

Indigenous Community Cooperatives, Creating Small Businesses as a New Paradigm for the Common Good and Communion of Persons

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A fresh way to understand the business enterprise and foster the true communities that *Caritas in Veritate* (40) calls for, can be found in a new kind of cooperative among the indigenous of the global south. Inspired by a Christian humanism that includes the community in solidarity with all living things and mother earth, these small cooperatives are more sustainable and nimbler than capitalist models of business. This paper begins making some general points about the role of cooperatives in creating a civil economy and their history in Latin America and Africa, where the important role played by the post-Vatican II church starting cooperatives comes into view. The majority of the paper will focus on three examples from Bolivia where community cooperatives are succeeding as compared to the large industrial mining cooperatives. To show this extends beyond Latin America's indigenous, we will also briefly look at the example of Maasai women in Kenya's recent success building toilets. These indigenous cooperatives are examples of the integral ecology that *Laudato Si* points to "in service to another type of progress, one which is healthier, more human, more social, more integral" (112). Their traditional sacred cultural ties to the land and community are transformed into a sustainable business model that may not be as efficient as the capitalist model from a production perspective, but they are more sustainable as forces for the greater well-being of the community and the earth. I will argue that they offer a new way to consider efficiency as a sustainable management of their sacred heritage lands in a trinitarian integral ecology that could be considered the kind of new thinking that *Laudato Si* calls for in order to counter the threats of our current economic system.

An Interdisciplinary Course Creating Small Business for the Common Good in the Global South

For three years, the Providence College School of Business (PCSB) has been running an interdisciplinary course with the Theology and Physical Sciences Departments entitled: Sustainability and Social Value. It seeks to develop students' knowledge, skill and motivation to address actual complex social problems in developing countries in dialogue with local communities. It includes principles from applied systems science, social entrepreneurship and Catholic Social Thought. The course draws upon ideas from Christian social ethics, microeconomics, decision analysis, cost-benefit and marketing to integrate concepts from all three fields to applied business solutions. The course takes place in the outskirts of Accra in Pokuase, Ghana. Students from Ashesi University in Ghana join the full course with PC students, which lasts for two weeks. The team-taught course seeks to give students field experience with practical interventions in sanitation and education, which are then evaluated and improved from

year to year. There are several small businesses that have been started from these initiatives, which are all supported with the help of the NGO: Global Sustainable Aid Project's office in Pokuase. In the last three years, we have been giving the technology to a few women's cooperatives as a business opportunity. Two of our professors, myself and Dr. Comfort Atheh are board members of GSAP and its founder, Dr. Steven Mecca, is a member of the PC physics department.¹ His lab is responsible for many of the innovative interventions that are being turned into small businesses in Africa, and over 20 countries in Asia and South America. Briefly, these include a vermi-composting toilet that won a \$100,000 challenge grant from the Gates Foundation, a slow sand water filter with a rain water harvesting system, and an education portal for schools without internet connection that has 64GB of resources like the entire Khan academy, Wikipedia, and much more.² Class time is integrated with field work where students help to assess impact by interviewing various stakeholders, train new users and scrutinize problems that arise with all three of these interventions. Often these same PC students have been working all year on testing and building the technology being shared.

Through this work, I became aware of the power of cooperatives as a sustainable business solution to complex social problems in developing countries and their potential to promote the common good. After a brief introduction showing the Church's role in beginning cooperatives in Latin America, and some general comparisons to Africa, I will look at indigenous cooperatives in Bolivia in the mining and timber industries. Since extraction is such a large industry in Bolivia, I will give an overview of the largescale industrial mining cooperatives' rise in post-neoliberal Bolivia to put the small indigenous version in context. These will also help show that cooperatives are not a silver bullet, but can be just as rapacious as any greedy capitalist enterprise under certain circumstances. Then I will focus on two indigenous women's cooperatives where GSAP has helped start small businesses, building toilets in Bolivia with Quechuan and in Kenya with Maasai.

These small community indigenous cooperatives are a new kind of cooperative, particularly apt to the needs of emerging markets with added benefits of empowerment and dignity. The cooperative model resonates well with their way of life and culture and may be a lesson to us in understanding how business can be embedded into the rest of life to create a civil economy.³ In the few indigenous cases below, cooperative businesses play a part in fostering both solidarity and subsidiarity, with a connection to the earth and divine that is simply unaware of the "tragic separation" between faith and life. For the indigenous people of the Andes, Pachamama is sacred mother nature, the human community and the divine in a timeless unity. A sacred

¹ GSAP's website is at www.globalsustainableaid.org

² For an explanation of the Toilet technology and the MAKER financing model that creates small businesses both for lenders and makers, see, S. Mecca and A. Ayala, "Empowerment versus Charity in Bringing Microflush Toilets to the Poor: Sustainable Local Economies for the Common Good". *International Journal of Sustainable Development Planning*, 13(3) 2018, 373-381. ISSN: 1743-761X (online), <http://www.witpress.com/journals> DOI: 10.2495/SDP-V13-N3-373-381.

³ For an recent explanation of meaning of a civil economy, see Luigino Bruni and Stefano Zamagni, *Civil Economy*, (UK: Agenda Publishing 2016).

harmony of all living systems defines their culture, which has been embraced by the Bolivian Episcopal Conference and exemplifies *Laudato Si's* integral ecology. Relation is the primary category for them instead of the Aristotelian substance that frames western philosophical and theological culture. In the Andean mind, relationship is now the "first ontological category. It is the real non-substantial substance".⁴ The community, the economy, the forest, the land and water, their history and social life are all intimately connected with the divine Pachamama. Knowing that culture, it is no surprise to learn that the first nations on earth to attribute juridical rights of personhood to nature were the Andean peoples of Ecuador and Bolivia. I call this "Pachamama solidarity".⁵ Lastly, all these cases depend in some way on the global solidarity of intermediaries from the advanced world, a role where the Church has also played an important part, since *Gaudium et Spes* placed the cause of the poor and social transformation at the center of her mission.

