

## Getting off the old path and getting on the cooperative path

### René Mendoza Vidaurre<sup>1</sup>

*I was a fieldhand. I was a foreman. I knew how to become a patron. That is what I wanted. That is what I was doing when one day in 1968, on returning home, I ran into an unknown person on a mule. He extended his hand to me, greeting me:*

- *I am the priest of Santa Fe- he told me.*
- *I do not believe you, priests only greet the rich – I responded.*
- *There is always a first time for everything, I invite you to a meeting this Thursday – he surprised me.*
- *I do not have time for meetings- I reacted, turning my head back to the path.*
- *No? Those are the people I am looking for, people who do not have time – he said good-by and left me without a foot to stand on.*

*I went to the meeting. I saw him greeting people, even the children, that shook me. We sat in a circle. What I saw that day, what I heard that day, made me think differently. That day changed me forever”.*

Jacinto Peña, founder of the Esperanza de los Campesinos Cooperative, Santa Fé, Panamá

In this story there are three moments. In the first, Jacinto knows the patron-fieldhand path and dreams about becoming a patron, who priests greet. In the second, the encounter happens on a muddy path, a moment of awakening between the clash of events and words; the priest goes to people and shakes the sweaty and calloused hands of peasants, exchanging words, where two mentalities confront one another and at the same time coincide in “people who do not have time” (people involved in initiatives), and the possibility of change appears: “there is always a first time for everything”. In the third moment, the meeting takes place, and a new path takes shape in which what stands out is what happened before and during the meeting: greeting people, including the littlest, time to reflect in a circle and listening to one another, causes “thinking differently”. A year later they would organize their cooperative, and with that they would channel this awakening and new path in a sustainable way.

In this article we describe that old path, its reproduction in coopted cooperatives, and the appropriate path of the cooperative that, connected to peasant and indigenous roots, guides the centenary dreams of people. In the wrap up we leave open ended conclusions.

### 1. The old path

The old path is a dominant perspective and seen as the only one; it is a structure defined with rules honed over centuries. See figure 1. It is a relationship of power over the labor force, peasant products, female bodies and nature. The perspective is that what is important is what comes from above; if someone has a pressing need or emergency, they look upward, and go to the person considered to be the “top honcho”. In this structure each person knows their place. This is where the expression “know your place”,

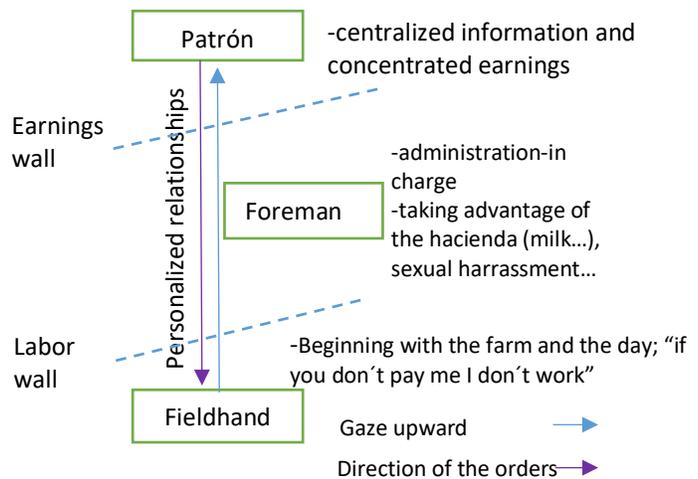


Figure 1. The old millennial structure

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fieldhands or peasants understand “their place” and consider themselves “brutes” and “powerless”, that is why the cook on a farm or hacienda works twice the amount of time than the men, and earn less than one day of work of a man, and in addition is sexually harassed as her daughters are – “whatever moves in my hacienda is mine”. The patron believes he owns the land, the cattle and the truth: while the fieldhand or peasant dreams about becoming a patron (see in the story of Jacinto Peña how he dreams of becoming a patron) on the basis of impoverishing the most vulnerable and nature, or resigns himself to his current condition under the belief that “the corn cob, even though there is a good rainy season, will always be a just a corn cob” (if you are born mediocre you will always be mediocre), ashamed of being “small” and believing that his current position is by “the will – or punishment – from above (God).”

Fear and subordination are generated on this path, while “going to the top honcho” is glorified: being “close to a tree with shade”. “By your side I am safe”, repeats the woman. The foreman moves about safely because he answers to the patron and walks under his “shade”, he protects that door and is afraid that others might go pass through it. Fieldhands and peasants, including technicians from the haciendas or farms and the State itself, do not ask about the origins of the profits, it is considered

- Expressions of fear
- Fear of God –he sees where we are from above
  - Fear of the patron—from above he finds out what we say, there is always a “snitch” looking to ingratiate himself with the patron.
  - Fear to be treated as “equalized” or not “taking your place”
  - Fear of your husband—keeps us like a tied hen
  - Fear to go out –of the home or the farm, like we are “tied down” or “kept” in a “someone else’s” territory

that the economic distribution (wages for work, payment for product and earnings for the patron) is natural and divinely fair. Asking about these topics is considered a sin. Only technical and depoliticized questions are asked: where to weed or whether to use more agrochemicals. Meanwhile, whoever dares to ask about the accumulation of capital or its redistribution, do so because they “have lost their mind”, are drunk or are not controlling their anger, and when that happens, that person is accused of “equalizing himself” by his fellow workers and the “shade” of the patron fails to cover him. There are people, nevertheless, who awaken up to how unjust this path is, but since they cannot see another path, express their disagreement by cutting down a plant, stealing bananas, using more agrochemicals, or putting stones in the bag of coffee that he has sold. There is no absolute power of the patron (or trader-broker) over the peasantry, there are always cracks for rebellion, but they are channeled—even armed rebellions—without moving outside this path or structure.

