term of vegetable oil, in which corporations aggressively expand coverage, causing deforestation, destruction of indigenous lands and loss of biodiversity.

### Fair trade

Doherty et al. (2012) explain that many original fairtrade organisations set out to stimulate the redistribution of wealth from brand owners in economically wealthy countries back to producer communities, as well as ensuring human rights, improved working conditions and sustained development through increased consumer awareness of social issues. A key aim in fair trade has been to challenge the existing economic and business models to create a sustained shift towards social awareness and concern in society. The fair trade movement has consistently harnessed market mechanisms to drive social change through global consumption patterns. This received a major boost when commodity Fairtrade labelling (Fairtrade Mark) began in the early 1990s.

In 2005, multinational corporations Wal-Mart, Nestlé and Tesco were licensed to carry the Fairtrade Mark on certain products in their own right and this stimulated a dramatic rise in the mainstreaming of fair trade, leading to Cadbury's and Nestlé each certifying their major chocolate brands. Dilution of fair trade would be one consequence of this "co-opting" of fair trade, where fundamental principles may be watered down to ensure mainstream engagement with the initiative. There is also the danger of reputational damage for fair trade, the idea of fair-washing, which occurs when a company derives positive benefits from its association with the fair trade movement, however minimal its efforts to live the values (Doherty et al. 2012, pp.161-163).

As will be seen from the information below, some well-known brands which have the Fairtrade Mark score very badly in terms of the overall ethical stance of the company.

### Content

Divine Chocolate Limited is a private company limited by shares, which is a legal form more usually associated with the private sector in which shareholders (owners) receive dividends. Divine is the only Fairtrade chocolate company which is significantly owned by cocoa farmers: the Kuapa Kokoo cooperative owns 44% of the shares. Other shareholders are the interna-



tional NGO Christian Aid, fair trade NGO Twin Trading and Oikocredit, a worldwide cooperative and social investor, providing funding to the microfinance sector, fair trade organizations, cooperatives and small to medium enterprises. (Divine Chocolate Ltd, n.d., Oiko Credit, n.d.) “Unlike its mainstream partners and competitors who sell fair trade products, this social business guarantees to take producer concerns into account when making decisions by having producers as not only board members but also as major shareholders, leading to producer communities benefiting through dividends” (Doherty et al., 2012, p.173).

The benefits to the Kuapa Kokoo community include:

- significant investment in internal controls to ensure that they are delivering on their Fairtrade promises, they also run one of the only farmer-run Child Labour Awareness Programmes which has attracted the support of the International Labour Organisation.
- support by Divine to do a pilot series of hour long radio programmes to promote the benefits of being a member of Kuapa and to share important information with the farmers many of whom are deep in the rainforest and very remote from other villages.
- the proactive approach which has been taken in its gender equality programme. The Kuapa women’s group provides mutual support, learning skills such

as making soap and screen-printing, enabling the women to earn their own money. The group has access to loans from a credit union, which provides seed funding to set up income generating business. Increasingly, the women are putting themselves forward for elected positions in the cooperative and taking on leading roles. A third of the membership of Kuapa is women.

- the building of schools with the Fairtrade premium.

Divine Chocolate uses cocoa butter instead of palm oil, this avoiding environmental degradation resulting from use of palm oil.

Doherty places Divine at number 2 out of 5 in the fair trade value chain, where 1 is fair trade organisations building strong relationships with producers building organisational capacity and trading directly through associated world shops. Divine is partially owned by its producers. It is placed at number 2 in Doherty’s value chain because it has taken a more mainstream route to market through supermarkets, making it more convenient for consumers to buy. The authors argue that this gives some potential for co-opting by supermarkets, who can claim social credentials on the strength of this relationship, therefore putting Divine at some reputational risk.

BRAND	ETHIScore (OUT OF 20)	HUMAN RIGHTS	WORKERS' RIGHTS	SUPPLY CHAIN MANAGEMENT	POLITICAL ACTIVITY	ANTI-SOCIAL FINANCE	COMPANY ETHICS
● = bottom rating - = middle rating							✓ = Full mark
Divine	16.5						✓
Traidcraft	14						✓
Hershey's/Reese's	6.5	●	●	●	●	●	
Green & Black's	5.5	●	●	-	●	●	
Mars brands	3.5	●	●	●	●	●	
Mondelez brands (including Cadbury's)	3.5	●	●	●	●	●	
Nestlé brands	2	●	●	●	●	●	

Political activity: Hershey, Mars and Nestlé are members of the UK National Confectioners Association. Ethical Consumer considers this to be a corporate

lobby group in favour of business interests over protection for consumers, workers, social welfare or the environment.

Source: Ethical Consumer Research Association



## Questions for dialogue and action

- What are the social and environmental benefits of the ownership arrangement of Divine Chocolate?
- To what extent is *mainstreaming* an opportunity and a problem for fair trade practices?
- As a consumer and citizen, what action could you take to hold businesses to account over their business practices?
- Find out if fair trade products are used in your university. What are the procurement processes used by the university and how are decisions made about food sourcing?

## References

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- Ethical Consumer Research Association (2015) *Slaves to chocolate*. January/February [Internet]. Available [www.ethicalconsumer.org](http://www.ethicalconsumer.org) [Accessed 20th July 2015]





## 5. PEDAGOGICAL ACTIVITY

CHAPTER 7: WHO ARE THE PLAYERS IN SOCIAL RESPONSIBILITY?	
<b>Title</b>	Who are the players in social responsibility?
<b>Theme/ Focus</b>	A reflection about the challenges posed by large multinational corporations in African countries
<b>Group size</b>	10 – 20 students
<b>Time needed</b>	120 minutes
<b>Purpose/ Learning objective</b>	<ul style="list-style-type: none"> <li>▪ Reflect on the nature of social responsibility</li> <li>▪ Reflect on the role of civil society in the struggle for human rights</li> <li>▪ Reflect on the role of the State</li> <li>▪ Reflect on the role of international organisations, such as the United Nations</li> <li>▪ Reflect on the conditions needed for communities to be empowered</li> </ul>
<b>Competences addressed</b>	<ul style="list-style-type: none"> <li>▪ Develop a critical awareness of news presented by social communication channels media</li> <li>▪ Argue for the defence of beliefs and values</li> <li>▪ Take a position in relation to themes around the social and solidarity economy</li> </ul>
<b>Keywords</b>	Social responsibility; civic participation; the government, civil society; multinationals
<b>Materials needed</b>	<p>Access to the internet to read the following news piece:</p> <p><a href="https://www.hrw.org/news/2013/05/23/mozambique-mining-resettlements-disrupt-food-water">https://www.hrw.org/news/2013/05/23/mozambique-mining-resettlements-disrupt-food-water</a></p> <p>If this is not possible, the educators will need to print 4 copies of the text and give one copy to each group</p>
<b>Preparation/ Instructions for educator/trainer</b>	<p><b>1. Preparation:</b></p> <p>Explain that a debate will be created between different stakeholders about a specific situation. Each group will read the news article and prepare their arguments.</p> <p><b>2. Step-by-step implementation:</b></p> <ol style="list-style-type: none"> <li>a. The students should be divided into four groups</li> <li>b. Explain to the groups that they will read about a specific case, which they will think about and present conclusions</li> <li>c. Ensure all are clear about the main point in the news story on which the debate will take place:             <p>Some multinationals involved in mining in an African country had to deal with the resentment of the population. An international organisation wrote and presented a report about this process.</p> </li> <li>d. Each group will take on a role:             <ol style="list-style-type: none"> <li>i. The multinational – consider the economic and other benefits which external investment can bring;</li> <li>ii. The government – consider the role of government as guarantor of the good utilisation of the country's resources to improve living conditions of its citizens, and a regulator of economic and other activities.</li> <li>iii. The civil society organisation (such as an environmental or local rights groups) – consider the role that citizens could take in the defence of collective interests.</li> <li>iv. The international organisation (e.g. the United Nations) – consider the role of international organisations as external observers and advocates for the improvement in practices of national institutions</li> </ol> </li> <li>e. Each group is given time to read the text, in order to discuss it and find arguments to present to the other groups.</li> <li>f. The spokesperson of each group presents the conclusions reached by the group.</li> <li>g. The four groups engage in debate</li> </ol> <p><b>3. Conclusion:</b></p> <p>The trainer should systematise the main conclusions of the groups and on the basis of their learning acquired in this chapter, invite trainees to take a position on the case.</p>
<b>Reference</b>	Human Rights Watch (2013) Mozambique: Mining Resettlements Disrupt Food, Water. 23 May, 2013 [Internet]. Available: <a href="https://www.hrw.org/news/2013/05/23/mozambique-mining-resettlements-disrupt-food-water">https://www.hrw.org/news/2013/05/23/mozambique-mining-resettlements-disrupt-food-water</a> [Accessed: 8th August 2015]
<b>Notes</b>	The educator needs to know whether internet access will available during the session and print out the news article if not.
<b>Contact person</b>	<ul style="list-style-type: none"> <li>▪ La Salette Coelho and Miguel Filipe Silva, York St. John -Erasmus Social and Solidarity Economy Consortium: <a href="mailto:ceaup.lasaletecoelho@gmail.com">ceaup.lasaletecoelho@gmail.com</a></li> </ul>