Cooperatives as Integral Development

In the last decade or two, failures of World Bank and IMF structural adjustment programs (SAPs) has brought many governments and international institutions to look for more adapted solutions to the nagging social problems tied to development.⁶ Particularly since the debacle in Rwanda, which was among the most successful economic development stories in Africa, Paul VI's vision of integral development has gained traction among development professionals.⁷ The UN declared 2012 the International Year of Cooperatives to highlight their important role in poverty reduction, since their social and cultural capital tended to be overlooked by former macro-economic strategies. Cooperatives have existed in various forms since the dawn of modern economic life, but over the last 25 years a new version of cooperative, more tailored to the modern globalized economy, is evolving. They are highly adaptable, grassroots organizations that are often more efficient than former models. As

⁴ Josef Estermann, APY TAYTAYKU: Theological Implications of Andean Thought in *Studies in World Christianity*. 4(1), pp. 1-20, 1998. Online: <https://doi.org/10.3366/swc.1998.4.1.1>, accessed June 2017. For an anthropological study of Andean theological inculturation see: Peter Gose, *Invaders as Ancestors: On the Intercultural Making and Unmaking of Spanish Colonialism in the Andes* (Anthropological Horizons) (University of Toronto, 2008).

⁵ Elsewhere I explain the CST compatibility with Pachamama through the lens of the Episcopal conference of Bolivia and local theologians. Terence McGoldrick, "A Theological Argument for Water as a Human Right: The Bolivian Pachamama/Mother Earth Encounter with Catholic Social Thought". *Journal of Catholic Social Thought* 15(1) 2018, 109-137.

⁶ Bolivia is a classic example of a country that found itself deep in debt after following World Bank and IMF development advice. This story is told in *Dignity and Defiance: Stories from Bolivia's Challenge to Globalization*, eds. James Shultz & Melissa Draper (Berkeley, CA: University of California, 2009).

⁷ The "17 integrated and indivisible Sustainable Development Goals" published by the UN in 2015 are an example of the consensus that a holistic approach is necessary. However, glaringly absent is any mention of the religious person nor the undeniable importance of how people's beliefs contribute to peace, cooperation, exploitation of the land, corruption, etc. Especially the idea of the person and development in terms of a common good has been CST's most important and repeated contribution to these problems since *Gaudium et Spes*.

Stefano and Vera Zamagni describe it, cooperatives' social capital is especially valuable to people in emerging market economies:

By helping to reduce inequalities in income distribution and to expand the space for democracy, the cooperative movement is a powerful creator of social capital, that is, networks of trust among citizens. In addition, the cooperative is a form of enterprise well suited to sustaining economic growth in the emerging economies and in the sectors and regions least open to international investment.⁸

Sometimes called democratic capitalism, the many forms of cooperatives that can be found around the world today are obviously vast. They range from financial institutions with revenue over \$100 billion, such as Cr dit Agricole, to small community cooperatives that are common among indigenous peoples in the developing world.⁹ The majority are grassroots, community owned businesses. Worldwide, according to the International Cooperative Alliance, the cooperative movement accounts for the employment of some 250 million persons with a GDP of more than \$2 Trillion.¹⁰ One head, one vote, instead of one share one vote, makes the cooperative a civil business organization instead of a shareholder for-profit company. They align with the CST ideals of subsidiarity and solidarity, something which was at the origins of the modern version's creation in England during the second industrial revolution.¹¹ Cooperatives have a long history of Catholic Church support, well before Mondragon, the familiar Spanish federation of over 250 industrial cooperatives was founded by Fr. Jose Marie Arizmendiarieta in 1956.

In both Africa and Latin America, cooperatives are a different breed from those in Europe, Japan and North America. In Latin America they are often found among small producers in rural areas, where they are more grassroots organizations. Their history is tied to the complicated ideological and political twists and turns of the region over the last century. A renewed interest in cooperatives is part of global movements that focus on alternative models of development, such as degrowth, land rights, fair trade, rights of nature, organic farming, etc. Whereas structures of inequality have been doggedly successful until now to resist change, a new trend is afoot in the region. Previously marginalized Latin American cooperatives are having success due to the help of international intermediaries that are bringing small producers into the global market. Despite setbacks due to mismanagement, being co-opted by the state or the elite, they

⁸ Stefano and Vera Zamagni, *Cooperative Enterprise, Facing the Challenge of Globalization*, Edward Elgar, Cheltenham, UK, Northampton, MA, USA (2010), vii.

⁹ Only ten percent of the world's top 50 cooperatives are in the USA, with Nationwide Insurance as the largest, most of the biggest are in Europe or Japan. <https://www.theguardian.com/social-enterprise-network/2012/jan/04/social-enterprise-blog-co-operatives-and-mutuals>

¹⁰ [The International Cooperative Alliance](#) was founded in 1895, today it groups 227 federations of cooperatives in 91 countries with 800 million members.

¹¹ For a CST appraisal of cooperatives value in the modern globalized market economy, see Patrice Flynn, "Global Capitalism and Values-Based Businesses. The Case of Cooperatives and Benefit Corporations", *Free Markets with Sustainability and Solidarity*, ed. Martin Schlag and Juan Mercado, (Catholic University, 2016).

have proven to be “powerful change agents” in the region.¹² In Nicaragua for example, they represent 40% of the economy and function as free market enterprises that are owner operated.

