

## Reinvention of social enterprises from Nicaragua, Honduras and Guatemala René Mendoza Vidaurre<sup>1</sup>

### Off the rails

Rosita spent days thinking, until one day she said to her Mother: I want to be a doctor, will you let me go study?

Ah, my daughter, your Dad is going to get upset, María responded. That night María told her husband José that Rosita wanted to study medicine. He got upset. What? Women are for the kitchen! Who stuck those ideas in her head?

María cried the entire night.

In the morning José left to talk to his patron. He asked permission for his daughter to study. The patron reacting angrily, What? Women don't have the head for those things. They are here to give birth to peons. Send her to me to work, the devil got into her for being lazy!

At midnight José told María what his patron has said. If you send her, she is going to be his, for a time, pronounced María between sobs.

Rosita heard that whispering. She remembered her days in school, her grandmother and her "stolen" friends. Am I myself? Am I crazy? she asked herself. There has to be another way to live, she responded and prepared her bag. She left a note and took off. The note said, "I am leaving alone with my thoughts."

In this story appears the colonial structure where it is thought that a peasant woman cannot think ("does not have the head for that"), the patriarchal structure where it is believed that women cannot make decisions, and the capitalistic structure where women are valued if they reproduce the labor force. People move about in this triad structure, like trains on their rails. Rosita, nevertheless, detects that structure, has aspirations, achieves the support of her mother and her father, leaves, not "stolen", secretly "alone with her thoughts". A social enterprise is like Rosita, it thinks, acts, ponders and begins a different path. What characteristics do these types of organizations have who go "off the rails?" How are they able to continue along this different path over time?

Rosita can begin a different path, but with the passage of time abandon her thoughts and end up acting like her parents and the patron, or she can mature her "thoughts" of being different. Something similar happens with social enterprises (cooperatives, community stores and roasters). Here we begin identifying these structures that make them de-volve, and then we delve into the rural social enterprises that are going deeper along a different path.

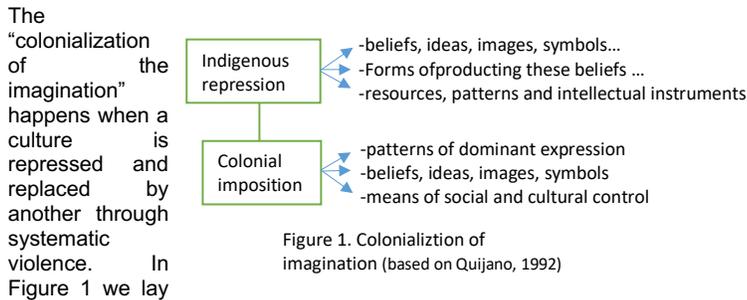
### 1. Introduction

The domination triad of colonial and patriarchal capitalism rests on the assumption that the values of a society are considered universal, and assume progress as a lineal evolution where race, capital and the rod (authoritarianism) are "the rails." We base this theoretical introduction on Quijano, Polanyi, Federici, and Lucas dos Santos and Banerjee.

Following Quijano (1992), separate from the defeat of political colonialism, a "colonization of the imagination of the dominated" persists. How did this occur?

This was the product, in the beginning, of systematic repression, not just the repression of specific beliefs, ideas, images, symbols or knowledge that did not serve global colonial domination. The repression fell, above all, on the forms of knowing, producing knowledge, producing perspectives, images and systems of images, symbols, forms of meaning; on resources, patterns and instruments of formalized and objectified intellectual or visual expression. It was followed by the imposition of the use of patterns of expression appropriate to those who were dominant, as well as

their beliefs and images referring to the supernatural, which served not just to block the cultural production of the dominated, but also as a means of social and cultural control, when the immediate repression ceased to be constant and systematic (1992:12)



out the detail of what Quijano proposes. In time that “universal cultural model” became an aspiration of other cultures, particularly the “illiterate peasant subculture, condemned to oral expression” (13), who were left without a form of intellectual expression.

In this process, European culture appears as rational, belonging to “actors”, while all other cultures it is assumed are not rational, are inferior, “objects” of study. Correspondingly, in harmony with Saint-Simon, the idea emerged of an organic society, where one part of the body is in charge of the others without dispensing with them, the brain in charge of the arms. So, in society the owners are the brains and the workers are the arms. It is an image of society as a closed and hierarchical structure, where each part is subject to the totality. There, history is conceived as an ongoing revolution from the primitive to the civilized, from savagery to the rational, from precapitalism to capitalism.

This Eurocentrism, according to Quijano (2014), is the specific logic of colonialism. The notion of race assumes that biologically some are inferior, and from capitalism the notion of the division of labor is reinforced reciprocally with race, for example that the workers by their inferiority are not worthy of wages, and the peasants should not aspire to be managers. That is where the Eurocentric myth originates of the “evolutionist perspective, of movement and unilateral and unidirectional change of human history.” (Quijano, 2014: 800).

Polanyi (2001, published for the first time in 1944) described this transformation of pre-industrial to industrial Europe in the XIX and XX centuries, the passage from a system of dispossession which led Europe from a “society with markets” to a “society of markets”, which led Germany, Portugal, Spain, Japan and Italy to fascist authoritarianism, and to the Second World War. Polanyi detected in addition forms of capitalization that were globalizing, which has been called neoliberalism, with the dominion of the force (laws and justice) of the globalizing market. Fifty years later, Stiglitz (2001:vii), rereading Polanyi, said in the prologue: “Due to the fact that the transformation of European civilization is analogous to the transformation that developing countries face throughout the world today, at times it seems as if Polanyi is speaking directly to the current situation.”

Stiglitz is correct in his observation but does not go far enough. This capitalism is colonial in the countries of the South, made worse than in the situation of Europe itself, expressed – without distinction as to political, religious or market leanings – in authoritarian structures mediated by the notion of race.

This colonial capitalism is also patriarchal. Federici (2010), studying capitalism from a feminist perspective, coincides with Marx in that primitive accumulation is salaried work separated from the means of production, she also understands it as separation from production by the market, while the reproduction of life is feminized and women are subjected to men for family sustenance. She found in the XVI and XVII centuries that capitalism caused hunger by the labor force, and that the belief was that the wealth of a nation consisted in having abundant salaried people, which is why the State and the Church, using violence, imposed witch hunting criminalizing birth control and controlling the female body, the uterus, to increase that labor force. “If in the Middle ages women had been able to use different contraceptive methods and had exercised an undisputable control over the birthing process, starting now their uteruses were transformed into political territory, controlled by men and the State: procreation was directly placed at the service of capitalist accumulation” (Federici, 2010: 138-139).