## 6. PROFESSIONAL COMPETENCES

STAGE 1	AREA OF COMPETENCE	Competence further explanation & descriptors <b>KNOWLEDGE, EXPLORATION AND UNDERSTANDING ABOUT VALUES AND ATTITUDES WITHIN THE SOCIAL RESPONSIBILITY AND TRANSFORMATION FIELD</b>	ACTIVITIES FOR SELF-EVALUATION
<b>Developing attitudes and abilities for social responsibility and transformation</b>	<b>Social Responsibility and Transformation (SRT)</b>	<p>Develop a holistic understanding about the political, social, cultural and environmental responsibility and transformation of universities and social enterprises towards:</p> <p><b>Individual transformation:</b></p> <ul style="list-style-type: none"> <li>▪ I am proactive in making my own work meaningful and aligned to my values.</li> <li>▪ I use my influence and power appropriately to promote opportunities for others to engage in work that is meaningful to them.</li> <li>▪ I am aware of the importance of a healthy work and life balance.</li> </ul> <p><b>Community well-being</b></p> <ul style="list-style-type: none"> <li>▪ I encourage collaborative and participatory decision making processes within my community.</li> <li>▪ I confront discrimination and unfairness against individuals based on human rights.</li> <li>▪ I create opportunities for students to work with communities in finding solutions to problems identified by communities themselves.</li> </ul> <p><b>Care for environment</b></p> <ul style="list-style-type: none"> <li>▪ I promote positive behavioural change towards care for environment within the organization.</li> <li>▪ I promote critical awareness of the potential benefit/harm of the use of technology to the environment.</li> <li>▪ I consider and assess my 'footprint' in relation to all aspects of my subject discipline.</li> </ul> <p><b>Economic sustainability</b></p> <ul style="list-style-type: none"> <li>▪ I foster practices with students to improve the products and services of social enterprises.</li> <li>▪ I can direct students to opportunities for ethical financial literacy and management training.</li> <li>▪ I am committed to reporting corrupt practices in the use or non-use of resources.</li> </ul>	<ul style="list-style-type: none"> <li>▪ With other teachers, write an essay about how your university and social and solidarity economy organisations of different sectors manage the four dimensions of SRT.</li> <li>▪ I organise an exhibition with students to show the SRT in action.</li> <li>▪ I organise a forum to promote improvements in relation to SRT and the University.</li> <li>▪ I make myself aware of how the students perceive their contribution to the SRT in the university.</li> <li>▪ I invite social entrepreneurs to talk about their SRT strategy, challenges and accomplishments</li> </ul>



STAGE 1	AREA OF COMPETENCE	Competence further explanation & descriptors <b>KNOWLEDGE, EXPLORATION AND UNDERSTANDING ABOUT VALUES AND ATTITUDES WITHIN THE SOCIAL RESPONSIBILITY AND TRANSFORMATION FIELD</b>	ACTIVITIES FOR SELF-EVALUATION
<b>Developing attitudes and abilities for social responsibility and transformation</b>	<b>Creation and demonstration of evidence of SRT</b>	<p><b>Creast and demonstrate evidence for social responsibility and transformation</b></p> <ul style="list-style-type: none"> <li>▪ I understand why, how and when evidence of change brought about by an organisation might be useful or necessary.</li> <li>▪ I understand which approach to demonstrating impact is relevant to stakeholders.</li> <li>▪ I know where to find specific information about qualitative and quantitative methods to gather evidence.</li> <li>▪ I understand the relevance and appropriateness of gathering qualitative and quantitative evidence regarding the changes brought about by the organisation in the following fields:               <ul style="list-style-type: none"> <li>» People’s awareness</li> <li>» People’s behaviour</li> <li>» People’s attitudes</li> <li>» People’s performance</li> <li>» People’s well-being</li> </ul> </li> </ul>	<p>I list the aims I wish to achieve through my post in relation to:</p> <ul style="list-style-type: none"> <li>▪ People’s awareness</li> <li>▪ People’s behaviour</li> <li>▪ People’s attitudes</li> <li>▪ People’s performance</li> <li>▪ People’s well-being</li> </ul> <p>I develop relevant indicators and their definitions to demonstrate evidence of your effectiveness.</p> <p>I develop a plan to improve the evidence for change in relation to the social responsibility and transformation of the university.</p>





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SOCIAL AND SOLIDARITY  
ECONOMY CONSORTIUM

# Enhancing studies and practice of the social and solidarity economy

A reference handbook

Meredith, M. & Quiroz Niño, C. (Coords.), Arando, S.,  
Coelho, L.S., Silva, M.F. & Villafuerte Pezo, A.M.

## Chapter 8: Universities and ecosystems

Promoting a culture of  
social entrepreneurship



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# Universities and ecosystems

## Promoting a culture of social entrepreneurship

*“Higher education institutions bear a profound, moral responsibility to increase the awareness, knowledge, skills and values needed to create a just and sustainable future”*

(Cortese 2003)

### 1. INTRODUCTION

Curtis (2015, citing Gosling and Gower, 2012) argues that the values of higher education institutions (HEIs) should be based on a notion of *radical independence* - that the organisation should not be swayed or influenced by its funders. It does not matter whether those funders are private philanthropists (in the medieval university), the state (in the nationalised public sector university) or students paying fees (in the new marketised environment). What is important is the notion of providing selflessly for the good of another regardless of external criticism and constraint; the idea that no matter who pays for the institution to exist, the information it creates belongs to all and the assertion that all ideas and decisions are open to challenge and investigation conflict strongly with stakeholder capitalism.

Under stakeholder capitalism, the organisation's values are driven by its stakeholders - the institution itself is supposedly *values neutral*, using language such as *efficiency* and *what works*. Under stakeholder capitalism, the organisation does not choose its values and these are rarely discussed (Nixon, 2008).

The following literature review by Sorina Antonescu (2015), an independent researcher, was written for the Social and Solidarity Economy project.

Historically, the role of HEIs has been to challenge the dominant issues of their times such as religious, socio-cultural, or science-related. At the same time, earlier generations were centred on answering profound questions. These centred on the pursuit of knowledge for a better understanding of the surrounding world and the power of natural elements, at a time when technological breakthroughs had yet to take advent. The purpose of scholarship was to not so much the acquisition of knowledge per se, but rather reaching the core of a problem and the subsequent at-

#### KEY QUESTIONS

Which strategies for social and solidarity economy curriculum innovation have worked in different geographical regions?

How can the university lead and facilitate cross-sector collaboration for local socio-economic development?

How can university staff play a key role in the creation of a social enterprise ecosystem, both within and outside the university?

tempt at finding ways to solve it (Blewitt and Cullingford, 2004; Cortese, 2003; Lozano, 2011)

Today, the hegemony of subjects is greater than ever, with new subjects, fields and areas of specialisation enriching the prospectuses of universities across the country, yet one cannot help feeling that the presiding concern for universities lies in the accumulation of knowledge per se rather in the same way that society has an insatiable thirst for accumulated wealth as framed by an economic system where infinite growth lies at the core of human well-being and poverty eradication.

Universities tend to be conservative, having the tendency to self-replicate and relying on reductionist thinking. Lozano et al. (2011, p.10) define reductionism as “the analytical dissection of a thing into its ultimate component parts, followed by regeneration through the re-assembly of its parts”, continuing that this runs contrary to the notion of holistic thinking. As Cortese (2003, p.16) points out,

interactions between population, human activities, and the environment and strategies, technologies, and policies for a secure, just and environmentally sustainable future are among the most complex and interdepend-

ent issues with which society must deal. These issues cross over disciplinary boundaries.

While this may well be the case, the current learning framework of universities lacks the degree of cross-disciplinary collaboration in its learning, teaching and researching that is required to instil a sustainable mind-set for visionary and innovative leaders, business people, economists and other prominent roles in society whose ability to think, act, form links and foster effective solutions beyond their designated fields is so urgently needed to trigger system-wide behavioural changes.

As long as learning remains fragmented and the faculty unresponsive to other learning approaches except the ones which rest on long-established incentives such as tenure, research and professional practices (Cortese, 2003) transdisciplinary collaboration remains challenging to implement within university curricula, research, operations and outreach.

Cole (2003, p.30) envisages a sustainable campus community as

... one that acts upon its local and global responsibilities to protect and enhance the health and well-being of humans and ecosystems. It actively engages the knowledge of the university community to address the ecological and social challenges that we face now and in the future.