African Cooperatives

Africa, on the other hand, has a different history of cooperatives, which began informally in tribal pre-modern societies as communal economic life, that was adopted formally by all the European colonizing powers in the region for exports.¹³ During the early post-colonial years, African governments sponsored many cooperatives, which usually failed with those governments, because they were identified with government policy. In many countries they fell to nepotism, corruption and collusion, where votes were exchanged for favors and many lost motivation, because they had little autonomy.¹⁴ It is beyond the scope of this short paper to explain the Church’s post-Vatican 2 role in creating cooperatives in Africa. Suffice to say that it was not as widespread or as successful as Latin America. Among the lessons from the early African cooperative movement (and Venezuela today) is that top-down initiatives neglect the real grassroots strength of cooperatives and their compatibility with traditional African values. Despite those obstacles, today the cooperative’s ability to create jobs, and social capital that proves to be resilient and adaptable to disruptive change, is a proven force for poverty reduction in Africa and throughout the developing world.¹⁵ The Maasai women that I will discuss below is a case study of that success.

Indigenous community cooperatives in both Africa and Latin America add to cultural norms of community a deeper social capital consisting of ties to land, kin and the divine. From a capitalist perspective, as I will show, even though they are generally considered less efficient, indigenous cooperatives can yield better returns on their own investment, especially when one considers that most of the profit is returned to the local economy and becomes income for other local businesses – the multiplier effect. From an environmental perspective, when indigenous peoples are using their own heritage land, they have tremendous incentive to manage it sustainably as good stewards. Culturally, there is a sacred connection to the land common to the indigenous people that harmonizes all the more with the communal economic efforts of cooperatives,

¹² Maisa C. Taha, “Conclusion: Cooperatives as Change Agents in Rural Latin America: Synthesizing Experiences Across Countries.” *Cooperatives, Grassroots Development, and Social Change: Experiences from Rural Latin America*, edited by MARCELA VÁSQUEZ-LEÓN et al., University of Arizona Press, TUCSON, 2017, pp. 203–220. *JSTOR*, www.jstor.org/stable/j.ctt1k3s9t1.23.

¹³ How one defines cooperatives varies. Since I am using them as indigenous modern forms of business organizations, I am more cognizant of their fundamental unity with an ancient cultural way of life and therefore reject the common opinion that they began in England in the early 19th century. Robert Owen’s *The Cooperative Society* (1821) nonetheless remains a landmark.

¹⁴ Develtere, P., Pollet, I., and Wanyama, F. O. 2009. Reinventing the Wheel? African cooperatives in a liberalized economic environment. *Annals of Public and Cooperative Economics*, 80(3),361–392.

¹⁵ Kwakyewah, Cynthia. (2016) "Rethinking the Role of Cooperatives in African Development." *Inquiries Journal* 8(6). <http://www.inquiriesjournal.com/a?id=1419>.

especially where food production, water and building homes have always been communal activities, where labor is exchanged instead of currency in indigenous societies.

In sum, the modern indigenous versions of cooperatives has taken these ancient cultural norms of productive communal life and adapted them to the globalized economy. Their compatibility with Catholic Social Thought is as significant today as it was immediately after Vatican II. They incarnate subsidiarity through a social ownership that respects the dignity of every member and solidarity as the joint struggle for the common good.¹⁶ For the indigenous these are especially pertinent when their cultural identity and even their existences is threatened by the overwhelming forces of globalization. This is not to claim democratic capitalism is a panacea, since these organizations are just as vulnerable to sin and error as any human organization, yet indigenous community cooperatives tend to have more social capital than the large industrial versions that we will also briefly describe in Bolivia. Networks of trust, reciprocity and gift that cement their communal life are further strengthened by their history, religion and deeply cultural understanding that the individual's wellbeing is inseparable from her people.¹⁷ Where in the past those networks of trust have not been able to translate into exchange with the world economy, intermediaries are stepping into that gap to overcome those stubborn obstacles. From the short case studies that follow, I will argue that these factors combine to provide a way to reevaluate and redefine the market system's ideal of efficiency, driving what *Laudato Si* calls the dominant technocratic paradigm, whose excesses menace our world and leave billions behind in abject poverty.

Three Examples from Bolivia

In the case of Bolivia, one of the poorest countries in the hemisphere, cooperatives did not appear until after independence, as the traditional barter *Ayllus* were being displaced by the money economy of the city. Because they charged the poor interest, cooperatives were opposed at first by Church leaders when they were introduced at the end of the 19th century. Despite those moral reservations, missionaries from Europe and North America started many of the Andean cooperatives in the 1950's and 1960's. Vatican 2 gave an important thrust to those early efforts, spurring the creation of many banking cooperatives, with names like La Merced, San Carlos, and Jesús Nazareno in the immediate years after the council.¹⁸ In almost every

¹⁶ We are mindful of St. John Paul II's warning in *Laborem Exercens* that social capital ownership models maintain respect for the dignity of the individual. "Every effort must be made to ensure that in this kind of system also the human person can preserve his awareness of working 'for himself'." (15)

¹⁷ As Seligman explains "Familiarity, based on kinship or shared circumstances or shared religious beliefs, is such a strong provider of associational life: because the collective good that is posited as equal (or sometimes greater) worth than the individual's interests is not seen as an external preference (and so given to rational calculations), but as constitutive part of the self." Adam B. Seligman, *The Problem of Trust*, (Princeton University Press 1977) 79. For an overview of current literature see, Francois, Patrick. *Social Capital and Economic Development*, (Taylor & Francis Group, 2002). ProQuest Ebook Central, <https://ebookcentral-proquest-com.providence.idm.oclc.org/lib/providence/detail.action?docID=180713>.