In the story at the beginning of the chapter, the patron repeats this rule of primitive accumulation, “those women are for producing peons”, and the father confirms that “women are for the kitchen.” If only 20% of land owners are women in Latin America, they are easily considered to be “arms” or a “rib”. In this way, race, capital and uterus are the rails of colonial and patriarchal capitalism, which we try to synthesize in Figure 2.

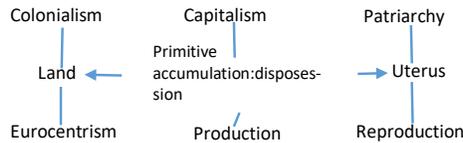


Figure 2. The rails of domination

Lucas dos Santos and Banerjee (2019), from a framework of “economic colonialism” in line with Quijano (1992), observe how social enterprises are run and measured under the parameters of that framework. So, some are seen as advanced and others as backward. The authors detect five deficiencies in the functioning of social enterprises, see Table 1.

Table 1. Conception of social enterprises		
Deficiencies	What these deficiencies ignore	Assumptions
1. Concern about the technical aspect and their performance	Economic democracy goes with different community rationalities, not just performance with predefined results	Collective innovation is replaced by quick technical responses; collective solutions take time.
2. Under-representation of subordinate people in decision making processes	A broad perspective should include subordinated groups, whose voices should not be interpreted nor edited	Subordinate groups have different conditions and meanings to negotiate
3. Vision of pacifist civil society focused on organization	Voices, whispers, and silences express participation; principles of distribution, reciprocity and family maintenance.	Minorities do not have voice in social enterprises; markets shape the economy in the social and political order.
4. No attention to gender issues	Role of women in reciprocity, distribution and family maintenance should appear in debates.	More women participate in social enterprises, but theoretical debates with a feminist perspective are scarce.
5. Non problematization of the political and economic dimension	Economic autonomy, public voice and visibility, unique solutions and protection networks in alternative arenas.	Alternative economies are defined by economic colonialism. Challenge of decolonializing social enterprises.

Source: based on Lucas dos Santos and Banerjee (2019)

Lucas dos Santos and Banerjee (2019) assume that promoting economic democracy in order to overcome “economic colonialism” requires addressing these five deficiencies. Cutting across these deficiencies is the idea of the market shaping social enterprises, without the perspectives of society having any importance. The authors insist that the voices of subordinate groups with their different rationalities should be made visible, even though these processes take time, and they question whether diverse and alternatives economies can be decolonialized.

## 2. Cooptation of social enterprises

Cooperatives were born from the womb of colonial countries and during the expansion of industrial capitalism, but in opposition to that system. That strength of “swimming against the current”, nevertheless, devolved through almost two centuries of history; today it is difficult to distinguish a cooperative from a private enterprise, to such an extent that in France they call it “cooperative capitalism” (Georges and Pascal, 2009). The word “enterprise” in its identifying definition entered for the first time in 1995 in the Congress of the International Cooperative Alliance, in the crest of the world rise of neoliberalism.

This colonial and patriarchal capitalism is reproduced by the social enterprises themselves. The deficiencies that Lucas dos Santos and Banerjee (2019) observe are taken on, for example, in the rural social enterprises in Central America, which does not lack any of them. The economic successes are emphasized without distributing surpluses, decisions are centralized without being transparent with information, are controlled by the market and technocracy, their actions and decisions are depoliticized, they exclude youth, women and workers without land. Figure 3 shows this structure that moves like one cogwheel crushing any option that goes off “the rails.”

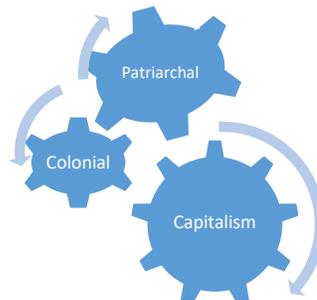


Figure 3. Colonial and patriarchal capitalism

Social enterprises are considered “the third sector”, alongside the State and the market, which is why it is expected that they might be a real counterweight, being democratic and equitable. This tends not to happen; social enterprises reproduce the hierarchical structures of the State and the market. The organizational chart of organizations has the assembly as their highest decision-making authority, but usually the assembly is only a formality. Technocratic elites in the organizations (social enterprises, business or sports associations, churches) became hierarchical, and the only gateway for the members to markets, states and gods. Markets see the social enterprise as a means to increase volume or to carry out imported projects. These elites see themselves as the “brain” embedded in the “strong man”, moving about in “black masses” (collusion among elites), from where they see the peasantry as “the arm,” “illiterate people who do not think”, that “the more brutish they are the more they produce.” For their part, aid organizations that tend to accompany them, even though bathed in discourses about democracy, are also hierarchical, reluctant to study the social enterprises, and inebriated with the technocratic belief that “they already know” the problems and solutions for the social enterprises, tacitly taking on the colonial logic that sees the social enterprises as the reflection of their past.

Most social enterprises are constituted by the State. It is assumed that forming a cooperative is a “matter of legalizing them”, promising them credit, land or some project; it is like getting married first before falling in love. This was true for the boom of cooperatives in Nicaragua in the 1980s, those of Venezuela in the first decade of the current millennium, or the rural banks in Honduras in the second decade of the current millennium. They are organized around monocropping systems or credit services. They are structures that see themselves only as rational businesses and individuals, neglect in practice their associative side and collective actions. They are formed under the idea that “a cooperative is for those who have” (land, coffee, sugar cane or cacao), and exclude those who “do not have anything” (women, youth and workers without land). They are organizations that are desperate to grow economically, which is why they do not distribute profits and intensify the hundred-year rule of “peasants are only for providing raw materials”.

These social enterprises have geographically dispersed membership and offices in the cities. They do not try to build trust among their membership as the basis for any action. The more they depend on markets and international aid agencies, the more they stick to formal aspects: contracts, audits, meeting minutes, and bids, disconnected from the processes of their membership. 20% of their members are women, most of them included as a formality. This low percentage is coherent with organizations dedicated to raw materials, where men are kings, while women are restricted to the kitchen and the reproduction of the labor force. The families themselves of the members are an expression of these hierarchical structures: husband/father centralizes decision making, and the family embraces the mono-cropping system. This social order is maintained even by violence, because social enterprises think that it is their duty to generate profits. The rule that governs them is “those who have, save yourselves”, at the cost of human lives and nature; it is the same rule of capitalism.