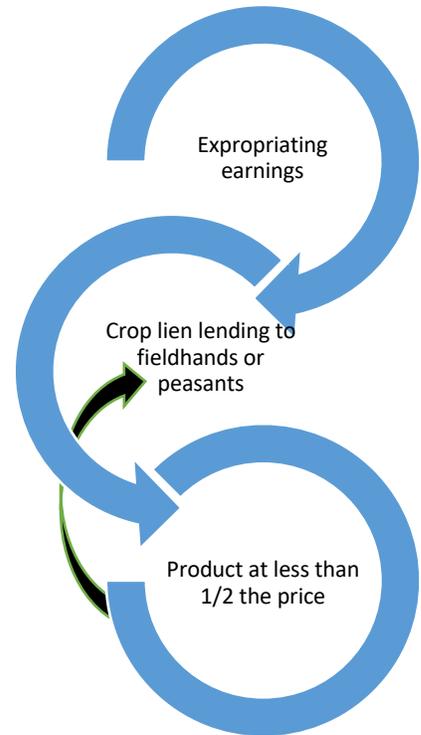


Figure 2. Dispossession circles based on two simple rules

From several rules that exist along this path, in addition to “profits belong to the patron”, and “profits organize the economy”, let us highlight the

rule that “without money there is no work” or better said “if I am not in debt I do not work”. As they say in Brazil “the pig squeals for its crossbar<sup>2</sup>”, if you take the crossbar off of the pig, after a while the pig will squeal. Peasants reproduce this same rule: “I will provide product based on what you lend me”; peasants await the “crop lien loan” in the “months of silence” to commit their coffee for the next cycle; they harvest a product that “is already paid for”. In this way they are not able to get out of the cycle of dispossession, because the crop lien loan means that they sell their product or work at less than half its price several months before the harvest (see Mendoza *et al*, 2012<sup>3</sup>); they do not work without being “lent to”; and the distribution of the wealth is the decision of the patron. This circle of iron squeezes the peasant or fieldhand, who see that their only way out is sticking to this structure, and it squeezes the patron or merchant who understands it as their only way to accumulate wealth. See Figure 2, the iron circles under which the economy is organized (see green arrow showing where value is pulled upwards), inequality moves and people and nature are impoverished. This patrón-foreman-fieldhand or peasant unit is so durable and has become so natural that, following the history of different countries, we see them together even in war itself, some fighting as soldiers and others as captains and generals.

\*Months of silence

Between April and October there is no income for families that depend mostly on coffee for their revenue. It is a time that becomes an opportunity for the hacienda patron or merchant, who “buys” the labor or “future” product at low prices. The more a family becomes a mono-cropper, the harsher are the months when there is no harvest; the more a person is left just with their “labor force”, más silencio hay –los peroles ya no suenan.

This millennial path crushes any possibility of a different path or rules that oppose it from the family, the farm (diversified) or the community. These perspectives of virtuous rules and a different path, nevertheless, still persist –“there are still embers where there was fire”, we would say with a phrase used about people in love.

## 2. Cooperatives that reproduce the old path

### The boss and his hen house

Maria was making tortillas when Reymundo arrived upset. “They tell me that you are organizing a cooperative. Why do you want another hen house? Shot off Reymundo, the eternal president of a cooperative. “Ahh we were talking...”, stammered Maria. “Cooperatives are made with money, and there is no money”, he interrupted her. “For that very reason, a cooperative is for thinking and helping one another; in your hen house the members do not think nor is their vote respected”, Maria responded more strongly. Reymundo raised his index finger: “you are deluded, leaders are born, not made ...” “Do you think you were born from the Virgin Mary?”, María laughed heartily. “Chicken brain! –shouted Reymundo– a leader is sacred, the people at the grassroots get confused ...” “Do you see a hen’s beak on me?” –Maria laughed again. “You can’t talk to women!” Reymundo left in a huff. María, flipping the tortilla, ruefully watched him leave: “He thinks he is the little boss, king of the world! He treats people like chickens, he never understood what a cooperative is”.<sup>4</sup>

<sup>2</sup> Crossbar refers to two stick tied to its neck to keep it from digging under a fence.

<sup>3</sup> R. Mendoza, E. Fernandez y K. Kuhnekath, 2012, “¿Institución patrón-dependiente o indeterminación social? Genealogía crítica del sistema de habilitación en el café”, en: Revista ENCUENTRO, No. 92. Managua: UCA <http://www.lamjol.info/index.php/ENCUENTRO/article/view/787> In English at: <https://peacewinds.org/patron-dependent-institution-or-social-indetermination-critical-geneology-of-the-crop-lien-system-in-coffee/>

<sup>4</sup> This parable is inspired by a visit that a colleague had. I changed the names to protect them.

In this story the president of a cooperative is a captive of the old path. He understands the cooperative as a “hen house”, and the members as chickens without agency (decision and vote) who follow the rooster each time he crows when he finds some worms. He understands that “nothing is done without money”. In contrast to a cooperative where leaders are made, he believes that “leaders are born”, that he “is sacred”, that those who are “confused” are the members, and that insubordinate women have “chicken brains”; he thinks exactly like the traditional patron.

## 2.1 Ceremonial glocal cooptation

The presidents are products of structures where the coopted cooperatives reproduce the old path<sup>5</sup>.