An unprecedented level of intra-university collaboration is required to kick-start or ... to strengthen the efforts towards implementing sustainability in university curricula, operations, research and outreach. While there is no clear cut way to go about this process, there seems to be a consensus in the relevant literature that emphasizes the need for a committed and centralised university management, an effective system of organisation that enhances communication between academic, administrative and teaching staff and

students, in conjunction with spreading responsibility throughout the institution.

Curtis (2015) argues that the university can make society more equal and just through the values and decisions of its graduates. The debate on values then becomes re-centred on what values that the university wishes to develop in its graduating students, and thus into social entrepreneurship that is created. He offers some suggestions:

- **Co-creative** - willing to share knowledge and experience rather than assume, and assert, expertise and control
- **Co-operative** - working together for mutual advantage rather than personal gain at the expense of others.
- **Curious** - committed to 'questioning answers' as well as asking questions
- **Conscientious** - able to apply the most robust research & knowledge creation techniques available to a given situation
- **Compassionate** - committed to changing society through the least oppressive means possible

Through a series of practical cases, this chapter examines the practice of universities, or individuals within universities, in nurturing the social and solidarity economy and in developing the eco-system in which this can thrive and contribute to the just and sustainable future articulated by Cortese (2003). The examples come from Europe and North and South America and deal with

- curriculum and research;
- the university's role as a key player in local development; and
- the values underlying university's actions as an organisation with the potential to nurture a people-centred economy

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## 2. PRACTICAL CASES

### 2.1 THE UNIVERSITY OF NORTHAMPTON – AN ASHOKA CHANGE-MAKER UNIVERSITY

#### Rational objectives

- To identify key strategic paths for building a culture of social entrepreneurship within higher education.
- To consider how a subject discipline could be applied to promote social change.
- To understand the importance of transdisciplinary to achieve social change.

#### Experiential objective

- To consider the importance of higher education in nurturing people to address issues affecting their well-being and that of their communities and wider society.

#### Context

In Feb 2013, after a period of self-evaluation, audit and interviews by AshokaU, the University was recognised as one of 22 Universities in the world for its focus on social enterprise and innovation and the first university in the UK to be designated as a *Changemaker Cam-*

*pus*. The University is the first in the UK to be awarded this honour, and one of only 22 in the world to receive the designation.

To gain this status, the University had to demonstrate that it had a broad based commitment from its students, staff and senior management to *spot social problems, and know what to do to tackle them*. Previously focusing on social enterprise, the objective shifted from creating social enterprises to focusing on the creation of a new generation of problem solvers. The students at the University may never start a business or a social enterprise, but they will go on to change their place of work, their neighbourhoods, their communities. The change in terminology to Changemaker recognised that not everyone at the University wanted to start a new organisation, and the recognition that making positive changes in society doesn't always needs a new company or charity. It could simply be changing people's behaviours, or changing policy or law, and is very importantly based on eliciting behaviours based on the AshokaU values.

#### Changemaker values

The character of the University of Northampton is based on these (modified) Ashoka Changemaker values. Our objective is to establish how learning and teaching at the University supports and embeds these values in our students.

- Believe they have a responsibility to make positive changes in society
- Believe they have the power and resources (tangible and intangible) to make a difference
- Take initiative to bring about innovative change, local and systemic
- Work with others to maximise impact, working in groups and networks
- Know and live authentically according to their values

- Practice empathy; by entering, by a willed use of the imagination, another person's world without judgement.

The aim is that graduates from the University of Northampton are not just good employees, but they are outstanding and innovative employees capable of addressing complex real-world problems with integrity and compassion.

Changemaker became a series of initiatives, projects, enterprises, events and activities (collectively known as *ventures*) developed by staff and students aimed at making the world a better place.





## Content

There was a deliberate choice to have no department to deliver Changemaker on behalf of the University and nobody had time allocated to deliver the initiative. Changemaker was a deliberately grassroots activity that was developed with strategic support.

The starting point for every student arriving at the University is the **Changemaker LifeHack**. This is a quick diagnostic tool that gets the student thinking about their passions and interests and signposts them to the dozens of activities and services that the University, Students Union and the town already provide. They can create a personalised action plan.

Thereafter, there are two co-curricular routes that can be taken. Employability+ is a points-based system for students to develop their employability skills and experience. The **Changemaker Certificate** (also open to all staff) operates alongside that as an online resource to help the participant turn their passion, experience or interest in social issues into a viable venture or solution, and experiment with it whilst at University. The student can flip between Employability+ and the CM certificate. They start at any time, and complete on graduation. The Changemaker Certificate was launched formally in Changemaker Week 2015, and quickly gained over 180 participants, including staff, students and community members.

A Changemaker venture addresses a “specific inequality, social injustice, form of oppression or deprivation, over and above the normal mission/objective of the institution/team, inclusive of the voice and efforts of those benefiting from the initiative” and covers one or more of the following themes: health & wellbeing, safety and resilience, equalities and inclusion, environmental sustainability, financial literacy/economic inclusion, or lifelong learning and skills. The venture does not need to be a business: it could be an event, an activity, a demonstration, a prototype, a policy, or a change of behaviour.

Here are a few examples of the alumni of the Changemaker Certificate, showing their journeys, and highlight where Advancement might help to increase the

numbers and scale of the social impact of the participants

- Abi is a business student. She sees that her brother and mum are struggling to understand his homework and realises that there is no service that connects parents, pupils and teachers around homework. She presents an idea of Homework Hub, and receives £500 initial funding to explore the idea more. She implements the Homework Hub website and gets lots of interest from schools to develop and implement her initiative. When she graduates, she has to get a job and therefore Homework Hub is not developed.
- Ahmed is a Somali student. He wants to help his children with their English homework, but he doesn't know what 'synthetic phonics' is and how it works in Arabic. Ahmed devised a plan for a website to explain through Arabic how synthetic phonics works and how parents can help their children.
- Paul is responsible for the environmental performance of the University. He wants to recruit students into working with landlords to improve insulation in their houses to reduce the costs to the student and reduce the carbon footprint of the students. He works with the Students Union and with AshokaU support won £250k for the PlanetToo project.

These are just a few of dozens of staff and students who are working on the Changemaker Certificate, developing their initial ideas about and experiences of social problems into solutions that are well researched and have experimental evidence of success.

The ambition of the Changemaker Certificate is to engage all students and staff in exploring and developing solutions to social problems, becoming the UK's largest 'social innovation funnel'. A future step to implement that vision is a Challenge Fund that supports the Changemakers to implement their idea, especially after graduation. This fund could be a mix of funding or mentorship from our alumni and philanthropists, but effectively gives a year for our best graduates to implement their plans.

## Developing Changemaker across the institution

### Student Union

Planet Too Week introduced hundreds of new and returning students to the sustainability project, designed to create pro-environmental behaviours and reduce the carbon footprint of its members.

### Science and Technology

Environmental Science students volunteer with a range of local wildlife and conservation organisations and also gain experience of undertaking environmental audits within social enterprises and other businesses

### Library & Learning Services

The Library and Learning Services department have been working with two Northampton-based organisations, Olympus Care Services and Diversiti UK, to provide placements for people who have been struggling to find work. It will initially offer experience to two people of working in the library, one from each organisation, and would hope to extend this if the pilot is successful.

They have run successful reading groups for organisations in Northampton for some time including at the YWCA, and a Women's refuge. Groups are facilitated by Library and Learning Services staff and hosted and supported in the community. They also continue to work with local schools on a project called *Story Seekers*, which gives students the opportunity to promote reading in a school setting.

### School of Social Sciences

The Division of Psychology is engaging with the University's AshokaU Changemaker agenda by offering a new first year undergraduate module in positive psychology. The core study area for this module is the 'Values in Action' catalogue of virtues and character strengths. One of positive psychology's central tenets is that well-being can best be achieved through the development of positive character strengths. This contrasts with more traditional approaches in psychology that seek to target pathologies and deficits. Positive psychology's 'Values in Action' character strengths

resonate totally with the Changemaker + values and behaviours. As a result, this new module will be used to platform our employability and Changemaker agendas for first year students.

Students will encounter a number of different topics from a positive psychology perspective. These topics include stress and resilience, health and happiness, work satisfaction, spirituality, relationships, and optimal performance and achievement.

### School of the Arts

Several projects across media, fashion and product design which will culminate in an exhibition called "Change 'maker' in May at Northampton museum and art gallery.

The School is undertaking two funded projects about 'making' as heritage - narratives of value, meaning, identity from objects, making, dialogues and community.

They will be running two symposiums in the UK hosting delegates from India and Turkey bringing together arts, media design and engineering academics and industry to explore and debate the above issues. Students across the globe will gain an understanding of the importance that each other's disciplines can play alongside an awareness of how to be a Change 'maker'.