These three elements reveal the strength of colonial and patriarchal capitalism, coopting social enterprises, and using them as a means of dispossession. Table 2, reading it in a vertical way, shows what colonialism, capitalism and patriarchy are in the social enterprises, an expression of control and dependency, the superiority/inferiority duality that in the long term justifies violence. Meanwhile, reading it horizontally, it shows how embedded these three systems are: being guided by the patron, the market and men; the elite, the market and intelligent men; letting themselves be carried away by the oligarchy, the market and formality; mono-cropping, physical work and not processing products; predominance of discarding instead of change. They are intellectual sounding boards against the members, but in their name and through their own organizations. In the face of this, the elites of the market, the State and international aid organizations do not want to know whether the social enterprises are democratic, whether they distribute their profits, whether they are transparent, whether they have environmental sustainability, whether the voice of the members counts, whether subordinated groups are included...They are interested in the fact that the market rules in order to have profitable partners. The social enterprises with larger transaction volume and more working capital are praised and considered “advanced”.

Table 2. The triade reproduced by social enterprises

Colonialism	Capitalism	Patriarchy
Peasants dream about being a patron: ordering, exploiting people and having money.	Cooperative wants to be a business and an actor in the market	A couple wants a son who “weilds a machete” and not a daughter who “tends the hearth”.
Elites who see themselves as “the brain”: priest, sacristan and bell ringer all in one. Member: “waits for directions from above”	The market knows more, dictates justice and gives value to products and organizations	Head of the family (law, judge and jury); women in the kitchen, women for re-producing; cooperative is for men

Formal democracy in the assembly conceals control of the oligarchy	There are no decisions to make, just working and being an enterprise.	Membership of women is a formality, just to meet a requirement.
Cooperative is for mono-cropping, anchor for elites, divorced from the land	Peasants have comparative advantages with a crop that requires physical labor.	If peasants are only for raw materials, then there is no space for women who process and sell processed goods.
Strategy of change: I remove you to take your place.	Take land away from peasant to give them a job.	Exchange your wife for someone younger.
Source: author, based on accompaniment of organizations in Central America		

Can social enterprises be decolonized? We argue that they can, if the structures in which they operate change. This we will see in the following sections.

### 3. Social enterprises that go “off the rails”

“Put ourselves in the shoes of others” is advised to see the world from the perspective of other people. To do so, before that, we need to “take off the shoes we are wearing.”

#### 3.1 Case studies

In each case we include the specific context, history of the organization and its community, distinctive rules and organization.

##### 3.1.1 Nicaragua and organizations in synergy

From several cases with similar processes, we highlight one community with 2 cooperatives, 2 community stores and 2 community roasters.

The context is a rural community 260 kms from the capital in the municipality of San Juan del Río Coco, which in the last 30 years has become dependent on coffee and on one cooperative and conventional mediation for selling that coffee. The elite of that cooperative, like the intermediaries, used to hide information from the members, took the surplus, and the president has held the post for more than 30 years. This cooperative was worse than the intermediaries in that he manipulated the contributions of the members and collected coffee in the municipal capital (not in the community, like intermediaries do). The peasants reproduced the imposed rules: only producing raw materials, staying within their “piñuela fence”, money moves everything, and being concerned only about themselves –“those who have, save yourselves”.

As a result, the members were unaware of what happened to their coffee once it left their farms, more than 85% of the added value of coffee was captured outside of the community, they left the worst coffee for their own consumption, and lost control over their cooperatives. In a parallel fashion, groups of alcoholics and the abuse of women increased, while children without fathers continued to increase. Desperation spread: the producers more and more wanted to earn quick money, work less and went more into debt. The idea of “thinking big” controlled them, but understood as having greater volume, size (i.e. more members), capital (having a loan portfolio without concern about debt), and physical investment, at the cost of nature and people’s lives.

In the face of this situation, different groups reflected on their realities based on the question what would be opposed to the dominant cooperative model? They responded: depending on our own

resources, members coming from just one community, and rotating leadership, more women and youth as members, working on different products and processing them, leaving the best for their own consumption, operating the entire year and not just during the coffee season, being guided by rules collectively agreed upon, distributing profits and being transparent. Correspondingly, one group organized a new cooperative, and another group, two community stores and coffee roasters.

The cooperative collected the coffee harvest in the community, got involved in credit and trade in beans, and in alliance with another enterprise, grew cardamom as a medicinal and agro-forestry plant with demand outside and inside the country. Their financial basis came from the contributions of their membership, and from a loan through a triangulated agreement between a cooperative with a dry mill and export services, an international financial foundation, and the cooperative itself; the first processes and looks for buyers, the second provides credit and the third ensured quality coffee. Visits of board members to the members of the cooperative increased, as did their informational transparency and the distribution of profits, thus recovering the best rules of cooperativism (see Box 1). Slowly they are improving endogenous institutions of aid, like sharecropping with beans; they are recreating rules of commercial mediation, instead of "I finance you and you sell me the harvest", "we finance you, we sell your harvest, and then we distribute the profits."

Box 1. Rules, guides for the cooperative

- One member, one vote
- Follow agreements of the assembly
- Distribution of profits at the end of each economic activity: 10% legal reserv, 10% reinvestment, 10% education, 5% social welfare, and 65% individual distribution
- 7% additional price for the products that they leave in the cooperative to be paid after they are sold.

The community stores and roasters provide fair prices and weighing of the products and services that they offer. The stores, in addition to conventional products, buy and sell products from the community, and promote group initiatives: e.g. they finance ingredients for breadmaking for one group, they buy their bread to resell it. The basis of these social enterprises is also a form of triangulation: shareholders from the community, shareholders from outside the community and owners of the building who administer those services. Even though shareholders are mentioned, and the word "share" comes from Corporations (Inc), the stores and roasters seek to be democratic and equitable: see Box 2 with the principal rules.

Box 2. Guiding rules of social enterprises

- One person one vote in assembly decisions; having more shares does not give you more rights than others.
- The family that administers a social enterprise earns 30% of gross profit
- Distribution of net profits in assemblies held very 3 months: 20% social fund, 29% reinvestment, 10% equipment repair and 50% individual distribution depending on number of shares

The weight of women and youth is growing in these social enterprises and in initiatives linked to them, like the processing and trade of products. These social enterprises are becoming a source of credit and jobs for the shareholders themselves (e.g. rotation in the role of supervision and distributing), and spaces where they learn accounting, social business administration, written culture (recording data, taking notes and analyzing them), organization of initiatives and correcting rules that help people in their communities. Concerning the latter point, for example, selling products on credit that does not imply getting the family of the customer into debt, distinguishing between a collective asset (the store or roaster) and an individual asset (resource that belongs to

a person), which allows administering another’s asset without squandering it, promoting collective innovations like raising chickens, breadmaking, sewing. People want to contribute resources if they know where their resource is going, if they receive profits, and if these enterprises benefit the community.