Following figure 3, compared with figure 1 and how it is described, essentially it is the same structure with two differences. It is more glocal (global and local) which includes international actors, and it is more ceremonial in that hundreds of rules appear (e.g. fair trade rules and those of several types of certifications), and documents signed (buy and sell contracts, financing contracts, forms filled out, written reports and minutes). These two elements contribute to the fact that the role of the management/administration becomes more important (“professional”), becomes the hinge or the entity that has the key to the inside and outside of organizations. By outside we are referring to international market actors (buyers, financiers, certifiers, aid organizations) and the State. This ceremonial and glocal differences, in addition, expressed in more bureaucratized ways, shape the entire structure with impersonalized relationships.

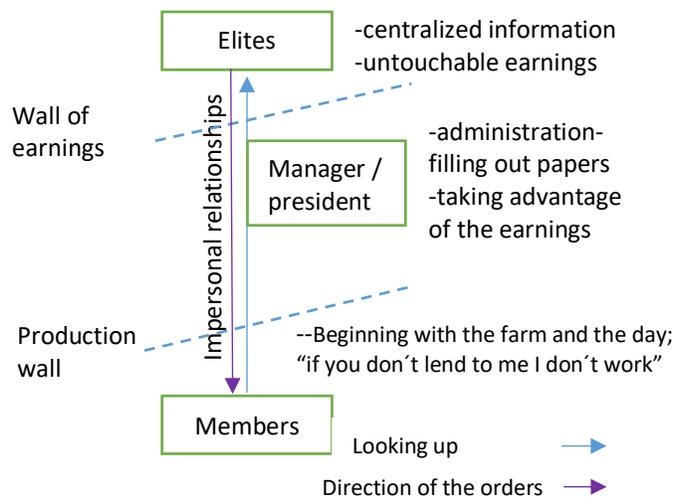


Figure 3. Coopted and subsumed cooperative

In this structure the buyers are interested in making money, and therefore are interested in the coffee, cacao or sesame seed product; the private banks and social banks are interested in recovering their capital; the aid organizations want financial reports; and the certifiers want their formats filled out; all of them are interested in arranging things with one person in the cooperative. On the side of the cooperative, the manager or president understands those interests, and respond with product, payment of loans and reports –“whatever the papers can stand”. If the buyers want to hear the song about the “poor producers”, “women members” and “democratic cooperative”, that intermediate layer learns to satisfy them, sings that song for them. Thus business is done in that small “club” of external actors (buyers, financiers and/or aid

<sup>5</sup> The old path exists in an infinity of types of organizations: political parties, NGOs, Universities, Churches or sports organizations. “If a teacher misses a class, he does not let us know that he is going to miss, and later decides when to make up that class without consulting the students; that is the order in the University”. I was told this by a student in the fourth year of Oriental medicine studies.

organizations), and the manager or president of the cooperative. It is a deal around goods – coffee or cacao – based on formal agreements. The role of the State there is to legally provide legitimacy to the existence of the cooperative; this involves confirming that the documents (official minutes) of the cooperative are done well as the state wants them, regardless of whether those documents are pure inventions of the manager or president of the cooperative.

A common characteristic is that, apart from speeches with good intentions, none of them are interested in the origins of the product, nor how the cooperative is functioning, much less whether the members have access to the profits of their organization, whether they received the loan, whether the members benefitted from the project, whether the members meet and there is rotation in the leadership, or whether the organic product really is organic. It is assumed that the fieldhands or peasants have nothing to do with that product, because any product “is made with money” that comes from outside. They are interested in the papers that conceal the expropriation of profits.

This structure makes the associative side of the cooperative disappear (see Figure 4). The external actors connect only with the business foot. The cooperative moves only on that foot. The manager and/or president is seen to be on the old path, with the difference that the control of the “patron” (external actors) is not ongoing, but ceremonial. This structure pulls them from their roots: the president “becomes independent” from the members who elected him, they put the statutes in a drawer; the staff on the business side “become independent” from the associative side which gave birth to it. From that business foot where the old globalized and bureaucratized path takes over, the manager and/or president present themselves as indispensable to the members: “Those above only receive and send messages to me, only I can negotiate resources – not even God loves you”, “without me, the cooperative would fall apart”; in other words, they mention the external actors as their backing (“their patron”) and their work is rather a favor so that the cooperative does not broke. They (manager or president) centralize relationships with the actors, they see them as *their* connections, instead of contacts and/or alliances of the cooperative. In this way the manager or president remain in their posts eternally and deadlock the cooperative; so, when a person enters the cooperative, they understand that there is no possibility to scale up on the associative foot, nor on the business foot, because the president or manager change “on the death of a bishop”.

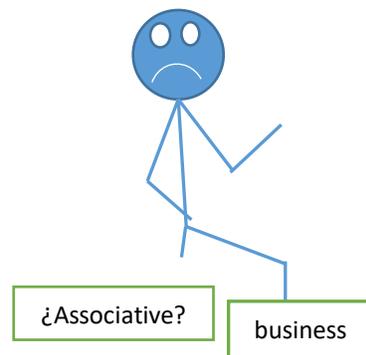


Figure 4. Coopted cooperative

## 2.2 The subsumption of the members

Under this framework of cooptation, the cooperative subsumes the members. The notion of subsumption

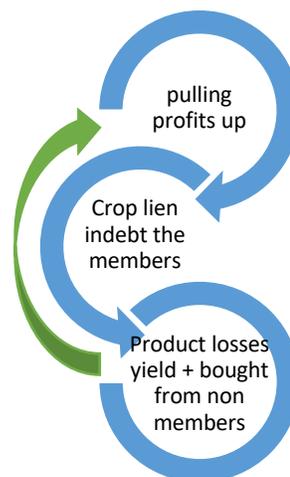


Figure 5. Circles of global dispossession

we take from Dussel (1990: 353)<sup>6</sup> who, rereading Marx in the context of industrial capitalism, understood that the worker (living work) and the machine (objectified work) are subsumed by capital; it is a secret way of creating surplus value for the capitalist. Here the member loses control over their product beyond their “picket fence,” and loses their organization while breaking away from their associative foot (figure 4), left as a producer of raw materials and encapsulated as a “member”, while the global chain appropriates the surplus value. How does this happen?