### Lessons

The research has shown that the University of Northampton's journey has not entirely been the result of rational strategic planning, but the result of under-the-radar activities of some, the personal experience of others and the positioning of the University in the widening participation agenda. 'Guerrilla activity', working under the institutional radar has been fundamental to the developments in the University. However, the new strategy has shifted this approach, legitimating those activities and permitting new ones. Developing an infrastructure that further legitimises this autonomous activity, rather than quenching the passion, will be critical. Doing so depends on the defending the independence of ideas that underpins the University.



## Questions for discussion and action

- Describe how your university activities are informed by the values of its mission.
- How you use your subject discipline as a Changemaker, using the definition of this above?
- How could teachers and staff become involved in *spotting social problems, and knowing what to do collectively to tackle them?*
- What are internal and external factors that promote or inhibit a Changemaker mindset within your university?
- What can you and others do about it?

Written by Tim Curtis, University of Northampton in collaboration with YSJ Social and Solidarity Economy Consortium

## 2.2 TEC SOL-UFPEL, BRAZIL: INCUBATION OF SOLIDARITY ENTERPRISES AND SOCIAL TECHNOLOGIES IN THE SOUTH OF BRAZIL

### Rational objectives

- To identify the impact of coordinated and innovative action by a university to address a pressing social issue.
- To consider potential roles of the university as a key player in its community.

### Experiential objective

- To assess the importance of questioning the mission of the university and to re-defining the role of university staff and students.
- To consider the impact on stakeholders: students, teachers and other members of the local community of taking action with a social purpose.

### Context

#### Technological incubators of popular cooperatives (ITCPs)

Technological incubators of popular cooperatives (ITCPs) grew up in Brazil as a response from the university sector which was looking for effective social action at a higher education level to face a huge crisis of unemployment in the mid-90s as a result of the neo-liberal policies. These policies were put in place, in turn, as a response of the State to the international debt that had come about at the beginning of the 80s. Unemployment, poverty and violence – always together – represented a challenge to the formulation of public policies.

The macro-economic debate on the subject was polarised between the supporters of the free market and its critics. The former maintained that it was a period of transition in terms of the means of production undergoing a change in which the old jobs were disappearing whilst the new sectors, more technological in nature, were growing. The critics of the model claimed that there was a growing concentration of earnings and wealth which was bringing about the disappearance of productive sectors without the corresponding jobs being created in the 'new sectors' leading to structural unemployment.

A large proportion of the unemployed simply moved over to the informal sector of the economy with small (better described as micro) family businesses, almost always unstable, informal and precarious. A smaller proportion went over to depend on economic support from relatives, neighbours, religious institutions and occasionally the State. Others, to a lesser degree, moved over to the illegal economy: drugs trafficking, prostitution, robberies, kidnapping, etc.

Alongside the debates and all that happening, collective economic initiatives appeared in different places and in different ways. These were born out of people's need to carry on earning enough to live on. This was all very varied: rubbish collectors who got together in cooperatives, small rural producers who got together to market their products, dismissed workers who occupied their factories and demanded their property on the grounds of it being owed to them by the business, and families who were settled during the agrarian reform who got together in a cooperative to be able to produce and earn a living, networks of consumers who tried to reduce the cost of day-to-day living.

Many academics questioned the role of their institutions. Did the technology generated by scientific research contribute to a society that was materially more comfortable and fairer for all? Or did the technology bring about social exclusion and the concentration of capital? And what would happen if the university, or at least part of it, turned its back on producing people 'for the market' and it set about preparing people to take charge of their own businesses as part of collectives.

At the end of 1995, whilst a national solidarity campaign to reduce hunger called upon the university community to action, in the Federal University of Rio de Janeiro, a group of lecturers, technicians and students proposed a course of action from the university community to combat poverty by empowering workers excluded from the jobs market economically through a university outreach programme aimed at advising committed groups in terms of training and development of work cooperatives.



The proposal was to set in train a university action plan that would involve teams of educators (teachers, technicians, students) who, working in an interdisciplinary way, from economics and administration, from organisational psychology and social work, from engineering and law and all the areas necessary to make up a social enterprise, might arrive at a programme of learning that would allow workers who had been socially excluded, in a collective way, to gain access to the market of goods and services in an independent and self-managed way.

## Content

### **Interdisciplinary centre for social technologies and solidarity economy (TECSOL) of the Federal University of Pelotas (UFPEL)**

TECSOL-UFPEL is a small academic unit set up in 2010 and put together by lecturers who were already previously working with solidarity economy enterprises. Two of them (including the author of this paper) already came with considerable experience gained from working in the cooperative incubator of the Catholic University in the same city.

Pelotas is part of the State of Rio Grande do Sul. With over 350,000 inhabitants, it is in the extreme south of Brazil, 250 km from Porto Alegre, the city in which the first World Social Forums were held. It is an economically deprived area with a very mixed racial make-up where there are large numbers of people of African descent in the poorest urban districts and, at the same time, descendants of German emigrants from the late 19<sup>th</sup> century and who now find themselves as small rural producers facing increasingly challenging financial situations. The local elite, which enjoys a strong position in the university, is linked to landowning families who are descendants of the first Spanish and Portuguese settlers to the region.

De-industrialisation in the 90s has hit the local economy very hard with the closure of tens of businesses in the food and metallurgical sectors. The spread of the standard American production model (large areas of monoculture and capital intensive – the so-called ‘green revolution’) has displaced thousands of agricultural workers in the rural areas which has given rise, in the north of the state, to what is called the ‘Movimien-

From this, 102 university popular cooperative incubators (although they were not called as such) were set up in Brazil. There are two distinctive networks which each involve about 45 incubators and, from 2003, these are financed by the public purse. Discussions on methods of implementation have become more profound, based on this developing experience. Examples of incubation can now be counted in thousands and incubators are an effective and recognised part of the organic movement of social economy in Brazil with support from the executive commission of the Brazilian Forum for Solidarity Economy.

to de los Sin Tierra’ literally ‘the movement of the dispossessed’.

The TECSOL-UFPEL was born under a set of national circumstances very different to those of the first ITCP. The anti-cyclical economic policies of the governments of the Workers Party (PT) lowered the rate of unemployment and the number of solidarity enterprises stopped growing. However, the solidarity economy continues to be important above all in relation to rural production of alternative products. There are significant groups of agro-ecologist producers who face increasing challenges of organisation and logistics whilst urban demand for organic products continues to grow. Besides, the region has received a significant number of support packages for agrarian reform which need support in order to turn into successful undertakings to keep the hopes for agrarian reform alive. At the same time, there is a growing quest, on the part of the young, for models of social organisation (including economic organisation) which are based on values which are egalitarian, participative, sharing and sustainable. From this, a few new social enterprises are taking shape.

The hope of TECSOL, whilst it continues to work very closely with the economic solidarity centre of the Catholic University of Pelotas is to narrow the gap between ecology and solidarity. That is to say, to work as a matter of priority with groups (cooperatives, associations, collectives, informal groups) of small agricultural producers to consolidate in the region a centre of agri-



ecological production and social technologies linked to sustainability. At present, 7 lecturers and 15 students from 8 different disciplines are part of TECSOL.

The projects that have been developed to date are linked to our priorities. Although enterprises are being incubated on an individual basis, at this moment in time, the most important thing is the Virtual Trade Fair which is a 'local fair trade circuit'. That is to say, an initiative that brings together a network of solidarity enterprises with a network of groups of ethical/responsible consumers. The key is that this relationship, which is necessarily determined by an organic structure, is managed in a cooperative/shared way by the collectives that constitute it.

### **Social technologies: the concept and a practical case study from TECSOL**

The idea of 'social technology' has been developing in Brazil from the decade at the start of the century. The concept arose to describe a range of initiatives carried out by different social agents (NGOs, social movements, public research centres, university groups and others) who shared in common a search for technological solutions that were accessible from a technical and economic perspective. The development of certain 'shareware' technologies, that is to say, open access and free to use were already known and such software is perhaps the best example.

However, there are other important examples: agroecology, herbal medicines, rainwater harvesting devices in communities with shortages, etc. As well as the 'hard' sciences, the 'soft' sciences have developed important technologies: adult literacy programmes, micro-finance and others. The method of incubation of solidarity enterprises is also a technology.

At the end of the 90s, a group of Brazilian researchers set about describing and designing scientific research studies which embraced principles linked to a new type of social agreement on knowledge creation. The Social Technology Network (RTS Brazil) has defined it in this way:

Social technology includes products, techniques or repeatable processes, developed through interaction with the community and which represent effective solutions for social transformation. It is a concept which refers to an innovative development proposal taking into account joint participation in the process of organisation, development and application. It is based on the shar-

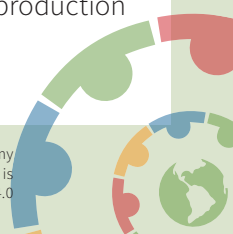
ing of solutions to problems linked to the need for food, education, energy, housing, income, water resources, health, environment, etc. Social technologies can bring together popular knowledge, social organisation and technical-scientific knowledge. What matters essentially is that they are effective and applicable, celebrating social development on a wider scale.