Seen in its entirety, that authoritarian cooperative, even though at the beginning more so because its members did not desert it, joined together to contribute to the community in road improvement and visiting some of their members. The new cooperative stands out from the old model of cooperative, and feels pressure from the community stores and roasters who are scaling up based on their own resources. This indirect interaction (see Figure 4) is pressuring them to improve their democracy, transparency and equity. Said figuratively, instead of directly correcting the twisted tree, planting other trees, which combining sun and wind, slowly correct the twisted tree (authoritarian cooperative). “Thinking big”, in this sense, is multiplying organizations in the community around actions that break the curse of “only raw materials” and “we always need a patron”. The objective is not money but energizing the community.

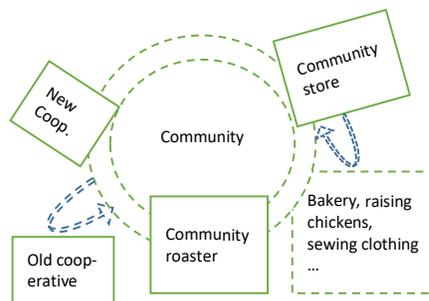


Figure 4. Interaction of organizations within the community framework

When a social enterprise opens up a new path to be collective action, people take that path, learn it, and have the opportunity to catalyze their own changes.

### 3.1.2 Honduras and community organizations

In contrast to Nicaragua, the experience of Honduras is a community that organizes, expands outward based on a community store that emerged in the 1970s, and aims for the local and provincial market. It is the indigenous community of Encimos in the province of Intibucá, 115 kms from the capital.

The 1960s and 1970s were marked by changes in the social doctrine of the Catholic Church with the Second Vatican Council (1962), through which radio schools came into the rural area that taught people how to read and write and encouraged people to organize, and by the Alliance for Progress from the United States, to prevent infection from the Cuban revolution, pushing governments to carry out certain reforms to maintain control over the peasantry; in this way the National Association of Peasants of Honduras (ANACH) emerged, and the National Union of Peasants (UNC).

Table 3. Events in the community	
1975	Los Encinos Peasant Store
1996	Alcoholics Anonymous (AA)
1999	Juan Bautista Community Store
1997-2003	Introduction of vegetables (FIA: Honduran Foundation for Agricultural Research)
2003	APRHOFI: Intibucá Association of Vegetable and Fruit Producers
2003	Inclusion of Los Encinos Store in the COMAL Network
2010	Introduction of irrigation systems (USAID)
2011	EMATE: Los Encinos Weaving Craft Enterprise
2011	Recovery of APRHOFI
2012	Introduction of ecological agriculture
2012	ESMACOL: Lenca Community Alternative Multiple Service Enterprise. (7 Stores are the owners of Esmacol)
2016	Introduction of greenhouses

It was in those years that the people, harassed by large landowners and the Police, grabbed on to religion and liquor, one group visioned “bringing the store from the city to their community,” they formed the first store in 1975 and the second in 1999. Afterwards, international aid introduced technology into vegetables, created APROHOFI (business that marketed vegetables), and included the two stores in the COMAL Network, with rules and control from outside the community. It is in the decade of 2010 that the community groups scale up: they established their stores, formed EMATE in weaving, assimilated ecological agriculture and irrigation systems, took control over and corrected the rules of APROHOFI, and along with stores from other communities, co-governed ESMACOL. See Table 3.

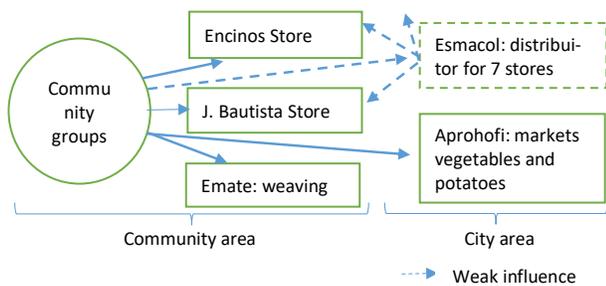


Figure 5. Community network

Figure 5 shows the network in its entirety. The 3 organizations become a reference point in the community. They rescue APROHOFI from poor management; they consolidate it with governance from the community. ESMACOL, after 7 years, continues to be weak, like 5 of the 7 stores; co-governance with weak stores makes it

difficult for ESMACOL to improve. A lesson that is emerging is that social enterprises tend to improve if the governance and rules come from the community itself.

What is described is the expression of a virtuous circle between technological change, markets, organization and finances: see Figure 6, supported by the image of a 4 layered onion. The organizations (stores, distributor, seller, weavings), the introduction of potatoes and vegetables, and investments in irrigation systems and greenhouses, reveals that there is an interaction between the technological, social, economic, cultural and spiritual. In other words, new crops and greater technological productivity implies more social cooperation between families, which generates economic costs and income, requires changes in the cultural sphere to the extent that agriculture intensifies and grapples with markets, which has repercussions on the spiritual-religious life of families, and this in turn on the technology...

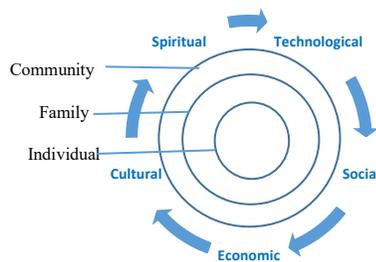


Figure 6: Mobilization of community forces

What explains this circular process that began 45 years ago? First, the idea of “getting closer to the market” was a powerful vision within a context of political tensions and religious opening in the rural areas, a vision that assumed that the peasantry was valuable and could organize a store. A vision that later is made a reality on the basis of their own resources, learning each month to add and subtract what is bought and sold in the store, in spite of the fact that most of them did not know how to read. That vision and passion for the store to continue has accompanied them since that time.

Second, there was success with the rules for starting the store. Each member contributes 1500 Lempiras to their peasant store in January of each year, and with that they receive the equivalent of 100% of that contribution as earnings in December of each year. If a member contributes more than 1500 Lempiras, they receive 20% of that amount as earnings; that 20% continues being a greater benefit than saving it in a bank. The members get in credit the equivalent of up to twice their minimum contribution, in other words, up to 3,000 Lempiras; if the person is not able to pay in the annual term, the store is paid with the 3,000 of the distribution of profits-contribution. The stores offer products at prices slightly below market prices, while the salary of the administrator of the store is 30% of gross profits, which is why the administrator is incentivized to sell more, as the population is incentivized to make their purchases in the store. Box 3 lists the principal rules of the store and the other social enterprises.