Figure 5 shows the same logic of figure 2 of the old path. The three rules that move the members are the abduction of the profits (surplus value), the fact that the cooperative is to “provide credit” and that the business foot might “manage the yield of the product and buy wherever what is needed to meet the market demand”. These three rules make the members turn in (“sell”) their coffee, and resign themselves to letting the business side run them.

The global chain pulls up the value of the product, those who do not produce the coffee capture 88% or more of the total value of the coffee, while the members get less than 12% (Mendoza, 2012: 159)<sup>7</sup>. From this global chain framework, the cooperative assumes the role of “not distributing the profits of the cooperative” and the mentality of the member is that of being a producer of raw materials – and nothing more. How does this work? The cooperatives that sell organic coffee or cacao turn over the “organic premium” as an effort of the manager and the technicians, as a “favor”, and not as the effort and right of the members. It is like some political parties who when they get to power in a country, redistribute something of the wealth without changing the capitalist path nor model; it is the *trickle down* economics of neoliberalism, of the assumption that ‘the more the capitalist accumulates wealth, the more it spills over’. They redistribute as a good patron would, who instead of providing grilled meat once a year, gives it to them three times a year, reinforcing that old path even more. The managers who run these cooperatives, tacitly assuming that the cooperatives are like “their properties”, justify it: “we do not redistribute the profits because we are consolidating the future of the cooperative by investing in assets”; they are cooperatives that are more than 20 years old, that continue investing in assets vetoing the redistribution of profits. The paradox is that the redistribution of profits is in the statutes of the cooperatives, something that the State tends to ignore.

The members do not ask about the profits (or earnings), because they believe that it is not their right nor the fruit of their effort as members. By not conceiving the cooperative and its efforts as their own, they do not do the calculations for the conversion of coffee in cherry to export coffee, nor cacao in pulp to dry cacao, nor the value formation of their product, nor do they calculate to the amount to be paid from the loan received, nor the expenses and income of the cooperative. Many producers do the calculations of their farms: “I calculate how much I am going to harvest, what I am going to sell it at; and from there I go down, what I am going to pay the workers, the food, and I spend accordingly” (Rufino Espinoza); but they do not do the same with their cooperative, because they see it as “someone else’s”. The mentality of the members is: “I am a seller of raw materials, the rest is not of my interest”; “they lent me money and they said how much I am going to pay, the rest is up to them”. It is like borrowing money from the patron, whose earnings are unquestionable because he is “doing you a favor”. In the cooperative the money of the members is read from the lens of the old path, they say “it is money from the cooperative, not our money, the money of the members”; and even worse, “the manager lent me the money, I owe him” – the paradox is that it is a resource of the members themselves.

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<sup>6</sup> Enrique Dussel, 1990, La producción teórica de Marx, un comentario a los Grundrisse. México: s. XXI.

<sup>7</sup> R. Mendoza, 2012, Gatekeeping and the struggle over development in the Nicaraguan Segovias. PhD tesis. Belgium: University of Antwerp.

Now let us look at the second rule: “I do not work if they do not give me credit (crop lien loan)” (Figure 3). The members appear to doubt that their farm is theirs and disengage from it; correspondingly, it is common to find ourselves in coffee fields in bad shape, particularly in the case of organic crops. The members have the idea that the cooperative (manager and/or president) is there to “bring them credit” and to “buy their production”, which is why they do not work their farm if there is no credit. It would seem that to become a member is to neglect your own farm, because the “foreman” (manager or president) does not come in to supervise them. If the manager or the president shows up to visit them, they do not see it as a visit, but as “credit”, that he is coming to “provide credit”, “to collect”, or to “supervise”. The board members behave like “foremen”. “If we redistribute the profits, the members are going to feel free, without a commitment to the cooperative; if we give out earnings as credit, they are going to assure coffee for the cooperative” (a president of a coffee cooperative); “If we are going to visit the members they are going to believe that we already are bringing loans, and then they are only going to want to talk about that” (Idem).

The third rule refers to the yield of the product, and the fact that products from non-members comes in as if it were from the members. The yield refers to the processing of the product and its production on the farm. The former happens from the harvest collection to its sale (be it exported or sent to the national market): from sun dried coffee to dried, warehoused, hulled, selected and bagged; from cacao pulp to fermented, dried, bagged and warehoused; from sugar cane to the extraction of juice, boiled in cauldrons, granulated and bagged. This phase is carried out under the leadership of the business foot of the cooperatives, which is interpreted by the members as “not my job”, which is why they do not demand the earnings referred to in the first rule, and do not access information about that yield. This is what leads them to say, “I am a seller of sun-dried coffee, of cacao pulp, of sugar cane...” and not of “export coffee, or granulated sugar”.