¹⁸ Brian Norris, "Ideology and Social Improvement in Bolivia during the 20th Century", *Bolivian Studies Journal*, v. 18, 2011, DOI 10.5195/bsj.2011.32. Norris spent several years in Bolivia as a peace core

case, a priest lead the efforts and often served in some executive role. Today Bolivia's Catholic credit cooperatives represent less than 10% of the banking sector, yet they have proven to be remarkably resilient, surviving hyperinflation and the various economic crises that caused many banks to collapse over the last decades. Catholic credit cooperatives were one of many versions of cooperatives founded during these years. It was a way to politically and economically empower the poor while turning socio-economic matters over to the laity. It a substantial example of the early efforts to change the structures of poverty, well before Medellín's (1968) call for a preferential option for the poor.

I learned from the Maryknoll missionaries in Bolivia, while there for this research, that historically the Church was very involved in creating cooperatives there. In the early post WWII years, North American and European missionaries first went to the Bolivian mines to organize the workers, because they were the sites of the worst working conditions in the country. The missionaries found communist activists well entrenched. At one point, in the mid-1960's, the communists at Potosí's Siglo XX mine dynamited the North American Oblate's Pius XII radio station, because the missionaries were broadcasting anticommunist vitriol. These were violent times where the Church was an actor in events that included a hostage crisis involving American alleged CIA agents, hunger striking miners' wives taking sanctuary in the Archbishop's residence and the assassination of Jesuit film maker Luis Espinal.¹⁹ The Catholic missionaries eventually won over the miners when they became their defenders under military rule. Despite that sometimes violent history, the missionaries' organizing activism for structural social transformation turned from unions in the mining sector to cooperatives. These small cooperatives proved to be a success in Bolivia in industries such as banking, brick making, agriculture and producing alpaca wool clothing in those early years. Powerful interest groups, who saw cooperatives as a threat, sometimes sabotaged them, but those attacks were never able to stop the widespread cooperative movement.²⁰ Usually, in those early days, those who

volunteer and attributes the "hockey stick" economic improvement to religious ideas as much as economic policies, due to their part in bring about a dramatic increase in literacy, education and social organization in the last century.

¹⁹ Thomas C. Field Jr., *From Development to Dictatorship: Bolivia and the Alliance for Progress in the Kennedy Era*, Cornell University Press (2014), [31-33](#); 115-130. See too the politician and former leader of the miner's union's account of the essential role played by the Church in Bolivia's social transformation, Filemón Escobar, "*El Evangelio es la encarnación de los derechos humanos...*" *Una respuesta a los ataques del MAS: La Iglesia Católica y su lucha por la recuperación de la democracia*. (La Paz, Bolivia: Plural Editores, 2011).

²⁰ One such example was recounted to me during my research from one of the old Maryknollers, who had been in Bolivia for more than 40 years. Fr. Francis "Poncho" Hidgon, from Kentucky, recounted how in one village where he was working on the Amazon river in the Bolivian interior had only one source of loans: a money lender who charged very high interest. The woman was the wife of the chief officer of the local military base. The missionaries decided to establish a banking cooperative that offered loans at much lower interest rates, which did very well. This angered the local powers that be and caused considerable friction directed at the foreigners "interfering" in the local economy. Those frictions erupted in a violent attack on one of the missionaries' agricultural cooperatives that was also succeeding in the village. The agriculture cooperative was the largest at the time and most important for the village. It

were threatened by Church-sponsored community organizing were the ones who had significant political power. These years were ripe for labeling Church organizing efforts as communist and they cost the lives of many thousands of people, both within the church and in civil society throughout Latin America in the 1970's, 1980's and 1990's.²¹

Today there are some 15,000 cooperatives in Bolivia. In 2013, the Morales Government passed a new law, *Ley General de Cooperativas*, that seeks to promote and supervise cooperatives in mining, agriculture, banking, public services and all other sectors of the economy where they operate. Some of the most politically significant have been in agriculture, water and mining. The mining or extraction sector in Bolivia is a powerful actor in the country. I must now briefly recount the story of cooperatives in that sector to show that despite the benefits we have outlined for integral development and solidarity, cooperatives are just as vulnerable to the human condition as any other enterprise. That story will help set the indigenous cooperative I am describing in context and put into relief the significance of their sacred connection to the land, divine and community.

Hegemony of Industrial Mining Cooperatives

The powerful miners' union of Bolivia (FSTMB) was eventually busted in the 1980's by a combination of the government decree and the collapse of commodity prices. The government pressured and incentivized resettlement of the miners in Potosi's Siglo XX tin mine during this period, but about 400 of the 5,000 original miners refused to leave. Almost immediately informal local mining cooperatives took the place of abandoned state or private sector mines, which are today able to provide a living for thousands of miners. About 88% of the mining sector's more than 130,000 workers belong to cooperatives as of 2014, exporting over \$1 billion.²² Commodity prices have rebounded making them profitable, however the labor unions, safety, and other benefits of modern industry are nonexistent.²³ The machinery acquired by those early takeovers soon broke down without capital investment and now working conditions are reminiscent of hazardous colonial times. Today, Potosi employs about 15,000 in at least fifty mining cooperatives. There are three kinds of mines; private, cooperativist and state owned. In contrast, private sector mining is more economically productive, accounting for about 60% of production while using about 10% of the mining workforce in Bolivia today.²⁴ As of 2012 the

owned two barges that were used to ship their production, livestock etc, up river to Cochabamba's market. The barges were burned one night in an attempt to break the cooperative. Fr. Poncho related that on another occasion the president of Bolivia's brother was hired without his knowledge and proceeded to ruin two of the cooperative's trucks. He surmised saying, "The cooperative just got to big and I lost control."