The problems of solidarity enterprises demand solutions that have been arrived at in a collective and negotiated way which can be used by all.

Some years ago, there were problems commercialising solidarity enterprises in the region. They rarely managed to penetrate the usual routes. There were limitations of scale. There were problems of trust on the part of the business community. Many groups did not have the legal registration that is normally required. The homemade production had high costs which meant too high prices for consumers.

As a result, in 2008-9, the solidarity economy centre at the Catholic University (where the author still works) decided to launch a network of solidarity enterprises in order to address the problems with alternative solutions. After a dozen study meetings and discussions, the enterprises decided to set up an association which would bring together a very diverse group of collectives: farmers, artisans, fishermen, dairy producers, seamstresses, growers of ornamental plants, etc. There were 23 enterprises which brought together 550 producers/workers. The *Associação Bem da Terra* was born. The first initiative was to put on a fair exclusively for solidarity economy which was to take place every month, where the goods were not provided by individual producers but through solidarity groups. However, this alternative was very limited and, although the results were quite successful, there was a great deal to be improved upon.

Meanwhile, there was a significant growth in the number of 'ethical/responsible consumers'. The evidence for this was the organic markets, vegetarian restaurants and shops specialising in regional produce. However, these outlets appeared to be reserved for high income social groups barring access to these markets not only to the poorest but also trained workers who represent the bulk of the population who are the link between political activity and consumption (teachers, students, public workers, bank workers, etc.). How then could we marry together solidarity production and responsible consumption?





In the last decade there has been a proliferation of 'responsible consumer groups' (GCRs using the Spanish acronym). They are like consumer cooperatives dedicated exclusively to responsible consumption. There are few of them in number and very small. They do, however, represent a clear social innovation. The transaction costs are slashed thanks to the collaborative organisational practices and the use of open software management tools. Purchasing is carried out on a weekly basis on the internet and the total weekly orders are passed on to the producers who deliver the products on a set day of the week. The consumers themselves take responsibility for dividing up the orders and managing the whole process.

These experiences offered a mirror image to ours: the GCRs were/are a consumer organisation; *Associação Bem da Terra* was a producers' organisation. It was necessary, therefore, to make an effort to bring together the 'lost' consumers in an association and link them to producers. At the end of 2014, la *Red de Consumo Responsable Bem da Terra* (the 'Bem da Terra' Responsible Consumer Network) was launched for the sale of solidarity economy products.

This has called for a tremendous effort on the part of those involved in the university. It was necessary to contact people who, in different contexts (NGOs, unions, churches and universities, etc.), might be interested in bringing together groups of responsible consumers and, straight away, provide them with the information and the training necessary. It was also necessary to plan all the logistics necessary for the product distribution, pricing structure, etc. bearing in mind that the usual conventional business practices could not be replicated given that the prices would be out of the reach of the consumer that they were intending to attract. It was necessary to put together a range of offerings in such a way that the consumers could find a wide range of products, saving time and money at the same time as carrying out their responsible purchasing. It was also fundamentally important to seek the support of local workers' unions (banks, teachers, metal workers, workers in the food sector, etc.) for many reasons: financial, political and organisational.

But the most difficult thing was to set up a structure in such a way that from the outset the consumers would take ownership of the process. In this way, the incubation process would later be successful in transferring

the management to the collectives of producers and consumers.

Finally, the Virtual Fair Bem da Terra took off in December 2014 and is at a stage of consolidating itself economically. The building stage of the co-management of producers and consumers has begun. The results are very positive and both groups are positive about the initiative.

The concept of social technology is applied thus: it is a question of finding a solution to a social problem (the commercialisation of enterprises) which was arrived at in a collective way, using popular knowledge and technical scientific knowledge, introducing small changes to a previously developed and freely available technology: responsible consumer groups using internet platforms to manage solidarity enterprise. The result is what we are calling the 'local fair trade circuit'.

#### **4 Conclusion: TECSOL and the role of the university**

It is not necessary to underline the value that the students' participation has in the process of academic training. From start to finish, from the planning to the execution, they have been directly involved. The teaching materials are open to scrutiny: either they are validated by the experience or are interrogated in the classroom.

The experience of self-management – in TECSOL itself and in the Fair – will stay with them calling into question what type of relationship they will have in the future in relation to the environment, to workers, to the different ways of organising labour and management, to consumers .

Of course, the university outreach efforts also call for a great deal of research. At every step along the way there is knowledge that has to be treated in an interdisciplinary way. When there are no answers to a question or when there is no ready solution to a problem, it is important to find them through research. We are not talking here of research that is carried out in offices or laboratories but in action and interaction of the social groups that are involved.

Universities, above all the public ones, owe a huge debt to their societies. Whilst they are financed by the taxes that we all pay, they only benefit a small proportion of the people. Not all can access university and

the research that is produced normally does not address the reality of the most disadvantaged who are the ones who most need the knowledge.

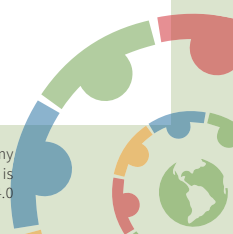
The technological incubators of the popular incubators uphold the principles that were at the heart of

their creation: to bring together teaching, research and outreach in an interdisciplinary way for the benefit of the greatest number of people, helping to create knowledge with and for the workers for a society that is fairer, more supportive and sustainable.

### Questions for discussion and action

- What can or should a university do to promote fair work in a community?
- Discuss the following comment by the author of the case study in relation to your own context: “Universities, above all the public ones, owe a huge debt to their societies. Whilst they are financed by the taxes that we all pay, they only benefit a small proportion of the people”.
- What could be done in your university to enable organisations in the social and solidarity economy gain access to markets?
- Together with university students and staff organise a social economy fair, and explore whether the social enterprises could offer goods and services to the university as part of its procurement.

Written by Antonio Cruz, TECSOL-UFPEL, in collaboration with York St John-Erasmus Social and Solidarity Economy Consortium



## 2.3 EVERGREEN COOPERATIVES, OHIO, USA

### Rational objectives

- To understand the challenges universities face when procuring goods and services from organisations in the social and solidarity economy
- To analyse why social problems become entrenched in a specific economic model

### Experiential objective

- To understand the power of appropriate cross-sector collaboration in tackling entrenched social issues.

### Context

Professor Simon Denny from the University of Northampton, UK, has identified an important role for universities: delivering local economic growth and social inclusion. The University has launched the £1 billion challenge for UK universities to spend £1 billion from their £7 billion spending power in businesses that promote social value as well as supplying the needs of the university.

### What is social value?

“Social value” is a way of thinking about how scarce resources are allocated and used. It involves looking beyond the price of each individual contract and looking at what the collective benefit to a community is when a public body chooses to award a contract. Social value asks the question: “If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?” (Social Enterprise UK, 2012)

This is a welcome and very ambitious target. However, it can be a challenge for universities to find social enterprises and cooperatives that can supply their needs. Could a local social enterprise provide all of a university’s stationery needs, or catering services, for example?

### Content

Can universities lead the way in social value procurement? Let’s look at Cleveland, Ohio!

Universities can be laboratories for a new kind of economic development Ohio, Cleveland, USA, has tackled this very problem. Here’s the Evergreen Cooperatives story:

[https://www.youtube.com/watch?v=4zU8\\_ofpPyQ](https://www.youtube.com/watch?v=4zU8_ofpPyQ)



Launched in 2008 by a working group of Cleveland-based institutions (including the Cleveland Foundation, the Cleveland Clinic, University Hospitals, Case Western Reserve University, and the municipal government), the Evergreen Cooperative Initiative is working to create living wage jobs in six low-income neighborhoods (43,000 residents with a median household income below US\$18,500) in an area known as Greater University Circle (GUC).

The Evergreen Cooperative Initiative has been designed to cause an economic breakthrough in Cleveland. Rather than a trickle down strategy, it focuses on economic inclusion and building a local economy from the ground up; rather than offering public subsidy to induce corporations to bring what are often low-wage jobs into the city, the Evergreen strategy is catalyzing new businesses that are owned by their employees; rather than concentrate on workforce training for employment opportunities that are largely unavailable to low-skill and low-income workers, the Evergreen Initiative first creates the jobs, and then recruits and trains local residents to take them. (Evergreen Cooperatives, n.d.)

Vital to this model are the so-called *anchor organisations*: the local universities, hospitals, local government, that will not leave the area as economic conditions change. These anchor organisations work together to develop cooperatives to supply their needs. Each dollar spent on these goods and services stays in the local area and benefits the community. For example, the Evergreen Cooperative Laundry

serves the local hospital. The model has been inspired by Mondragon Corporation in Spain.

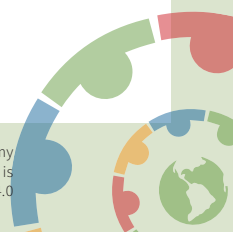
Could universities lead consortia of anchor organisations and mentor, coach and incubate new businesses which will supply their needs and provide highly democratic, worker-owned organisations? A culture of nurtured entrepreneurship for meaningful work creation within universities could be a win-win.