Another rule emerges for the yield of the organic produce on the farm: “an organic farm is not applying anything”. It means zero agrochemicals. It has been extended from there to “zero organic inputs”. A good number of the members, except those who apply agrochemicals in secret, let their coffee field produce what nature provides it, that organic fertilizer “is nature itself”, as if they were in the agricultural frontier areas where the virgin soils are fertile. Behind this is the idea that growing coffee or sugar cane is applying agrochemicals under the order of the patron, and that nature “just responds to the mandate of the patron”. In other words, the cooperative reproduces the old path, but in a feeble way: the “foreman” does not supervise the production nor determines how to manage nature. This gets worse when the organic certifiers prohibit them from planting other crops in the same area as the organic crop, pushing them towards monocropping, intensifying this feeling that these organic areas are “someone else’s”, that they belong to the technicians and the buyers who give them the “organic premium”. It is probable that the reaction by some members to not work these organic areas is also a form of protest, “well they manage that part, so I am not going to apply anything”; or that the rule of “if there is no credit I do not work” is even more true in the case of organic producers, because they work less, when they would have to work triple the amount of time in organics, because if a conventional coffee area requires 10qq of urea, a similar area of organic coffee requires 30qq of organic fertilizer, which implies more family labor. Consequently, production drops, families get more impoverished<sup>8</sup> and managers or presidents, responding to the market (global chain of

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<sup>8</sup> Several studies have now found this correlation between organic production for markets and poverty. See: Joni Valkila, 2009, “Fair Trade organic coffee production in Nicaragua — Sustainable development or a poverty trap?” in: Ecological Economics.

actors), buy conventional products from non-members, and pass them off as organic coffee from the members, without the members realizing it.

Some members and leaders hear rumors about these practices, and are tempted to ask about them. But the business foot reacts strongly: "You owe me", says the manager or the president to the member, as if the cooperative were the manager or president, or as if the resources of the members belonged to the manager and/or president. "The cooperative spends more on you who only turns in 500 lbs", they accuse the smaller producers of coffee or cacao, reproducing the ideas of the old path, where the one who has more materials resources rules the rest. The accusations escalate: they throw in their face that they are small producers, that they had to buy produce from outside to cover administrative costs. On one hand, the members are afraid of the manager, president or technical trainer; they do not demand their rights out of fear that they will not give them loans, exclude them from some project, collect what they owe in front of the other members; the women are doubly afraid, afraid of their husbands and the manager or president. In this way the members end up believing that they are "small" and that is something to be ashamed of ("we do not make demands because we are small producers"), that the cooperative "is someone else's", and therefore their actions are not connected to the results of the cooperative. In other words, the members also are disengaged from their cooperative.

In this process there are people who wake up, but they are not able to get beyond this structure, they thought that by joining a cooperative they would leave that old path. They discover this reality, awaken, when they realize that the rules that they are following are not their own, nor do they come from their community nor from the cooperative, but from those who exploit and oppress them, that they do so clothed as cooperatives, democracy, revolution or fair trade. They understand what is happening, they abhor it, and see their relatives moving under these pernicious "exogenous" rules, believing that they are "their own". It is when they feel disgusted, that their mind is conflicted, they do not know whether to believe in what woke them up, they become schizophrenic, wander on paths like sleepwalkers, while dragging along pieces of humanity. If they share their meditations, they are accused of being crazy, so with the look of someone lost, they murmur "I am disoriented" or "I am confused". This happens to them because they have awoken to their condition, but the cooperative through which they thought they could leave that situation, ends up being the same structure, more global, more formal and offering more training, but it is the same structure. Of course, there is no absolute power over the members, they divert their coffee or their cacao, avoid paying their debts, wait...

### 2.3 Advice or assistance to, and from, the business foot

In these cooperatives the accompaniment on the part of allied organizations, or on the part of the technical area of the second-tier cooperatives, is linked to the logic of the business foot of the cooperative. Consequently the trainings and consultancies do not cover the entire global chain of actors, nor deal with the redistribution of profits, analysis of the financial information, nor the real traceability of the product – about whether it comes from the members, about whether it really is organic, whether it really comes from women members, whether it is or not a cooperative.

Let us look at two examples. The first, seeing the depressing situation of the coffee field, the aid organizations easily deduce – along the lines of monocropping .- that the members need to be trained, which is convincing or evangelizing the peasant about something that it is assumed he does not know, and that the trainer assumes he/she does, something like "not putting anything on organic cacao", or pruning, or crop varieties. Nevertheless, in previous pages we have seen that the low production has to do with technical aspects connected to the rules of the old path,

something that the accompaniment does not tend to include. The second element is about training in gender, it tends to be about the habits of the couple, that the husband cooks as a favor to his wife, that women work in agriculture, that the cooperative incorporate women to make it look like they are more equitable (husband signs over a piece of his property so it be in the name of his wife); they are trainings that reduce patriarchal relationships to technical responses.

It is a consultancy that does not start from studying the pernicious and virtuous rules on gender or production. They are consultancies that assume that they know them already, because everything has already been “studied”. How can women join cooperatives when their own rules (“having land”) excludes them, in addition to the fact that they tend toward monocropping? Other consultancies insist that the members not be afraid of criticizing their board members and managers, but that can be an act of suicide, if the members themselves do not move beyond the patron-fieldhand structure, and if they are not accompanied by their advisers in that effort. Understanding the problems and opportunities of the member families is also understanding that these problems are also the problems of consultants.

### 3. The cooperative path

Is it possible to wake up and take another path? The fact that most of the cooperatives reproduce the old path makes this possibility more difficult, like what happens when a political revolution reproduces the same hierarchical structure that it apparently fought. We say “apparently” because in reality it was “get rid of you to install me”. But of course another path is possible! Here we present the conditions that create a cooperative path, its results in terms of the 3 rules, and the appropriate accompaniment.

#### 3.1 Mechanisms needed for an associative path

We begin with the first mechanism, awakening and envisioning an alternative path.