²¹ A recent history can be found in Stephen G. Rabe, *The Killing Zone: The United States Wages Cold War in Latin America* 2nd Edition, Oxford University Press (2015).

²² Andrea Marston & Tom Perreault, Consent, coercion and cooperativismo: Mining cooperatives and resource regimes in Bolivia, *Environment and Planning A*, 2 (2017), 252-272, DOI: 10.1177/0308518X16674008.

²³ Crabtree & Chaplin, *Bolivia: Processes of Change*, (Zed Books 2013) 77-78.

²⁴ *Ibid*, 79-80.

state has stepped in to nationalize three mines and has begun investing in modernizing production, building smelters, etc. The larger cooperatives now lease abandoned mines, subdivide concessions to members, who pay to join, do not share profits evenly and hire laborers at low pay. They also partner with private companies in order to spare the company from local opposition. In recent years across Bolivia, cooperatives account for roughly 1/3 of mineral exports by value per annum and have been growing, while private sector mines have been shrinking. They are a powerful political force and known for organized road blocks, militancy and violence to pressure the government to accede to their demands.²⁵ In August 2016, a vice minister was kidnapped tortured and beaten to death over the MAS government's legislation allowing cooperative hired laborers to unionize. Five miners were killed in clashes with police during those weeks.²⁶

In reality, the powerful mining cooperatives operate as what has been called a "hegemonic resource regime," through a myriad of class coalitions and institutional arrangements in the kind of social movement that Evo Morales' post-neoliberal Bolivia has favored and empowered.²⁷ They enjoy tax-free status, pay extremely low royalties, and are de facto exempt from environmental regulation and water use laws. They subcontract workers and pay low wages, operating more like exploitation capitalists than enterprises for the common good, usually imagined by CST. Government land concession grants to cooperatives have increased more than 500% over the last 10 years. Mining cooperatives successfully added to the 2014 mining law protections for themselves from community mining, that would claim rights for the millions of acres that have been granted to the indigenous, called *Territorios Indignas Originarios* titled by the MAS government as part of the Pluri-national State of Bolivia's land reforms. These large and powerful cooperatives are more driven by economic interests of their members than the indigenous version that I have described as Pachamama solidarity. They can be just as rapacious and exploitative as any greedy capitalist organization, or on the other hand, they can be a vocation that adds true value, just as a capitalist business may add true value to a community. It goes without saying, that the values and ethics of any organization begins with its peoples' values and ethics. Cooperatives, however by their nature emerge from and create true human communities where all are stakeholders. Although they may have solidarity and the other attributes discussed above, they can just as easily become malicious defenders of their interests.²⁸ Aside from the larger cooperatives that dominate the Bolivian mining sector and

²⁵ The violence illustrates the growing tensions and contradictions in Bolivia's extractive-dependent economy. Government reforms in response imposed draconian restrictions. For a more in-depth account, see Emily Achtenberg, What's Behind Bolivia's Cooperative Mining Wars? North American Congress on Latin America (NACLA) column online accessed March 2017 at:

<https://nacla.org/blog/2016/11/23/what%E2%80%99s-behind-bolivia%E2%80%99s-cooperative-mining-wars>.

²⁶ Andrea Marston & Tom Perrault, idem 259-260.

²⁷ Ibid, 267-268.

²⁸ Tribalism is considered a fundamental cause of corruption in many parts of the world. See the Francisco Claver, *The Making of a Local Church* (Orbis, 2008) 51-52, who explains that the Philippine Bishops launched an national consultation and campaign against corruption. One of the main cultural causes they found was the tight knit family culture that can put the common good or even ethics behind the family's good.

their prevailing political influence, there is another smaller hybrid that is more exemplary of the niche indigenous community cooperatives that are adapting to in the global economy, with an integral ecological way of thinking, to which I now turn.

The Cotapata Mining Cooperative

Once the national miners' union was disbanded, most miners went to look for work in the urban areas of the country, but some remained working the mines without permission. Today, small local informal mining cooperatives provide a living for thousands of miners. The multinationals cannot make the mines economically viable for large-scale production, but cooperatives can do so on a small-scale model. Outside La Paz, for example, in Cotapata National Park, the Cotapata Mining Cooperative is producing fair-trade/fair-mined gold, certified since 2011 by the Fairtrade International (FLO) and the Alliance for Responsible Mining (ARM). It was formed in 1991 when the government conceded land rights to them after many years of informal mining. It is one of some 500 community-based mining organizations that account for approximately 80% of Bolivia's miners. Conditions in the early days were dangerous, and poorly paid, but the rising price of commodities has made these small-scale mines profitable. In the Cotapata mine, FLO standards mandate safe working conditions, insurance, collective bargaining rights, restrictions on child labor, responsible use of toxic chemicals and community support. In exchange, they receive at least 95% of the international gold price, eliminating the middleman, who traditionally took between 15% and 70%. They sell the gold ore to a FLO network of European importers and goldsmiths. Reducing toxic chemicals and reinvestment in community and business projects earns a 10% fair trade bonus.²⁹ The mine supports about 90 families and produces about 2.5Kg of gold per month and meets environmental protection standards winning certification by Fairmined.³⁰ They make \$300 -- \$600/month depending on the price of gold in a country where the minimum wage is \$97/month.³¹ There are an estimated 15 million artisanal and small-scale gold miners in the world.³² By one estimate, small-scale mining employs about 100 million worldwide.³³ The Cotapata mine was the first fair trade artisanal mine in the world, which attests to the respect the workers have for the environment and their concerns for the sustainability of the mine. In this case the indigenous values of family, land, community and the divine are all united in a social-economic life with strong cultural roots. They can be better able to avoid the typical pitfalls cooperatives sometimes succumb to, namely: difficulty making decisions, freeloaders or resentful young seeking equal pay with their elders who are unable to do nearly equal work. When that elder worker is you uncle or neighbor, and when you consider that you too will be older one day working in this