### Questions for discussion and action

- In what way is the work provided by the Evergreen Cooperative different from that of corporations?
- What organisations are there in your locality that could be considered anchor organisations?
- In its role as an ‘anchor organisation’ what can the university do to promote local development? Note some ideas, ranging from small scale and easily achievable to large scale and long-term.

### References

- Evergreen Cooperatives (n.d.) *About the Evergreen cooperatives* [Internet]. Available <http://evergreencooperatives.com/about/> [Accessed 20<sup>th</sup> July 2015].
- Social Enterprise UK (2012) *The social value guide* [Internet]. Available <http://www.socialenterprise.org.uk/advice-services/publications/the-social-value-guide> [Accessed 20th July 2015].



## 2.4 CONNECTING COMMUNITIES - A COLLABORATIVE PROJECT BETWEEN UNIVERSITIES, SCHOOLS AND SOCIAL ENTERPRISES, SHEFFIELD, UK

### Rational objectives

- To understand the potential of cross-sector collaboration for mutual benefit.
- To consider links with organisations in relation to curriculum innovation.

### Experiential objective

- To be aware of the potential mutual benefits resulting from well-planned activities and placements related to social enterprises.

### Context

Connecting Communities is a new project that in its pilot year has been managed by the Sheffield Enterprise Pipeline being funded through UnLtd, the Foundation for Social Entrepreneurs and registered charity; and the Higher Education Funding Council for England.

The partners on the project are: Sheffield Hallam University (lead partner), Sheffield Hallam Students' Union, The University of Sheffield, Sheffield City Council, The City College, and Sero Consulting Ltd, a multi-disciplinary team that specialises in education and enterprise.

The project aims to raise awareness of the importance of social enterprise with students of all ages in Sheffield and develop a sustainable, national model. It aims to do this through using the creativity of young people to help solve the business challenges of local social enterprises.

[www.connectingcoms.co.uk](http://www.connectingcoms.co.uk)

### Content

As Sheila Quairney, Head of Enterprise at Sheffield Hallam University, and lead on the Connecting Communities project, explained, "Our vision is to develop, pilot and evaluate a collaborative model of curriculum development and community support. It helps students of all ages to understand social enterprise".

The project has so far involved 5 social enterprises, around 340 students from 5 primary and 4 secondary schools, and 30 University and College students. It ran in 3 phases until July 2015, co-ordinated by a graduate intern. The innovative solutions from the school students are developed-by university and college students working in teams, and then carried through to implementation by a summer placement student in each social enterprise.

Connecting local schools, colleges and university students with local social enterprises, it is a mutually beneficial project where students are presented with real business challenges to address through project-based learning, and local organisations benefit from innovative and fresh ideas to address the challenges they face.

It is the first project of its kind to be trialled in the UK, and is acting as a pilot for future expansion, both in terms of the scale of the project, and for rolling out across other cities around the country. The project has been a roaring success, and has had an overwhelmingly enthusiastic response from all involved.

The project lends itself to being an easy template for other organisations and cities to take on, as it is clearly structured in three phases. The first phase introduces the business challenges to secondary and primary school students, to harness their young and creative minds, building on enterprising skills and culminating in project presentations just before the winter holidays. The second phase brings in university and college students to take the ideas generated in phase one, and turn them into practicable business plans. Before in the final phase, a university student will take on a summer placement with one of the social enterprises, to implement the project and to bring everything full cycle. From challenge to ideas generation; to configuration and implementation, and of course, celebration and recognition!

## Some examples of the organisations involved in the project are:

### Whirlow Hall Farm Trust

Whirlow Hall Farm is an educational and environmental charity which teaches children and young people about farming in their working farm. Farm tours help primary age children learn about where food comes from and how farm animals are reared.

However, in a world where education has become target oriented and language, maths and science take priority it is difficult for schools to justify visits to the farm. Also, some schools don't take children on trips if there are costs involved. The farm staff know that they have a rich learning environment which would benefit children, but are finding that schools are not prioritising these kinds of visits.

### Business challenge faced



The challenge was for students to come up with ideas about how to demonstrate the educational opportunities they can offer to school children to attract them to the farm, perhaps with a new marketing

solution, an information pack, or some other creative solution.

Schools involved: Sheffield Springs Academy and Norfolk Community Primary School.

Connecting Communities worked with a group of year 10 students from the Academy. Supporting them were thirty Year 6 students from Norfolk Community Primary School who had two sessions with the Connecting Communities team and produced some ideas for the Whirlow Hall Farm business challenge. These ideas were passed on to and developed by the Year 10 students. These ideas were then taken by university and college students who turned them into a business plan for Whirlow Hall Farm. A student on placement at the Farm developed these into an interactive IT package to advertise what the Farm has to offer in terms of educational benefits and curricular sessions.

### The Cathedral Archer Project

The Cathedral Archer Project is a day centre for homeless and potentially homeless people in Sheffield. They work with clients to “support them from chaos to stability”. They offer crisis support, emergency clothing, phone and computer access and a postal address. They also offer medical support and health and well-being activities. Basic skills training is offered, alongside budgeting advice and help with jobs searches.

### Business challenge faced

To design a fund- and awareness-raising pack that could be used in schools and give suggestions for an information pack for teachers and pupils to help them learn about homelessness and support the activities of the Cathedral Archer Project.

Schools involved: Sheffield High School and St Marie's Catholic Primary School.

### Onboard Skatepark



This organisation started as a private company providing a space for skateboarding and BMX biking. Soon they realised they offered significant training and mentoring

opportunities for young people who are not in work, education or training ('NEETS') so they refocused and became a social enterprise. They now run 6 week programmes for young people that cover aspects such as work placement, bike workshops, recycling, CV building. The programmes have enabled them to work with young people who felt they had little purpose or had got on the wrong side of the law.

### Business challenge faced

As the Skatepark is indoors, business is highly weather-dependent. The task for the students was to design



business/marketing strategies to address the significantly lower levels of attendance in the spring and summer months when the weather is better. This will support the sustainability of the organisation.

The students worked on how to increase the revenue in spring and summer, through marketing, events and broadening the spectrum of the activities offered at the skate park.

Schools involved: UTC Sheffield and Limpsfield Junior School.

### **How has the cross-sector collaboration worked and been managed?**

The CC project involved working across all sectors of education –primary, secondary and tertiary – and for the first time ever, linking students of all ages with local social enterprises.

Regular communication with and raising awareness of the different operating restraints of each of these sectors helped to manage and in some cases, positively confound expectations. The project helped to redress previous issues that some of the social enterprises with working with universities in particular, and strong project management was a vital part of this.

### **Questions for discussion and action**

- In your opinion, who benefitted from this project? How?
- Does a project like Connecting Communities have a place in the school/university curriculum? If so, what are the potential benefits to students' learning?
- How could placements in social enterprises enhance the curriculum and experience for university students?
- Which social enterprises can you identify that would provide placements for students for mutual benefit?

### **The social enterprise eco-system**

One notable thing that came out for the social enterprises, which was not expected, was that it created an opportunity for them to network and build relationships with each other, building on their existing support networks within the community.

### **Impact on individuals/organisations**

An example of impact is that one of the placement students has come away from the project intending to set up her own social enterprise. Another example is of the impact the project had at one of the schools; at Ecclesfield School the project was working with a group of students with special educational needs and who do not normally get the opportunity to work on a project with such responsibility attached. The ownership they were given led to a huge increase in their focus and confidence, and their teacher was surprised at how much they had achieved in such a short time. Four out of the five placement students continue to volunteer in the social enterprises.

### **The future**

Looking to the future, Connecting Communities aims to build on its successes, refining the model so that it can be embraced by other cities both nationally and potentially internationally, aiming to reach as many young people as possible, and to help inspire the next generation of social entrepreneurs.

Created by York St John-Erasmus Social and Solidarity Economy Consortium in collaboration with Sheila Quairney and Francesca Rolle, Sheffield Hallam University, UK

## 2.5 INSTITUTE OF WORK AND PRODUCTION (ITP) AT THE NATIONAL UNIVERSITY OF CUYO, ARGENTINA

### Rational objectives

- Identify strategies to enable universities to work towards curriculum innovation within studies of social and solidarity economy.
- Recognise the key role of the university to make the field of social and solidarity economy relevant within local and regional development.
- Learn how the university could facilitate cross-sector collaboration for economic local and community development.

### Experiential objective

- To assess the value of cross-sector collaboration facilitated by universities.

