Management for community-based development and gender equality

-a study of the organisation in co-operatives in El Salvador

Minor Field Study

Author: Anna Glod
Supervisor: Lars Ehrengren
This thesis is dedicated to all the kind souls that so openly let me into their daily struggles and joys, and showed me what it means to believe in achieving the greatest things by one simple mean; human relations.
PREFACE

I want to thank all the persons that participated in this study, either in an interview or by inviting me to their organisation’s activities, and sharing their thoughts and feelings about the interests of this study and so much more.

I want to thank the Swedish Co-operative Centre, and in this organisation especially my supervisor in El Salvador Mónica Hernández who always was there to guide me when I needed it, and Viveka Carlestam who put me in contact with her and made this experience possible.

I want to thank SIDA for the Minor Field Study scholarship, which is an opportunity for students to widen their knowledge about important issues and acquire experiences which expands their previous undertakings within the universities.

Last but not least, I want to thank my supervisor at the Stockholm University School of Business, Lars Ehrengren, for supporting and motivating me during this work.

My thoughts will go out to all of you for a long time ahead and have a deep affect on my future actions.
ABSTRACT

This thesis is a result of a field study conducted in El Salvador. Its background lies in previous research pointing on co-operative’s potential to lift whole groups of people out of poverty. Gender equality has been included because of the issues’ importance for economic and social sustainable development and increased growth. The questions posed in this study are how a co-operative should be organised and managed to bring about advantages to its members; and how a co-operative can contribute to the empowerment of women. The main methods used were interviews and participant observations. Three types of co-operatives were studied; agricultural co-operatives, savings- and credit co-operatives and housing co-operatives.

The main conclusion drawn are that the ability of a co-operative organisation to bring about advantages to it’s members depends on if it was founded out of it’s member’s own initiative and interest, and if the members feel in control of the continuous decisions and endeavors of the organisation. This is a precondition for the exercise of democratic control in order to reach collective goals, and participation in activities that can have a significant change for people’s social and economic situation. To yield this empowerment and feeling of control, external and internal structures of countries need to provide equal preconditions for development, which includes the co-operative sector of the poor, and NGOs need to work in a closer relationship with the members of the co-operatives and their reality, and in accordance with the needs and interests that they express.

The most crucial relationship that has to function in a co-operative, is the one between the board of directors and the manager with the employees, in order to link two spheres of resources, one of close relationships with the members of the organisations, and the other one of professional knowledge and contacts with important external institutions, in order to achieve the desirable mix of resources that will bring about benefits to the members.

Loyalty to old structures and initial objectives of the co-operatives, do not lead to progress, but to nostalgic and conservative thinking with resistance to change and innovation. Effort needs to be put in converting conservative loyalty into creative involvement, where members actively analyse their organisation’s and environment’s current situation, actively protest against dysfunctions and injustices in it and search for the possibilities it can provide.

Relationships in co-operatives can’t be to embedded and based on collective conservatism, because this can yield closed networks of people where new information and initiatives don’t enter.

A co-operative should embrace only such an administration that can be handled by its own members, so that they feel capable of, and therefore motivated to participate in the management of their organisation.