²⁹ <https://nacla.org/blog/2011/5/27/bolivia-communities-pioneer-sustainable-development>

³⁰ A youtube video presentation can be found at <https://www.youtube.com/watch?v=eGe71tAd0yw>

³¹ There is a lively dispute over who is indigenous after centuries of migration throughout the country and mixed marriages. Many have reclaimed their indigeneity today due to the MAS government's promotion of the Andean cultural heritage. Xavier Albó has identified 67 different indigenous peoples in Bolivia.

³² <http://wordpress.p20126.webspaceconfig.de>

³³ <https://www.fairtrade.org.uk/en/farmers-and-workers/gold>

community mine on your heritage lands, it does not seem unjust.³⁴ There are already traditional ways to make decisions as a group, either through their elders, traditions or by consensus. A healing relationship with the land replaces the powerlessness of exploitation, when the community is able to experience the liberation of their work, ownership and solidarity. As *Laudto Si* remarks, for indigenous communities, 'land is not a commodity, but a "gift from God and from their ancestors who rest there, a sacred space with which they need to interact if they are to maintain their identity and values" (par 146).

The Zapoco Timber Cooperative

A similar initiative in Bolivia is found in the timber industry with the aim of sustainable forest management. Near the lowlands of Santa Cruz, the indigenous community of the Zapoco river watershed sells its timber to a manufacturer that belongs to one of 30 networks sponsored by the World Wildlife Fund (WWF). The WWF certifies its wood harvests and marketing according to strict standards of sustainability set by the Forest Stewardship Council. Bolivia loses about 1.2 million acres of its virgin forests to deforestation every year, mainly to logging and agribusiness. The Zapoco people see the cooperative as a sustainable way to manage the forest and protect their native heritage lands. They have lived there since before it was declared a protected national forest and have been given collective rights to extraction under Bolivia's new indigenous government. They select about 6,000 trees for harvesting per year. The initiative has brought financial stability to the region for the first time and employs most community members of Zapoco, even paying an annual family bonus of \$150. Proceeds from their largest contract with a Bolivian supplier of decking for the US market are allocated for community benefits, such as education, healthcare, agriculture and reinvestment in the business. Indigenous cooperatives for timber in other parts of Bolivia have met many challenges such as; market swings, conflicting rights to extraction, division between indigenous groups and operations challenges.³⁵ Zapoco is probably no different, yet despite those challenges it has been a successful business.

These families are cultivating their heritage lands in a sustainable cooperative organization, providing them a decent living managing the forest as their own personal common possession.

³⁴ Linklater tells us that this was the reason the early American Puritans' Plymouth company failed as a cooperative in 1623. The young soon deserted to clear their own land, so that they could reap the full benefit of their work as private property and not have to support other men's families. The enterprise was only able to continue when they allowed private ownership. Dividing the communal land into private property was the first democratic decision made in North America. Arno Linklater, *Owning the Earth: The Transforming History of Land Ownership*, (Bloomsbury USA 2015), 24-26.

³⁵ The Chiquitanos timber cooperative from the Lomerio Timber Project near Santa Cruz, Bolivia is an example of what Richard Chase calls "part of a long, slow process of trial and error in which capitalist market principles clash with communal subsistence principles, in which principles of scientific management clash with management based on local knowledge, and in which imminent poverty and local need clash with principles of harmony, balance, and sustainability."

<https://www.culturalsurvival.org/publications/cultural-survival-quarterly/indians-forest-rights-and-lumber-mills>

It is the sacred forest that they love, it is their home and their livelihood. It is their history and their future -- their encounter with life-giving-Pachamama. All of these factors are powerful checks on the economic success that is defined solely on profitability and leaves a wasteland of a clear-cut forest in its wake, the very same excess that leads Jesuit Indian theologian Felix Wilfred to say "capitalism is violence".³⁶

The Procasha Housing Cooperative

In August of 2015, the Quechuan women's cooperative called [Procasha](#), on the hills of the poorest sector of Cochabamba Bolivia, began a social entrepreneurial project building vermin-composting toilets with GSAP's support. Catholic Relief Services (CRS) also sent a team to the four-day training. The neighborhood is located in the southern peri-urban sector. A tanker truck sounds his horn as he traverses the neighborhood charging about 5 times what those on the city water system pay. A 50-gal barrel costs \$2.00 and lasts a typical household 3 days. Homes are brick in various stages of construction on land with questionable title. They have electricity and use bottled gas for cooking. The region is arid and without trees. The toilets' materials cost is about \$200 and typically the retail price is about \$300-\$325. This particular cooperative spans 8 neighborhoods with about ten women each, who work on housing projects, sometimes watching each other's children, cooking for the group, in flexible work model that suits their individual needs.³⁷