Box 3. Rules of social enterprises

- Decisions by consensus in assemblies
- The person who administers the store in their own building earns 30% of gross profits
- Profit distribution: 100% of the contribution of L 1500; if they contribute more, 20% for the additional amount
- Rotation of members in leadership posts
- Oversight board does monthly cash out in the store

Third, like many communities, in Encinos a good number of youth fell into alcoholism, putting the store itself at risk. The school teacher, Jenny Maraslago, saw this fact and helped to create the conditions for change. This is how Bernardo Gonzales remembers it: *"In 1996 the teacher said, 'such intelligent youth, it makes me sad to find them in the gutters.' So she brought in the rules of AA; and introduced to us a friend from AA. Encouraged by my older brother, we immediately began to meet,*

*and look, we quit getting drunk, everything changed that day."* 25 years later we found those youth, no longer in the gutters, but leading organizations. In 1975 they woke up to the possibility of bringing a store to the community, and in 1996 the rules of AA of not drinking liquor for 24 renewable hours showed them the path to take care of their community.

These three changes – vision, rules and awakening – contributed to creating the conditions so that in the years following Encinos would multiply their organizations and change their own way of farm production. After several decades of traditional agriculture, that hundred-year-old institution of "this is how I have always planted and how I always will", gave way to "planting in furrows", and later to ecological agriculture, and then to including greenhouse systems. They are mechanisms of identifying and applying the rules of each organization and nature itself, along with their organs taking up their respective roles, which led them to keeping just one person from playing the roles of "priest, sacristan and bell ringer", and creating communities beyond the geographic space of Encinos. And in the opposite direction, every time that external actors consider and have an agenda foreign to that of the communities, initiatives like ESMACOL take more time to be sustainable and useful for the communities.

### 3.1.3 Guatemala and ecological agriculture which transcends

In Guatemala, a mostly indigenous country, a cooperative cultivates a transnational relationship and social cohesion with its members and organic agriculture. It is the cooperative of La Voz in the municipality of San Juan La Laguna, in the Province of Sololá, founded in 1979.

For decades they have experienced a context of discrimination from the people of San Pedro (non-indigenous from the neighboring town), of dispossession of their best land. Also, on the part of the Chalet owners, foreigners and non indigenous who took over the shores of Atitlan, one of

the 7 wonders of the world, and built their chalets. In this context, and when organizing themselves under military dictatorships sounded like communism, a group of people understood that if they did not organize, they would die along with their relatives. They formed a cooperative and after suffering several attacks, one of them by the Police themselves, they turned themselves into an organic coffee cooperative, with a collective wet mill, even though with productive yields in weight equivalent to 60% of the conventional coffee of the San Pedro coffee growers. The first key to their persistence was their social cohesion as a group with a high rotation of members in leadership posts; the second key was their relationship with a market in the United States that were paying them well for their organic coffee. Up until 2004 that was the story of this cooperative, something unusual.

Between 2005 and 2010 the cooperative experienced a social, economic and environmental crisis. Hurricane Stan in 2005 and Agatha in 2010 made the waters of Atitlan rise, and with that a lot of land in dispute disappeared. In a parallel fashion, the cooperative fell into acts of corruption that put them at risk of going broke. In 2005 the cooperative got nearly half a million dollars in credit from a social bank and two loan sharks. In that same period the cooperative exported double the volume of their organic coffee, buying the other 50% from third parties, and passing it off as if it were fair trade, organic coffee from the cooperative. The members did not receive that loan, much less the profits for the resale of the other 50%. That was possible thanks to the complicity of the board and administrative staff of the cooperative, and the complacency of the certifiers (organic and fair trade), social banks and coffee buyers.

The members in that period of the board (2005-2006) were not aware of what was happening in the cooperative. In the next period (2007-2008) with a new board the situation was noticed because debt collectors came in, so they unraveled the origins of the debt. In the assembly they studied the causes, they met with the social banks, certifiers, buyers and aid agencies. What had led them to this crisis?

"If a member spoke well, we would say that that member was good, that he should be president. We trusted what the manager or the president would tell us, "This project is coming...sign here." That is fine and we would sign. We did not verify the document to see what it ended up saying. They only would come in to tell us. There was no control over the travel allowance of the manager nor about the salaries they earned. We let them sign checks for the employees. Even in one season the manager was the legal representative of the cooperative. We would change everyone in each period, there were meetings, but we did not know how the administration was doing. The Credit Committee let the board authorize the loans, and we would say that it was good. As the legal representative, the manager would negotiate and talk with the buyers and the banks; we were afraid of talking to a business person and were happy with the manager doing it. Going to the capital was something we did not like to do..." (Board members of the cooperative).

The rotation of members in the posts out of formality led them to this crisis. Board members who did not take notes of the meetings that they held, did not read the minutes nor contracts, did not study the numbers of their organization, and did not ensure that the agreements from the assembly were applied, turned into decorative board members, it did not matter how good the practice of leadership rotation might be. Custom turned into law: signing official minutes and checks without verifying, putting in posts people that spoke well, letting the administration represent the cooperative and sign their checks, leaving the president or the manager to authorize loans instead of the credit committee, and avoiding talking with buyers and the banks. It was a "law" legitimized by the fair trade and organic certifiers' audits.

That situation became a crisis when the bills came in and they had a new board. Realizing that the instigators of taking over the collective resources had been backed also by the organic certifier struck a blow to hundred year old beliefs that had nested in their minds: "foreign auditors have the final word"; "a person with a degree is trained to lead organizations"; "indigenous are not capable of talking nor traveling." They were absorbed by the formality of the cooperative: the rotation of leaders was insufficient, and the audits of the international organizations were just papers. They awoke even from their cultural self enclosure: "a ladino cannot teach an indigenous person about coffee"; this idea had blocked them from benefitting from technical consultancies in order to improve their coffee. They also understood that the force of the market (maximizing individual earnings) was guiding the fair-trade organizations connected to the administration of the cooperative and the formality of its bodies.