Louise convinced her husband, Harold, to take a vacation. In 1983 they went to Mexico, El Salvador and Nicaragua, the last two countries in civil wars in those years. One night Harold awoke with a start, sat up in bed, and began to sob. “This is crazy” – he said to himself – “I have not cried as an adult, and now I am crying.” Why was he crying? The previous day while walking through the streets of Managua, a naked child ran up to him and hugged his legs. He looked down at the child, and the child looked up at him. He never saw that child again. That event stayed in his mind. So talking with Louise they decided to make more money with his business, Foldcraft, in the United States to organize a foundation that would provide support in Nicaragua. In 1986 they established the foundation. The couple has since died, and that Foundation continues supporting dozens of peasant families through their rural organizations in Nicaragua.

Harold and Louise as a young couple began to make furniture in the garage of Harold’s mother’s house, a business that over the years became a million-dollar enterprise. That daily effort made the couple believe that the rules under which they moved were the rules of the rest of the world. Nevertheless, that night when Harold woke up crying, he realized that it is NOT true; that his rules in his business were not the same rules in countries like Nicaragua. According to what people close to the family tell us, Harold was a very conservative member of the Republican party, and Louise was from the Democratic party. Being so conservative, how did they realize that the rules were not the same? The couple were mentally open to understanding that their rules and the rules in Nicaragua were not the same, that so there was injustice. That small, naked boy had shaken their hearts and their minds. Harold and Louise did

not become cooperative members, but they found a path to make their awakening effective. They sold their business to their own workers, and they understood that the biggest challenge was that the workers would become owners, and that that also was the challenge of the members of cooperatives. So they left behind their resources for this new path of justice.

Now let us consider the awakening of Jacinto Peñas, described at the beginning of this text. He awoke and envisioned another path based on “thinking differently”. That path took shape in a matter of months. He and other founders remembered it.

We awoke to the injustice of the wages, the cheating that the stores did to us through the weighing, and the prices for what we produced, and what we bought from them. We decided to form a cooperative. But how could we do that if we had no money nor anything? So Fr. Hector threw a nickel in the middle of where we were sitting and asked, “How many pieces of candy can we buy with this coin?” “Five!” we responded. Another person among us looked then for a nickel in his pocket. And others threw in more coins. Father picked up ten coins and told us that it was enough to buy 50 pieces of candy. He asked a boy to go out and buy them. It was noon and we were hungry.

The boy shared the candy with the fifty of us peasants who were there, and Father asked us again. “What does it taste like?” Someone said, “It tastes like glory!” We laughed. “This is how cooperativism is done”, concluded the priest.

The next week a group from Pantanal bought a hundred-pound sack of salt to resell as retail, and in El Carmen each person began to save 10 cents per week. In this way la esperanza de los campesinos [the hope of the peasants] was started, that is how our cooperative got started.

So started the Esperanza de los Campesinos<sup>9</sup> [Hope of the Peasants] Cooperative. Surely after several visits and group reflections they were awoken. They realized that the old path produced injustice, that money was made by lowering salaries and on the basis of cheating in the weight and the price. They understood that together they could solve these structural problems, like the weighing and pricing, that that was possible with the accompaniment of the priest Gallego, taking another path. Hope begins for them, and they propose forming a cooperative. At the very beginning a rule of the old path, and a belief about themselves, pop up: “without money nothing can be done”; (we have) “nothing”. They have a collective awakening there about the cooperative path, where they discover their own capacities: their own resources to contribute, initiatives for generating resources (in El Pantanal with a “hundred-pound bag of salt”); it is a collective awakening that frees up their energies to start their cooperative path in their own territory; and a reflective process, accompanied by the priest Gallego, who in our language “throws the ball back to them” – it is a type of accompaniment that we espouse in each one of these mechanisms.

Figure 6 shows the second mechanism, cooperative functioning in a circular path. Instead of elites sending directions down from above, like in figure 3, reproducing the old path expressed in figure 1, now the international actors are part of a

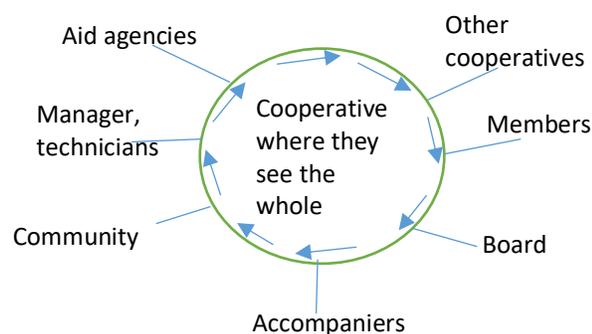


Figure 6. Cooperative path in movement

<sup>9</sup> In an article we pulled together the genesis of this cooperative, see: R. Mendoza, 2017, “A priest, a coop and a peasantry that regulates the elites”, in: ENVIO 425. Managua: IHCA-UCA. This year the cooperative celebrates its 50th anniversary, see: <https://www.youtube.com/watch?v=5v9aKUlecuw>

triangulated relationship, where buyers and financiers are interested in the product and in their capital in so far as the cooperative improves as a resource for the members, and in so far as the international organizations themselves are freed from the NY price for different products. On this path the most important product is not the coffee, cacao or granulated sugar, but the organization itself, and the chain of organizations with the allies.