Procasha partners with the Bolivian government to build their own housing on small projects, usually multiple unit two-story dwellings for 8 to 10 families. Typically, the government will pay for the materials and Procasha will supply the rest. In exchange for their labor, members receive the cooperative's labor on building or improving their own home. The cooperative supplies technical assistance from architects, urban planners, contractors and other professionals from San Simon University of Cochabamba. Procasha's founder, Graciela Landaeta, is a professor of urban planning. She returned home to Bolivia recently, after taking refuge for 30 years in Sweden with her two children, where she made her career as a professor. Her husband was killed as a student activist in Bolivia's dark dictatorship years. Modern indigenous cooperatives often depend upon a western intermediary like Graciela or an NGO that helps bring their goods to market. Procasha belongs to the International Alliance of Inhabitants (IAH), a global network of associations and social movements of inhabitants, cooperatives, communities, owners, homeless and slum dwellers, advocating for a better life and the human right to housing.³⁸ A more globalized world is enabling these organizations to

³⁶ He is considering the 10,000 farmers who have committed suicide annually in India for the last decade due to neo-liberalization without care for its disruptions. Felix Wilfred, *Asian Public Theology: Critical Concerns in Challenging Times* (New Delhi, India: ISPCK 2010), chapter 8.

³⁷ Procasha's mission is "to promote housing cooperatives for mutual help and service improving socio-housing as alternatives for housing construction for living well, the formation of technical teams that specialize in self-management, the creation of methodologies to improve socio housing, advocacy as well as the design and implementation of fair, just and inclusive public housing policies at all levels of Bolivia." www.procasha.org.

³⁸ https://www.habitants.org/who_we_are/who_we_are

network across national boundaries and mutually support their social movements. This is another example of the “globalization of solidarity” that St. John Paul II called for to remedy the neo-colonialist tendency of globalization.³⁹ Aside from organizational support, Procasha receives funds from foreign NGO’s and governments, as well as from the Bolivian government, and it also operates commercially, offering construction services to the public.

In the case of Procasha, GSAP’s results are disappointing so far. Instead of quarterly reports, they submitted only two superficial summaries.⁴⁰ Photos and a brief report came to us from a group of students who we have collaborated with from Harvard, showing the toilets were not being properly used. A few others were built last we heard, but when CRS won a \$100,000 government contract to build GSAP’s Micro flush toilets in April of 2016, they approached Procasha but decided they weren’t up to the task to be part of the contract. We intend to return in January of 2019 to learn more, and have no reason to believe our relationship has suffered a setback or that the toilets aren’t being built. From our donor’s perspective, the Procasha partnership was a failure, but we haven’t given up. In any case, clearly, we aren’t getting the good information needed to assess the project.

The case illustrates the kind of challenges that are familiar to those working on development projects in the poorest parts of the world. At this point one may ask: but doesn’t Procasha’s dismal progress disprove this paper’s main contention that indigenous cooperatives offer a new kind of solidarity for the common good in a global economy? Keep in mind: although Procasha is made up of indigenous Quichuan women, the community of Cochabamba’s peri-urban neighborhoods is not what we typically mean by an “indigenous community”. All over the developing world, people are migrating from their communities of kin to major urban areas. There is tremendous difference between the indigenous community cobbled together from various parts of Bolivia, beginning a new life in the growing urban areas and those living in their long-established villages on heritage lands that we see with Bolivia’s forest people of Zapoco. Procasha may not have worked building Microflush toilets on our first go around, but it like the other two indigenous cooperatives has found a sustainable business model with the help of intermediaries that coalesces with indigenous culture and social network. Ultimately the test will be if the women believe the toilets improve their life enough to be worth the effort.

Kenya’s Maasai Women Cooperative

³⁹ Pope Francis has also taken up this often-repeated theme and points our modern “crisis of solidarity” and “globalization of indifference”. Several European states have passed taxes on global financial transactions to pay for development in the name of global solidarity. See for example the speech of France’s president to the United Nations in 2012 <https://presswire.com/content/663/globalization-solidarity-france-praises-uitaid-setting-example>.

⁴⁰ They told us that the first toilet we built with them was not used for several months, because the husband was angry that we built it adjacent to the house. He didn’t believe the women, when they told him this toilet doesn’t stink. We responded saying that we would move it, but he would have to bear the cost.

The great savanna of Africa rises to 6,000 feet altitude, spanning across Kenya and Tanzania's Serengeti and Maasai Mara National Parks. Over one million wildebeest make their seasonal migration across those lands accompanied by zebras, antelope, elephants, lions with all the majestic splendor of Africa's big game animals. Nearby those traditional Maasai lands, GSAP trained 21 Maasai women to make the Microflush toilets in early 2016 and secured a \$3700 grant for tools and microfinancing. Seven crews of three women became makers and quickly set about making the toilets from blocks of mud, dung and grass. The details of the financing model can be seen in the paper cited above by S. Mecca.⁴¹ Together the women have constructed toilets for more than 40 households as well as 10 school block multiple stall toilets to date. So far, the women have realized a profit of over \$800 per team. Although they are illiterate women, the business opportunity has shown them to be savvy with their accounts, materials and administering their small loans. The program is now in phase III, which established a revolving loan fund of \$14,300 that will be administered by GSAP's office in Kitale. Our last report included the Maasai chief noting less cholera in the area since the toilets were installed.