It was a collective awakening in ongoing assemblies. There they decided to defend themselves against judicial claims of users; they understood that leadership rotation was insufficient if the administration was on the other side of the street, which is why the board studied the finances that the administrative area worked on. At the same time, they rebuilt their relationships with external actors: aid organizations and the State, administering resources efficiently; social banks honoring the debt, in spite of the fact that only part of those resources had gotten to the cooperatives and that the social bank had failed in their vetting mechanisms; they changed their organic certifier for another one that "visits the countryside"; and they worked with their coffee buyers so that quality requirements be connected to differentiated prices. They recognized that they could improve in their production areas, and that technical assistance from the state was useful, they hired a permanent technical promoter who accompanied the members and decided to produce organic inputs (compost worm fertilizer) that the members would buy. They got involved in roasting coffee aimed at the local market. They established a clinic for women based on their social fund, as an expression of commitment to their municipality.

Since 2010 they began to feel the changes and their results: see Figure 7. Organic agriculture bore fruit: if previously the organic coffee had a smaller yield than conventional coffee, within years the soil became so fertile that their coffee yield was better than the yield for conventional coffee. Without affecting those high yields, the families also grew corn, beans, bananas and other trees in between the rows of coffee – the rule of the certifiers that prohibited other crops is overcome if the soil is completely fertilized with organic fertilizers, feeding the soil and not the crop is "the rail."

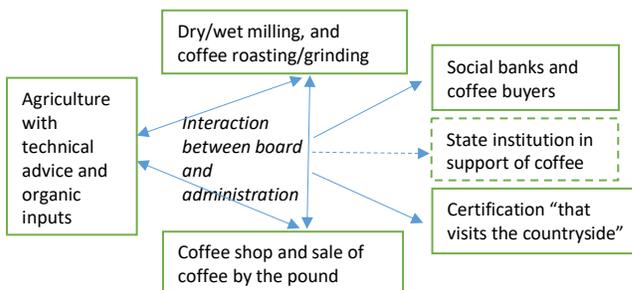


Figure 7. Virtuous Alliance

In addition to processing and exporting good quality organic coffee (cup score of 84), roasting coffee gave them several advantages. 5% of their total coffee was roasted, ground and sold through their coffee shops. This allowed them to know more about the yield from cherry to export coffee, to ground, roasted coffee and to the number of cups of coffee. They use this information to make their negotiations with coffee buyers transparent, because the cooperative and the

buyers understand how unfair the New York stock price is, when they say that 1 lb of coffee is worth \$1.50, that same pound in the United States or Europe, now roasted, ground and packaged, is worth ten times more, and even much more if it is sold as cups of coffee. The coffee shop in the cooperative is also a door to agro-ecological tourism for people connected to the coffee trade, and for the public in general. This creates environmental awareness and allows understanding what the coffee economy and part of the culture of the communities of San Juan are like. Also, coffee shops in the United States that buy coffee from the cooperative transmit live on their monitors farms in Guatemala.

In terms of results, some people from San Juan are repurchasing land from the people of San Pedro. The cooperative is creating jobs for the member families themselves on the farms, in the wet and dry mills, in the roasting and grinding of coffee, in the coffee shop and in the clinic.

Awakening to this crisis opened their minds. They learned that the relationship between the associative part and the business part, elucidated in assemblies, is what moves the cooperative, that the rotation of leaders implies getting involved in the administration of the actions of the cooperative; and that a transparent transnational alliance where each one does their part, supports social, economic and environmental equity processes for the communities. See box 4.

Box 4. Rules of the alliance

- Verified decisions: board ensures it is their own coffee, certifier verifies it in the field ...
- Frequent assemblies for decision making
- Organs direct the different actions of the coop
- Rotation of members in posts
- One member, one voice one vote

In spite of this progress, the cooperative and its network are not out of danger. In fact, it is said that human beings are the only animal that trips over the same stone twice. How can we make the risk less likely? From the history of social movements we learn that, after being mobilized “from below”, even the best leaders tend to believe that the people can only be mobilized “from above” – by a political vanguard, manager or the market. The more a cooperative creates mechanisms to mobilize itself “from below”, and does so within a framework of alliances with global actors, the more it distances itself from the risks of going broke. This is what this experience shows us.

### 3.2 Commonalities in these cases

What common waters run beneath these innovative experiences? See Table 4.

Table 4. Common elements				
	Context	History	Organization	Rules
Nicaragua	Community is smothered by commercial mediation and traditional cooperatives, monocropping and the search for money at the cost of human and natural life.	-They reflect on their situation, awaken and swim against the hierarchical “rails” -They crawl forward with their own resources, diversify, process and sell their products.	-Alliance in international triangulation around coffee -Alliance in local triangulation that catalyzes economic initiatives and densifies social connections.	-Contributing and distributing equitably -Decisions in assemblies; rotation of leadership and tasks; information transparency; visiting one another.

Honduras	Under the Alliance for Progress and the opening of the Catholic Church, a community far from markets, moves in a context of harassment of large land owners, alcoholism and learning to read and write.	-Vision: Bringing stores to the community -Religious opening: they value themselves -Keeping honesty with monthly cash out, assemblies and through oversight board. -diversify crops, weaving and commerce.	-Community store – distributor– seller of vegetables in the city -Community store and weaving group in the community -Self governance: Member families in posts of organizations	Contributing/distribution /credit which does not surpass amount to be distributed. -Rotation of leaders that also looks at the administration -managers that implement decisions of the organs.
Guatemala	Discrimination and dispossession of their lands in 1970-80s; now when organized they suffer theft from common crime and the Police, and later the complicity of external actors with local elites threaten to make the cooperative go broke.	-Vision: organizing is resisting as indigenous -They find a niche: organic soil for several crops, processing and coffee shop -They awaken to the corruption and leadership rotation without getting involved in administration.	-transnational alliance between coffee buyer, certifier who “visits the countryside” and cooperative around organic coffeee -Cooperative produces fertilizer, works wet/dry mills, roasts and coffee shop for the local market.	-Rotation of leaders directing actions of the cooperative -Transnational alliance whose members have roles that they carry out -Assembly is the decisive entity and follows up on actions.

Regardless of the historical period and country, markets and States intensify hierarchical structures of inequality and discrimination that belittle people. They do it with commercial mediation, mono-cropping and tacit rules like “save yourselves those who have” (land, money), separated from human and natural life, which is why people tend to isolate themselves, drown themselves in alcohol and religious fundamentalism. When these people, organized in cooperatives, are dragged along by these waters along with their external allies, then they end up forming alliances over raw materials and the peasantry stay within their “piñuela fences” and women stay secluded “in their kitchens”.