### Context

#### Mendoza, Argentina: Economic change through academic, professional and political exchange

#### The economic crash: before and after

Argentina has seen huge economic change in recent years. In 2001, the country suffered a debilitating crisis following a series of reckless borrowing agreements with the International Monetary Fund and, especially after the mass privatisation of the 1990s, the population was left in a dimly insecure situation: 27% were unemployed and half were living below the poverty line. In response, thousands of workers left without jobs, in hundreds of businesses across the country that had been forced to close, joined together to take co-ownership of their workplaces – most of them factories in various manufacturing industries – in a vast cooperative movement known as *fábricas recuperadas*, ('reclaimed factories') which succeeded and continues to grow today despite initial obstacles from government and previous owners. Others took a different initiative; a distinction arose, Roberto explains, between the words 'work' and 'job' (both *trabajo* in Spanish): a 'job' is a kind of work no longer available to

all, so people had to create their own 'work'. Whereas before the crisis there were three million microentrepreneurs among an economically active population of 16 million, these now numbered five million, the extra two million mostly women forced into starting small businesses to support their families. In addition, the value of the peso plummeted (it still has not recovered, standing at around one-tenth of its pre-crash worth) and a widespread bartering market grew up around the country.

### Content

"As a public university," asserts José Perlino, "we have a very important social role." Indeed, José and his colleagues in the Institute of Work and Production (ITP) at the National University of Cuyo (UNCuyo), find themselves the axis of a growing social and solidarity economy in the Mendoza province of Argentina. In their efforts to make visible the workings of the third sector by drawing together its academic, professional and political elements, they are also managing to make the sector more credible.

#### From the cooperative to the classroom: a two-way exchange



Professor Roberto Roitman, General Secretary of the Institute of Work and Production

It is the linking of these three aspects that is the innovation and success of their work. ITP is pushing for more representation of social economic practices on courses at the university and in 2009 ran a course in Social Economy for which there was a very high take up and a great deal of enthusiasm among students. Alongside this, Roberto Roitman, general secretary of ITP and Economics professor at the university, runs a social economy module each year as part of the general Economics undergraduate course. The course is in contrast to the mostly mainstream approach the Faculty adopts in teaching economics. As part of this teaching unit, he invites people who work in the sector to talk to students, giving them practical insight and a link to the tangible impact of what they are studying. José tells me that when they open the doors to these people, the reaction from the students is very positive; many come to them afterwards asking about internships in the sector, which ITP is well-placed to organise. “This contact makes them realise that they take part in the social economy themselves, and it is not on a small scale, not the poor working for the poor.” Universities can be very elitist, he replies, when I comment on how much he and his colleagues seem to value the link between the academic and the ‘real world’. “Organisations are not made in the university; they are made in the street, learning from their mistakes.”



At the ITP with José Perlino (left)

### **Courses for those working in the social economy**

And the link works both ways. The Institute runs training courses and workshops open to all that eventually allow people with much experience in the sector but no relevant qualifications to obtain accreditation from the university recognising and ‘rubber-stamping’ their knowledge and experience. These training sessions

also help towards what José describes as one of the key aims of his programme: capacity-building. “We work mostly on organising supply, grouping entrepreneurs together, increasing the scale and improving the quality, providing certification. And basically ensuring they have the means of providing to the state, which makes up a huge part of all purchases.”

### **Completing the triangle: political backing**

Indeed, the state is now obliged to make at least 10% of its purchases from social enterprises, thanks to the Social and Solidarity Economy Law passed in Mendoza in 2012. In 2009, the ITP helped to form the first Mendoza Social Economy Forum which brought together organisations from the sector from across the region. Five years on, the Forum has taken place seven times and is making tangible steps towards a greater representation of the social and solidarity economy. The 2012 Forum welcomed 160 organisations and was held in conjunction with the second

*Towards an Alternative Economy* forum attracting interested parties from all over the country, including representatives from the national government. As well as holding workshops and talks, the Forum also provided an opportunity to discuss the introduction of a provincial law that would give official backing to the growth of the sector – hence the political aspect of their work. The law was passed shortly afterwards and a council was set up to ensure its implementation. This panel is made up of seven members: three from organisations within the sector (representing cooperatives, microcredit unions and familial agriculture respectively); three from the provincial government (one each from the social development, agroindustry and schools departments); and one academic, a position currently held by Professor Roitman. José explains that a principal role of the council is to “work with government members in charge of buying to make sure they know the law and their obligation, and also that they know why it is important to work with the social economy, because the cultural change is very slow.” This observation extends to the general public, it seems: “If we all bought 10% of what we buy from social enterprises it would be a huge change,” he suggests.

The culture of micro entrepreneurship and the bartering economy in the country are indicative of the

three key aspects, according to Roberto, in what is a relatively thriving social economy in Argentina. The first, he says, originates with indigenous traditions, notably that of *minga*, which translates roughly from Quechua as ‘reciprocity and solidarity’. Around 10% of the population of Mendoza is of indigenous Bolivian origin (the proportion is much higher further north) and he suggests that they have long influenced local economic attitudes, especially to farming. He cites the influx of Europeans towards the end of the 19th century as a second influence, bringing with them the new idea of formal cooperativism; the first mutual in Argentina was established by Italians in Buenos Aires and the first cooperative by Jewish immigrants in the Entre Ríos province 1890. Thirdly, and most urgently, the 2001 crisis affected economic attitudes, perhaps irreversibly. “Cooperativism helped overcome previous challenges,” says Professor Roitman. “But now there are new challenges and we need new solutions. People have begun to realise that capital is at the service of economics and economics is at the service of people.”

### The ‘prosumers’: challenging the norm

One such person was Pablo Ordoñez. Before the crisis, he had owned two businesses and was director of a youth centre for 13 years. He describes the crash as a ‘calling’: the economic collapse alongside his vocation for social work called for something new. “The Argentine economy at the time of the crisis was a long way from being social,” he says. “It was something not even the President or the Finance minister had any say over.”



El Arca: Bruno Zangheri (vice president); Pablo Ordonez (president) and Charles Hanks

So, nine years ago, he founded El Arca, which he describes as a ‘socially managed business’ though in a limited legal paradigm it is simply a ‘non-profit organisation’. The aim of the organisation is to join together producers and consumers, who are often the same people, he points out: small producers for whom the crisis and the rocketing inflation that came with it were disastrous, principally those working in textiles and food, but also in services and in crafts; and consumers from families to local businesses to large companies. So, I try to clarify, his team of around ten working at El Arca is a kind of intermediary between the producer and the consumer? “Definitely not.” He is firm on this point. Rather, they are working to bridge the gap between producer and consumer, as producers and consumers themselves, to create a solidarity network of producers and consumers – ‘prosumers’ he calls them. He is not one to be satisfied with limiting or dichotomous denominations, apparently. “We wanted to establish ourselves outside the norm, somewhere that joined together the educational, the social and the typically economic.”

The educational aspect, he explains, involves providing “permanent learning spaces, not just for producers but also for consumers. The idea is to work on the concept of the conscious consumer, fair trade, responsible production – hence this community of ‘prosumers.’” All sorts of people have gotten involved, he says. “People who already have a good understanding of these ideas, as well as people who are recently discovering the power they have in the instant of producing or buying a product, and the advantages that breaking with the model of producer and consumer as two separate worlds can have.” This all-inclusive ethos extends to the private sector, too; El Arca has, for example, a contract with Arcor, one of Argentina’s largest food corporations, to provide clothing to wear in their factories.

### Linking to the future

The aim is for “the greatest possible intersectorial link”, says Pablo, as much in his role as President of the Social Economy Forum as that of El Arca’s President. This link also embraces, of course, the public sector. He is lukewarm about the new law, describing it as a “valid tool but not perfect”. He does, however, highlight an important distinction from ostensibly similar laws elsewhere in the country: others have been developed by the government and passed onto the ‘prosumer’;



this one has been developed from the bottom up and is being implemented accordingly, with producers, consumers and academics all being given a voice, and one the government seems keen to listen to. José explains to me how they are starting to convert these broad links into practical benefits. The stipulated government 10% will come in part from graphics and other smaller purchases, but they aspire to more. “Our idea is to organise buying for school canteens, as well as hospitals and health centres. Also within textiles, for all the sports teams in the province for example. These are just two areas into which the government puts a lot of money but at the moment it all goes to a few businesses.” Another job of the council is to create a register of social enterprises in the province and, from there, a catalogue which will be available not only to relevant government departments but also the general public, allowing producers greater visibility and consumers greater awareness – the empowerment of the ‘prosumer’.

And at the ITP, determined to keep juggling as many balls of social enterprise opportunity as possible, they are looking to improve provision within the university.

Much of the food in the canteens is already sourced from social enterprises, and now they are trying to create microcredit opportunities for student entrepreneurship, as well as extend their training programmes. “And we buy a bag of vegetables here in the ITP once a week,” José adds, proving his money is where his mouth is, quite literally.