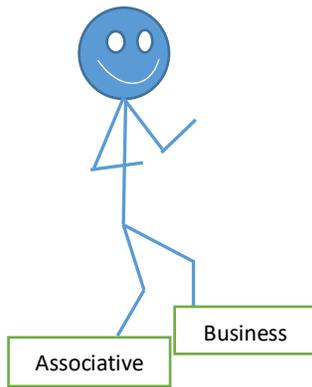


Figure 7. Cooperative on “2 feet”

The third mechanism is that the cooperative walk on two feet, the associative foot and the business foot (see Figure 7). It is the interaction of both feet that makes it move forward, as the song says “there is no path, you make the path by walking”. The associative foot defends redistribution, democratic exercise, and informational transparency; the society side. And the business foot defends the increase in wealth, efficiency (more income and less expenses) and effectiveness in economic transactions; it is the market side. One foot dominating the other is the termination of this cooperative path. An organization that only walks on the associative foot shares its wealth and is left with unsustainable democratic methods. Likewise, an organization only with the business foot is left as a means of dispossession subject to the market.

Within this framework a cacao buyer wants to negotiate, talk and reflect with people from both feet of the cooperative; the same with a financial or academic institution. There are no followers there, but leaders, there are no small nor large producers; one person, one vote; all the members have the right to elect and be elected, which is why the rotation of leadership is a principle on the associative side as well as on the business side. New members or a new worker in the cooperative will see from the beginning that, regardless of their level of schooling, they can scale up in title and learning.

The fourth mechanism is about values. On the old path values are talked about, but those values are turned into fetishes – words (values) that hide their commodification, and separate human actions from their economic, social and political results. The cooperatives that reproduce those old values repeat the laws, cooperation and solidarity, but their meaning comes from the old path, it means subjecting themselves and using the law for individual interest at the cost of the collective and its processes. In cooperatives that depart from the old path, values like honesty, solidarity or cooperation are connected to the origins of cooperativism, the roots of their members, and communities where they come from – see Figure 8. These values are connected with our childhood and with fair norms and equity in our families and communities: “equal inheritance”, “respecting collective assets”, sharecropping”, “shared labor”. These values, said figuratively, we have buried under layers of soil and we have to dig them up; on this path doubts about whether we are on the right path assail us. Swimming against the current is rare and difficult; the question guides us.

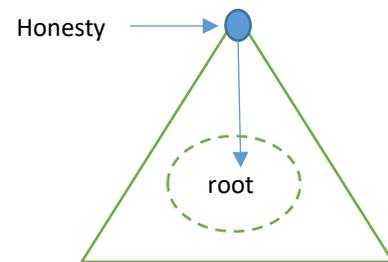


Figure 8. Values connected to roots

The fifth mechanism is the rootedness of the organization in its communities and in the diversified nature of its production. The old path makes society subject itself to the market, and with that promotes the extinction of the peasantry through monocropping, a colonial strategy for dispossession, now intensified by capitalism. This old path expressed through cooperatives

coopted by the market follow that same strategy, even promoting organic production, just as we saw previously. This path leads us to serve the market, adopt monocropping, turns us into enemies of nature, disconnects us from other people and from ourselves. On the cooperative path, we deepen the horizontal and vertical diversification, it connects us to nature and our roots. The more diversified we are, the more we energize our communities, the more we connect ourselves to different markets. The more agroecological practices we adopt, the greater autonomy that we attain, and the more we pull our cooperatives to function in our own territories. It is in this context that we talk about improving production, the quality of what we produce, to the extent that we improve the land.

Finally the mechanism that reinforces a contingent awareness. The old path makes the worker disconnect from the wealth that is produced on the farm, hacienda or factory, makes the producer family believe that their country ends at their own hedgerow, makes the member believe that it only means calling yourself a member, while always being a “seller of raw materials”. This old path makes the accompanying NGO or technician believe that their advice does not have to do with the results of the cooperative or the family. This act of believing that our actions have nothing to do with the situation of a country, the environmental situation, and the democratic system or not of our countries, is an act of alienation that intensifies climate change and social inequality. The cooperative path is precisely reconnecting our actions and their aggregated effects of unintended consequences.

On throwing in 10 nickels, 50 members saw how that act was turned into candy, into their redistribution, in a collective act that started a cooperative, a space for learning and created a living community. In the story “the little boss and his henhouse”, contrary to the mentality of the president Reymundo, Maria connects the actions of people, that “a cooperative is for thinking and helping one another.” The mental openness of Harold and Louise led them to think that there were unjust rules that generated results like that “naked boy”. It is Jacinto in the story at the beginning of this article that connects processes and “thinking differently”. The redistribution of profits is one of greatest expressions for members to connect their actions with the results of their organization. It is the connection between individual ideas and actions, and their collective aggregated effects (results), that gives us the possibility of awakening, and consequently of changing. This is the basis for cultivating a contingent awareness, that there is nothing that is given, that we humans transform realities; that there is no “above”, only the circle of Figure 6.

### 3.2 Elements of repossession

Ownership is the biggest result of the mechanisms just mentioned. This ownership is expressed in three rules: redistributing profits, providing credit that breaks with the crop lien system, and horizontally and vertically diversifying in a way connected to nature. The three rules are interdependent on one another. See Figure 9.

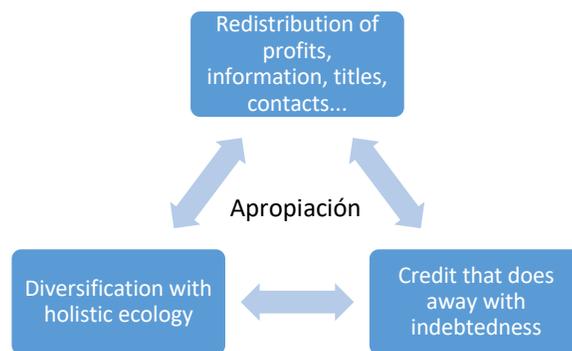


Figure 9. Rules for change

Redistributing is the first rule. On the old path, the member summarizes their identity as “I am a seller of sugar cane”, “seller of sun-dried coffee”, “seller of cacao pulp”, or “seller of my labor”. On this old path, reproduced by the coopted cooperatives, that mentality of treating the members as “hens” is intensified, giving them “the organic premium”, or improving the price for their sugar cane, coffee or cacao. These cooperatives do not allow discussing the profits of the cooperative, nor do their global actor allies bring up these topics. In contrast, on the cooperative path that notion of redistribution\* is inherent to being a cooperative.