Those who reflect on their realities, awaken, see and crawl forward with their own resources, form organizatinos that on a small scale become what humanity would aspire to be- that is their story. On reflecting they discover those adversities that they are presented with as something natural and/or determined by some supernatural being. Reflection leads them to awaken to the extent that they encounter their own roots, with which they can free themselves from those adversities which are reproduced in their minds and hearts. Then they envision something different, connected to their roots, the opposite of those structures. And they hold on to that vision using their own resources. These organizations are like a family that rotates their crops to maintain soil fertility, while they protect a patch of forest where their water source is; the fact of having food and water gives them a strength for negotiating with the large land owner or rancher who wants to buy their labor force and/or their land. These exceptional organizations stick to their vision. Let us illustrate what this “stick to” means with the peasants in the store in Encinos in the 1970s, they, without knowing how to read and write, sat down every month to do the cash-inventory audit of their store, they knew that they were charting a new path and that they had to persist even if fire

rained down; month after month, year after year, they turned their store into one of the exceptional organizations of Central America – but not seen nor recognized as such by NGOs, aid agencies nor the State<sup>2</sup>.

Innovative forms of organization stand out in these stories. The triangulation or agreement between three actors, one transnational, and another more local. The first is between the buyer, the financier, and the seller (cooperative) around coffee, a triangulation “conditioned” on the equitable distribution of surpluses, informational transparency and on being democratic organizations<sup>3</sup>. The second is between local actors with a strong interest in the processing and commercialization of a diversity of products, a triangulation “conditioned” on including women and youth as protagonists in the social enterprises. In any of these expressions, the social enterprises are self governing and rotate leadership and jobs. These social enterprises, in addition, catalyze new organizations in the same community around other initiatives, this includes more marginalized people and keeps one person from becoming a “big chief” when there is only one organization.

It highlights the fact that in order to be democratic, transparent and equitable organizations, one does not need so much money, training, nor many pages of laws and norms. Few rules are needed, implementing them, and recreating them following their spirit in accordance with the changes that the communities experience as global spaces. When their members contribute and the social enterprise distributes the surplus with equity, and it is directed by its organs, the services (credit, processing, commercialization, health care or education) are sustainable. To do so, three interdependent rules are key. The **“contribute-distribute”** rule generates – and is generated by – trust; if under this rule a person requests a loan for an amount equal to or less than the amount of their contribution and their possible share of the distribution of surplus, and if once the term is past that person does not pay, the social enterprise deducts that amount from that person’s resources; any person who is the object of distribution asks for information and identifies with their organization – let us recall the biblical saying “where your treasure is, there your heart will be”. The rules **“only the assembly is the decisive body”** and **“rotation of leadership and posts”** are favored because the social enterprise belongs to the community, they make the voice of all the groups be heard, allows women to participate with or without babies; information flows through the community.

Under what conditions do these rules make a difference? When they are connected to endogenous institutions of the communities, which emerge through study and self-study: the rule “contribute-distribute” is connected to relationships of indigenous-peasant exchanges, e.g. sharecropping; the rule “assembly is decisive” is connected to collective actions-decisions of indigenous peoples. These are signs of “societies with markets”.

These interconnected rules, under alliances or triangulations, around modes of production that go beyond the curse of “raw materials” and cultivate relationships of life with nature, make us walk outside the rails of capitalist and patriarchal colonialism.

#### 4. Conceptualization of alternative processes

Let us go back to Quijano (1992), who proposes elements of decolonialization: freeing the production of knowledge, reflection and communication from the potholes of European rationality; recognizing the heterogeneity of all reality, the contradictory nature and legitimacy of what is diverse in all societies; requiring the idea of the other, what is diverse, different. For their part, Lucas dos Santos and Banerjee (2019), in order to decolonialize social enterprises, think about

seeing oneself as a specific and contextualized reality within a broad framework, recognizing western discourse on development, wealth and poverty, measuring and explaining the diversity of production logics that exist in the world, revising the meaning of what “the economic” is, recognizing community knowledge in order to find solutions, promoting symbolic autonomy...

From the described cases, we are rethinking the idea of community as a heterogeneous space, conflictual, and different from capitalist and patriarchal colonialism, where social enterprises rediscover their institutional roots, they are the means for people to recreate their identities and generate spaces for building, in the midst of conflicts, trust in one's own culture – that which they are rediscovering and not that capitalist and patriarchal colonialism reproduced by those same people. These social enterprises and the processes that they generate, correct, expand and catalyze become mechanisms which, like social laboratories, produce ideas, images, symbols and knowledge that guide people to improve their lives and their communities in a holistic way – not being dragged along by the merchantalization of race, capital and the uterus. See Table 5.

Table 5. Community that organizes, revives rules that are connected to social enterprises			
Principles of decolonialized societies	Reinvented social enterprises	Peasant rules and values	Peasant rules and values that benefit women
Enrootedness (place, origins for recreating identities, relationship with the land)	-Members come from the same community; meetings, transaction and exchanges happen in the community itself	-Not divide land into pieces nor sell it; the land is the mother, has life -diversified farm	-Women on water committee, school boards ...; -They feed sons and daughters -garden: my Mom's green thumb
Growth with equity	-Distribution of profits -Diversified and agro-industrial farms; systems for saving -Improve roads, clinic-health	-Sharecropping -Share voluntary labor support, seed for grains	-processing and commercializing -saving -sharing oregano, lard, lemon ... (food)
Ownership of your organization	-Monthly cash-inventory audit; -Oversight from within and without- with or without posts	Honesty for choosing treasurers, without regard to whether one is “learned” or not	If the social enterprise belongs to the community, women will assume leadership posts
Participatory democracy	-Decisions made in assemblies -Connected to one another, creating more organizations, membership from different ages and genders	Let the feet (footprints) guide and ruminate (reflect) at night	-Visiting one another; visiting the sick -Equity in inheritances
Learning apparatuses	-Diversification of services -Space for reading, taking notes, analyzing and making decisions based on analysis.	-Farm-cornfield and forest: the landscape reveals the life of the family -sharecropping and sharing voluntary labor	-Weaving, processing, commerce, garden -family -communities

Abstracting from specific cases, we find ideas, images and symbols in the peasantry and indigenous peoples. The connection of the social enterprises with the endogenous institutions of communities show other realities under construction. The farm or the cornfield is a symbol of crop diversity to ensure food for the family and cooperation with neighbors, the garden (“my Mom’s green thumb”) expresses indigenous plants (pumpkin, chayote, chile, annatto, chicory, mint...<sup>4</sup>), weavings, religiosities and phrases reveal beliefs, images and knowledge, many of them from prior to colonialization. Figure 8 shows this confluence of institutions and shows the collective results in terms of trust, living relationships with nature, other paths, recreation of identities ...