The Maasai women had the social capital, the responsible acumen, and hard work that, when given something they all saw as of immediate value to the community, could be turned into a profitable small business. They used the loan fund and a relatively simple innovative technology in a short time to better their own lives and further the common good. It is easy to see here the cooperative's role in solidarity and subsidiarity with the pride that comes from their accomplishments. They have invited GSAP to build a school on their lands and have also asked GSAP to also help their Samburu cousins in the north to get started with their own cooperative building Micro flush toilets.

Conclusion: Economic Efficiency vs Sustainable and Integral Development

Where the capitalist industrial model could not generate an adequate return, literally millions of the world's poor are making a living. The gold mine is a good case study to compare social value between capitalism and cooperative enterprises. Nearby is a capitalist model mine that employs about 20 and has similar production numbers. Clearly it is more profitable, but for who? If, instead of defining productivity as value of outputs (profit) for inputs (invested capital, or cost of labor), we consider factors like well-being, the common good and sustainability, one can argue that the most productive enterprise is the one that has a broader stakeholder multidimensional return on investment. From a triple bottom line approach, the cooperative is more productive. Besides that, as soon as profit margins become less than opportunities elsewhere, the capital flees the area in search of new gains. The capitalist model is only sustainable as long as its margins are competitive with the many other investment opportunities in global financial market. Moreover, nothing is more nervous than money, which is to say there is a risk calculus to factor into our comparison. Another way to make our comparison can be taken from the biology's idea of efficiency. For living things, efficiency is not merely the best

⁴¹ Infra note 2

output for inputs; rather it is the most sustainable kind of organism, the one with long term viability, adapted to its niche and able to evolve with changing conditions as part of a symbiotic system. The most efficient organism is the one that is able to live the longest, to live sustainably in symbiosis with the rest of its living system.

A comparison here between the Zopoco timber cooperative and the capitalist extraction of the internationally financed timber industry is another interesting case study for our question: which is most efficient? Clear cutting is the fastest way to realize a profit and with today's technology - like the amazing Kelsa 25-11, one man can fell scores of trees in a single day. In a future paper I would like to make a more in-depth study of the numbers and determine if the economic returns of clear cutting really are as positive as many assume, compared to the Zapoco cooperative. The indigenous community clearly has an interest to earn enough money to live a decent life, but the very idea of living well includes the whole of life: the land, their children's future within their sacred Pachamam cosmivision. Their culture does not rest on private property and individual liberty. As Pope Francis notes in *Laudato Si*,

“ While the existing world order proves powerless to assume its responsibilities, local individuals and groups can make a real difference. They are able to instill a greater sense of responsibility, a strong sense of community, a readiness to protect others, a spirit of creativity and a deep love for the land. They are also concerned about what they will eventually leave to their children and grandchildren. These values are deeply rooted in indigenous peoples” (179)

If the retaken factories of Argentina are any indication, the cooperative model is probably going to prove much more competitive than many assume. In the case of Argentina, some 300 of approximately 3000 bankrupt factories were taken over by the employees, who were able to turn those commercial operations around and make them successful cooperative businesses. That story is told in a documentary entitled: *The Take* directed Naomi Klien and Avi Lewis. Without the cost of bank loans or upper management salaries, the worker-controlled factories succeeded to be profitable. They claimed a right to ownership, since the government had given land and tax concessions to those failed businesses. The community stood between the factory doors and the police to prevent the workers from being evicted in an intense standoff that took years to work its way through the courts. The workers had a powerful argument, since they were able to take something that was to be sold for pennies on the dollar and turn it into a successful business, keeping their jobs and community intact during one of the worst recessions in Argentina's history.⁴²

⁴² Workers at the Youngstown Ohio steel factory tried to take ownership with of their factory when it was being closed under the Carter Administration, but talks collapsed when the government's \$100 million subsidy was withdrawn. The event is cited to explain the high concentration of worker owned businesses in Ohio today, where the success of groups like Evergreen Cooperative of Cleveland are drawing attention to an American version of grassroots cooperatives. See the Ohio State University's Ohio Cooperative Development Center, <https://community-wealth.org/content/ohio-cooperative-development-center-ohio-state-university>.

As Zamagni stresses, the role of cooperatives is not to supplant our current economic system, but they provide a necessary and viable compliment or co-existing alternative socio-economic model that seems especially suitable to indigenous cultures. Today cooperatives are found throughout Latin America and they are rising in Africa, because they resonate with a poor indigenous people, who have no financial capital, but a great deal of time and social capital that proves able to become a way to make a living in the modern world. A solidarity of globalization has helped them overcome the persistent obstacles that have kept them marginalized in the past, to become new sources of empowerment, solidarity and dignity. As we have seen, cooperatives have a long history of Church support, because they are a form of social market capitalism that expresses the way that business can add value to the common good and become embedded in a civil economy. They are not religious organizations, and in some cases may not even be inspired by CST, however they exemplify its ideals and afford us an insight to the kinds of possibilities a "new way of thinking" might offer to the billions of people who have been left behind by our current model of progress and efficiency. The indigenous add something sorely needed today: a solidarity with mother earth and a long-term view of their relationship with the land, the divine and each other. To come to see the world in that Trinitarian relationship can transform business a force for the common good, in unity with our common home, and perhaps even replace the motivation of greed with solidarity. After all, as Felix Wilfred points out, human beings are more fundamentally cooperative than competitive.⁴³ It is through community as social beings that we have survived about 150,000 years as a species. In those terms a new thinking about profit, efficiency and our integral ecology may indeed bring about the paradigm shift *Laudato Si* contends our world urgently needs.

⁴³ Felix Wilfred, *Asian Public Theology: Critical Concerns in Challenging Times* (New Delhi, India: ISPCCK 2010), chapter 8.