\*Redistribution

If the wealth is distributed in few hands, it generates injustice. If only the administrative staff gets that income, it is not a cooperative. Redistribution is a change in the way of distributing wealth, it generates social justice, equity, and it is a right of all the members.

In the story about the emergence of the “Esperanza de los Campesinos” cooperative, 10 peasants contributed 5 cents, and 50 candies were redistributed among 50 peasants; the object of that meeting was not to buy candy and distribute them, but that act of re-distributing them (“multiplication of the loaves”) gave them the sense of ownership of being a cooperative from the very beginning. This is what Harold and Louise experienced after that night of tears, that ownership was the biggest challenge for the workers to become the owners of the business, and likewise in the case of members with their cooperatives. Redistribution is a means of ownership over your organization, which makes profits, information and rotation in leadership be shared. This is what wakes up the member, generates in the member interest in being informed, occupying positions of leadership, and keeping watch over their organization. In this way, Rufino Espinoza who calculates his income and costs for his farm, could ask for information and calculate the income and expenses of the cooperative; the members can calculate the yield of their coffee from cherry form to export coffee, and even roasted and ground coffee. Because “where your treasure is, there your heart will be” (Mt 6:21); a (economic, social, political and environmental) treasure that is the result of collective effort.

Contrary to “giving credit to go into debt” or “providing credit as payment for your produce at less than half its market price”, the second rule of change is: credit that frees the members from indebtedness and the crop lien system. This is possible coupled to the rule of redistribution of the cooperative’s profits, as well as receiving part of the loan in kind (farm inputs), making the relationships and information transparent in the heart of the family, that leads them to savings in times of “fat cows” for the lean times, and stagger income throughout the year.

This takes us to a third rule: diversifying connected to nature. It is not possible to stagger income without breaking with colonial mono-cropping; nor to save if a family and their cooperative are not promoting diversification in its various expressions. Staggering income comes from horizontally diversifying on the farm and vertically in forms of forward agro-industrialization (e.g. roasting coffee, making chocolate, making marmalade from fruit on the farm) and backward industrialization (making organic fertilizer and natural fungicide, protecting water sources). This rule fights that pernicious rule of “not putting anything on it”, connected to the lack of ownership over their own farm and cooperative; let us recall the old Spanish proverb “*what nature does not bestow, Salamanca cannot provide*”<sup>10</sup>. That relationship between

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<sup>10</sup> This expression probably refers to the fact that one of the most prestigious universities of Europe is in Salamanca, and the first to receive the title of university. It is a saying that indicates nothing is a given, your genes do not ensure your success, rather it is sustained effort that is required.

production and nature must be rethought from the idea of holistic ecology, proposed in Laudato Si. There Pope Francis urges recognizing one common cry from the most impoverished people and degraded nature; not seeing nature as something isolated nor much less as a thing, but connected, people with the environment, with God, with oneself and with other people; it is a notion that starts from the fact that there is an interconnection between society and nature, politics, economics and the environment, personal dignity and the common good, generational justice, culture and lifestyles. In other words, diversifying linked to nature is something that you connect with multiple and different areas.

These three rules are interconnected within a glocal framework. Composting is not done, in spite of hundreds of trainings received, because doing composting is a technical matter connected to policy, ownership of the farm and the cooperative. Credit can be a means for freeing the members from their debts and keeping the business foot from subjecting the cooperative to its interests, if that loan is connected to the redistribution of surpluses, if the financial organizations support this purpose, and if the member families improve their capacity for savings in so far as they diversify their activities.

### 3.3 Transformational accompaniment

This glocal cooperative path requires an accompaniment coherent with, and in the interest of, the aforementioned mechanisms (3.1) and results (3.2). It requires that we be in the home of the member family, and at the same time connected to the entire chain of global actors, in other words, working in networks, in teams, moving as part of the circle in figure 6. “Staying on top of the pulse”, and “being in the game”.

The priest Gallego is a source of inspiration in this. He had his religious network for working with the peasantry, he moved in the communities themselves, reflected in a circle with the peasant families, and contributed to the fact that the peasant families organized; his idea of church went beyond the temple in the municipal capitals. Pope Francis would add: listening to the cry of those most impoverished and the cry of nature as one cry. And we add the compelling need to conceptualize what we learn from the cooperative and from ourselves as accompaniers. We are not looking to do the impossible, but to break down our limits.

### Open ended conclusions

Few rules move the world, even though below that “bridge” there might be a lot of running water. What this article dealt with should not be seen as a prescription. It is only a small door to multiple realities in which it must be reinterpreted, corrected, expanded and added to. How to wake up and build cooperatives that would channel the dreams of peasant and indigenous families? How to accompany them breaking through our limits which the traditional academy imposed on us?

In this article we showed that sustained changes are possible if a specific cooperative in a certain community decides to do it. Even more so, if the global actors awaken and join the circle of change. Will global actors have the courage to awaken and change?

What is seen here is not exclusive to cooperatives and the chain of actors linked to them. We find the same structures in any organization or institution, be it grassroots, on the national or international level, the academy or the church. Nevertheless, the hope for change is present even in the most pernicious and inhumane organization or institution that has existed on the

face of the earth. Can these organizations dig into their history and that of humanity to re-encounter their real mission in our common home?