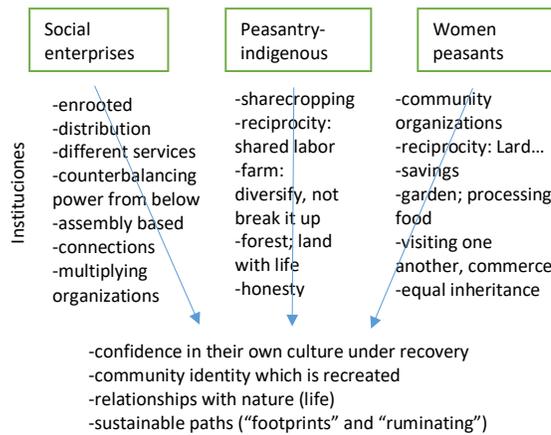


Figure 8. Community on its own rails

Under this framework of community which organizes and recreates itself, several elements stand out. **Discerning the specific context** implies “digging” into the context in which cooperatives emerged in Europe, from workers getting off the rails of industrial capitalism (England) or from peasants freeing themselves from usury (Germany), building principles of self help, self governance and self responsibility, and of “digging” into the context of peasant and indigenous communities, to then connect both contexts out of which might emerge the spirit of social enterprises, word and change. This is “digging out” endogenous rules buried by so many layers of colonial, capitalist and patriarchal dust, in Europe as well as in our communities of Central America.

With this spirit of innovation, few rules and values emerging, social enterprises implement it through decisions made in assemblies and rotation of members in organs involved in the associative and business sides. In this way social enterprises practice self governance. When this happens, the transnational and local triangulations (alliances) generate mutually beneficial synergies, social enterprises deepen their processes, and external actors adjust their changes – because studying good changes infects one to do self-study, that it is possible to change the “rails” you are on. Behind Table 5 there are a world of cross-overs experienced: triangled contributions, distribution and credit is connected to diversified farm/cornfield, savings and collaboration (e.g. sharing pork-lard); rotation of leaders and decisions made in assemblies connected to visiting one another (“getting out of the kitchen and the home”<sup>5</sup>), commerce, equitable inheritances, not dividing up the farm and the forest.

In this type of social enterprises, that rule of “get rid of you to put me in”, done so that nothing changes in the mechanisms of dispossession, is left far behind. That technocratic and elite pretension of conceiving themselves as the brain and guides to community social enterprises is left aside. Those dualities of condemning the peasantry to only raw materials, women to just reproduction, or the forest as a simple symbol of waste are diluted. These social enterprises are

mixtures and combinations of forces, wills, knowledge and emotions, of organizing other forms of life, communities that function in a spiral fashion, like the conch seashell, opening doors and multiplying organizations.

These social enterprises turn communities into universities. About re-understanding how to organize cooperatives, associations and stores. About re-ordering the farm/cornfield. About recovering the garden in the yard of the home, behind the phrase “My Mom’s green thumb.”<sup>6</sup>. About rediscovering women in multiple roles. About discerning the footprints (feet) alongside the reflection (reasoning, head). About rediscovering images, like the mountain with lush trees that produce water, wood, food and oxygen, without needing to be fertilized nor have chemical inputs applied.

Commented [ML1]: Tal vez sería mejor mover esta nota de pie a la primera aparición de esta frase en el artículo

## 5. Conclusions

We started this chapter with the question about what characterizes the type of organizations that get “off the rails” of capitalist and patriarchal colonialism, and how they are able to remain different over time. We read Quijano, Polanyi, Federici, and Lucas dos Santos and Banerjee. Afterwards we characterized the type of social enterprises dominant in Central America. Then we went into describing the cases of innovative social enterprises in Nicaragua, Honduras and Guatemala. From there we pulled out what is common to them. And on this basis we reconceptualized the community that organizes on their own “rails”. It is like we have followed the young woman of the story, who went away alone with her thoughts, starting another path, with the difference that we studied “Rosita” in 3 countries, finding her 45 years (Honduras), 40 years (Guatemala) and 5 years (Nicaragua) later.

These social enterprises or community forces have a history of “swimming against the current”. Instead of partnering people and providing profitable services, with managers who are eternal, hierarchical structures, subjecting women and nature, and believing that change comes from above, the social enterprises described have few rules which are decided in their assemblies and get implemented. Their members reflect, awaken and envision every day. They self govern. They break out of their “piñuela fences” and free themselves from the curse of “raw materials”, and consume the best of what they produce. They multiply organizations in the same community and at the same time build alliances in forms of triangulation where all benefit. Symbols like the farm/cornfield, the garden or the forest acquire new meaning; images like water, phrases like “eating the best of what we produce”, “my Mother’s green thumb”, and “alone with my thoughts” permeate deeply into their self esteem.

New challenges are appearing. Including more powerfully written culture. If Europe is rational, how can we be rational, emotional and intuitive looking at our footprints? Making the most marginalized people in the communities themselves become protagonists. Distinguishing more the Mesoamerican culture to find our roots and making communities even more innovative.

In the end we learn that when we lose all that technocratic emphasis and formality, that logic of volume, having more land, more money and more children, and that desire of wanting to be “the brain”, we encounter ourselves with our roots and the roots of our friends from any country.

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<sup>2</sup> In April 2018 they invited me to a meeting with the Municipal government of Intibucá. The Mayor spoke about the effort that his government made in favor of the poor. I said to him that one of the most interesting organizations of Latin America existed in his municipality. He was surprised, "What organization?" he asked. "The Store of Los Encinos; more than 40 years of existence; economically sustainable without ever having received foreign donations-projects; they distribute their profits each year; their members rotate in leadership and are leaders of other municipal organizations". "In Encinos?" he asked. He could not get over his surprise. "Yes," I responded.

<sup>3</sup> We say "conditioned" in the sense that this triangulation does not make sense if the social enterprise is not democratic, transparent and distributes its profits. That triangulation makes sense only if equity, democracy and transparency are a constitutive part of the actors that make up that triangulation.

<sup>4</sup> In order to get inside Nicaraguan food based mostly on the garden and cornfield, see Wheelock (1998).

<sup>5</sup> Women who can leave their kitchens and homes, to which they were reduced by the mono-cropping system. "Leaving" signifies an institutional change, which is facilitated by the meetings of the social enterprises and/or their initiatives for commercializing products. For a broad historical perspective of influential women, see Ferrer Valero, 2015.

<sup>6</sup> The phrase "my Mother's green thumb" we found among elderly people recalling the garden that their Mother had some 80-100 years ago. Gardens that have practically disappeared nowadays, replaced by the logic of mono-cropping. That phrase is like a living hieroglyph, it expresses the culture of the peasantry itself.