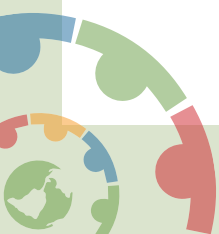
### **Towards an alter(n)ative economy**

“There is talk of moving towards an ‘alternative’ economy,” Roberto muses. “But perhaps more accurately what we are aiming for is an ‘alterative’ economy.” The difference is subtle but important, and indicative of what ITP and the Social Economy Forum support: what is needed is not just a change of economic ideas but economic ideas capable of bringing social change. It is an active, inclusive, socially empowering outlook. “When we buy from social enterprises, we’re buying something else,” José asserts, speaking on behalf of an ever-wider community. “We’re paying for jobs, for people to stay in their homes, for a product that has value in its origins. We arrive at the source. We remove the middle man.”

### **Questions for discussion and action**

- How could your university make the social and solidarity economy more credible?
- How could your university promote and facilitate a multi-sectorial table with key stakeholders to work towards strengthening the university as a player in community development?
- How could the university offer a space to link producers and consumers within the social and solidarity economy?
- What could you do to promote social and solidarity activities in your own university, such as time bank, bartering fairs, prosumers learning labs?

Written by Charles Hanks based on interviews at Jorge Perlino and Roberto Roitman, Institute of Work and Production and National University of Cuyo, Argentina; in coordination with the YSJ Social and Solidarity Economy Consortium



## 2.6 CHANGEMAKER CREDIT UNION, UNIVERSITY OF NORTHAMPTON, UK

### Rational objectives

- To understand the difference between a credit union and a bank which operates for the profit of shareholders
- To consider the role of the university in promoting inclusive and ethical practices in its day-to-day operations

### Experiential objective

- To consider the potential of the university to go against the 'mainstream' in its community life

### Context



Credit unions are non-profit financial social enterprise mutual organisations set up by members with something in common to benefit their community. The Changemaker Credit Union at the University of Northampton, UK, offers staff, students and alumni an alternative way to save, as well as the opportunity to apply for small affordable loans. It ensures that all staff, students and ex-students have access to ethical, responsible, and affordable financial services. Regulated and approved by the UK Financial Conduct Authority, it is a university-based financial cooperative owned by its members: the savers and borrowers themselves.

The University of Northampton and the Northamptonshire Credit Union joined forces to provide a financial services package for all students and staff of the university.

As explained to members:

As a member of the credit union you are a shareholder and have a say in how it is run. This means you are entitled to vote at the Annual General Meeting and can be elected to become a director of the organisation. Unlike many other financial institutions, there are no external shareholders, so the money received by Changemaker Credit Union is recycled for the benefit of members.

The advantages are common to all credit unions and include:

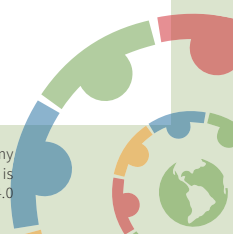
- Ethical, local savings, with no external shareholders to support flexible savings from £1 a week or £5 per month.
- Annual dividends paid to members based on profitability of the Credit Union.
- Flexible savings schemes to help plan for special occasions and day to day expenditure.

### Link to social and environmental ventures

The Changemaker Credit Union is also linked to the University's Enterprise Club. The University applied for a grant to provide loans of a maximum of between £500 - £3000 to 10 students a year for a venture. The venture must show evidence of the appropriate sustainable business ethics and the plan has to have a focus on enhancing and improving environmental sustainability. Match funding is required to apply for the loan, which is managed by the Changemaker Credit Union.

### Sustainability

The experience of credit unions in general suggests that approximately 5% of money will be lost through bad debt annually. The capital of the Credit Union is replenished through interest payments paid by borrowers (approx. 2%). The University of Northampton's Students' Union also has a commitment to replenish the fund through fundraising activities, thus ensuring the funds and loan book value remain in perpetuity at the level contributed by the grant funding.

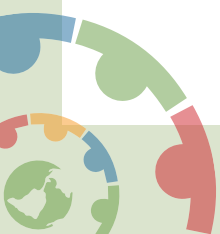




## Questions for discussion and action

- What are some of the benefits and potential challenges of the Changemaker Credit Union at Northampton?
- What difference would it make to have a credit union at your university?
- Find out if there are any networks of credit unions which the university could collaborate with.
- Launch a consultation to find out if staff and students would be interested in having a credit union, and to promote the understanding of these alternative non-profit financial services.

Material from University of Northampton and case study created by York St John-Erasmus Social and Solidarity Economy Consortium.



## 2.7 HOW ENTREPRENEURIAL IS YOUR HEI? EUROPEAN COMMISSION AND THE ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD)

### Rational objectives

- Become familiar with an online tool to assess the entrepreneurial culture of higher education institutions.
- Identify strengths and weaknesses of the institution through the tool as they assess their efforts to become entrepreneurial and innovative educational bodies.
- Access case studies showing good practice from a range of European HEIs as well as practical guidance notes to bring about change.
- Assess your institution across seven dimensions associated with entrepreneurial HEIs including; leadership, human resources and incentives, teaching and learning and impact.

### Experiential objective

- Increase the entrepreneurial potential of your HEI using a step by step approach tailored to your institutions particularities.
- Be aware that the organisational shift towards a holistic entrepreneurial culture requires a continuous interaction of the three economic systems: private, public and social.

### Context

The conference “Universities developing social enterprise through cross-sector collaboration” was organised by York St John University in September 2015 to mark the end of the three year Erasmus Mundus project called “Strengthening the studies and practice of the social and solidarity economy in higher education”. Juliet Edwards, a policy expert on higher education and entrepreneurship from the European Commission’s Directorate-General for education and culture, was present.

Her keynote address emphasised the role higher education institutions play to achieve two of the Commission’s strategic objectives: employment and growth. The commitment of the University is latent in the first goal, insofar as it is responsible for preparing professional young people with an entrepreneurial spirit. She stressed the importance of cross sector

collaboration to offer students studies that include practice in businesses. She also drew attention to the commitment of the European Commission to offer exchange programmes for students and teachers in different parts of Europe, facilitating the social and professional mobility needed for the vision of a cohesive and economically competitive Europe.

She emphasised the importance of social enterprises in realising the objectives of the Commission in three areas: social, economic and environmental, which explained the Commission’s interest in learning more about the potential and the limitations of the model and economic system encapsulated by the term social and solidarity economy.

Juliet Edwards presented an online tool that the Directorate General for Education and Culture of the European Commission has created with the Local Economic and Employment Development Forum (LEED) program of the OECD. The purpose and usefulness of the tool is to support higher education institutions in carrying out changes and organisational transformations to implement or further develop an entrepreneurial culture at a holistic institutional level.

### Content

The tool presents seven key areas considered vital to any HEI that wants to be entrepreneurial and innovative; Leadership and Governance

- Organisational Capacity: Funding, People and Incentives
- Entrepreneurial Teaching and Learning
- Preparing and Supporting Entrepreneurs
- Knowledge Exchange and Collaboration
- The Internationalised Institution
- Measuring Impact

### The principle characteristics of this tool can be summarised as:

- Each of these areas (or dimensions) consist of a series of statements which the user rates according to the relevance that it has within their own institution.

- The user can pick and choose which areas to complete.
- Once the user completes those areas they are interested in and submit the assessment, tailored results and case studies are generated providing guidance and ideas.
- The tool can be used by individual or groups: administrators can generate a group survey and compare the results between departments and faculties.
- It is completely private and autonomous. The results belong to the user and cannot be accessed by the European Commission or the OECD.
- The tool is not intended to set standards or to position the universities that use it, nor is it meant to be used to establish comparisons between institutions. No ranking, no benchmarking.
- The tool is free to use for all institutions and individuals working in higher education
- There is no registration or other cost.
- Downloadable resources for planning workshops and further development activities.
- The tool can be found on the following web page: [www.heinnovate.eu](http://www.heinnovate.eu)

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### How innovative is your higher education institution?

Being an entrepreneurial higher education institution depends upon individuals, and innovative ways of doing things. There is no 'unique' approach, but a variety of ways in which HEIs behave entrepreneurially, for example, in how they manage resources and build organisational capacity, involve external stakeholders into their leadership and governance, create and nurture synergies between teaching, research and their societal engagement, as well as knowledge exchange. This also includes recognising and building on what already exists.

Now in its third year, HEInnovate has been used by 100s of institutions across Europe to assess their entrepreneurial and innovative potential.

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### Questions for discussion and action

- Explore the tool and see what it can offer your institution.
- What determines whether this tool is used by the faculties and departments of your university?
- Which protocols would be relevant before, during and after applying the tool within the faculties or departments?
- How could the results be disseminated and exploited to bring about change in your institution?
- How could your university contribute to the development and improvement of this tool?
- Develop a strategic plan for the implementation of the HEInnovate tool, for short, medium and long term use with the personnel of your faculty or department.
- If you wish to share the result of evaluation self-assessment carried out by your institution to support other universities, contact the York St John-Erasmus Consortium: [socialeconomy@yorks.ac.uk](mailto:socialeconomy@yorks.ac.uk)