To reach gender equality, women need not only to participate in productive activities and become more visible in leadership positions. They need to be empowered and feel “managerial control”. To achieve this, psychological barriers based in a culture dominated by men need to be overcome. Access to education and development of capacities, can partly be achieved through women organisations, where women find a common space to develop a better awareness of their rights and a better self-esteem. But gender equality should primarily be addressed in common spheres of women and men, so that also men achieve an understanding in the subject, and stop preventing women from participating in organisational activities. Only when norms and beliefs are changed among both women and men, women can break their own sense of inferiority, and exercise full managerial control.
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARENA</td>
<td>Nationalist Republican Party</td>
</tr>
<tr>
<td>CEBES</td>
<td>Comunidades Eclesiales de Base del Norte de Morazán</td>
</tr>
<tr>
<td>CNMC</td>
<td>National Committee of Women Cooperative Members</td>
</tr>
<tr>
<td>CONFRAS</td>
<td>Confederation of Agrarian Reform Federations</td>
</tr>
<tr>
<td>FECANM</td>
<td>Federation of Farmer Cooperatives in Northern Zone of Morazán</td>
</tr>
<tr>
<td>FEDECACES</td>
<td>Federation of Cooperative Savings and Credit Associations of El Salvador</td>
</tr>
<tr>
<td>FEDECOOPADES</td>
<td>Federation of Agriculture Cooperative Associations</td>
</tr>
<tr>
<td>FMLN</td>
<td>Farabundo Martí National Liberation Front</td>
</tr>
<tr>
<td>FUNDASAL</td>
<td>Salvadoran Foundation for Development and Basic Housing</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
</tr>
<tr>
<td>PCN</td>
<td>Party of National Conciliation</td>
</tr>
<tr>
<td>PDC</td>
<td>Christian Democratic Party</td>
</tr>
<tr>
<td>ICA</td>
<td>International Co-operative Alliance</td>
</tr>
<tr>
<td>INSAFOCOOP</td>
<td>Salvadoran Institute for Promotion of Co-operatives</td>
</tr>
<tr>
<td>SCC</td>
<td>Swedish Cooperative Centre</td>
</tr>
<tr>
<td>SIDA</td>
<td>Swedish International Development Cooperation Agency</td>
</tr>
<tr>
<td>SM</td>
<td>Self-Management</td>
</tr>
<tr>
<td>UCRAPROBEX</td>
<td>Union of Agrarian Reform, Producer, Processor and Export Cooperatives</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UBV</td>
<td>Utbildning för BiståndsVerksamhet (Education for development activities)</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

## 1. INTRODUCTION ................................................................................................... 1

1.1. BACKGROUND .................................................................................................. 1  
  1.1.1. Development of rural organisations ............................................................ 1  
  1.1.2. The importance of gender equality .............................................................. 2  
  1.1.3. Why El Salvador? ........................................................................................ 2  

1.2. PURPOSE .............................................................................................................. 3  

1.3. PROBLEM ............................................................................................................. 3  

1.4. DELIMITATIONS.................................................................................................... 3  

1.5. TARGET GROUP.................................................................................................... 4  

1.6. DISPOSITION......................................................................................................... 4  

## 2. METHOD ................................................................................................................. 6  

2.1. RESEARCH APPROACH .......................................................................................... 6  

2.2. STUDY DESIGN ..................................................................................................... 7  

2.3. METHODS FOR DATA COLLECTION........................................................................ 7  

2.4. SELECTED THEORIES ............................................................................................ 8  

2.5. POPULATION ........................................................................................................ 9  

2.6. VALIDITY AND GENERALISATION ......................................................................... 9  

## 3. CONTEXT .............................................................................................................. 10  

3.1. EL SALVADOR.................................................................................................... 10  
  3.1.1. Politics ....................................................................................................... 10  
  3.1.2. Economy..................................................................................................... 11  
  3.1.3. Agriculture ................................................................................................. 11  

## 4. THEORETICAL FRAMEWORK ....................................................................... 13  

4.1. THE CO-OPERATIVE ORGANISATION ................................................................... 13  
  4.1.1. A different business enterprise ................................................................... 13  
  4.1.2. Different types of co-operatives ................................................................. 13  
  4.1.3. Values and principles................................................................................. 14  
  4.1.4. Federations of co-operatives ..................................................................... 15  
  4.1.5. Co-operatives and gender ........................................................................ 15  

4.2. SELF-MANAGEMENT – IS IT POSSIBLE? ............................................................... 16  

4.3. NETWORK THEORY............................................................................................. 20  
  4.3.1. Why networks matter .................................................................................. 20  
  4.3.2. Comparing weak and strong ties ............................................................... 20  

4.4. SOCIAL CAPITAL ................................................................................................ 21  

4.5. EMPOWERMENT ................................................................................................. 22  
  4.5.1. Resources, agency and achievements ........................................................ 23  
  4.5.2. Qualifying choices ..................................................................................... 24  
  4.5.3. Levels of empowerment .......................................................................... 24  

## 5. EMPIRICAL STUDY............................................................................................ 25  

5.1. A REUNION WITH SIX FEDERATIONS AND THE SCC ............................................ 25  

5.2. WORKSHOP “ADVOCACY AND PUBLIC POLITICS” ............................................. 25  

5.3. AGRICULTURAL CO-OPERATIVES ........................................................................ 27  
  5.3.1. FECANM. .................................................................................................... 27  
    5.3.1.1. Field excursions .................................................................................. 27  
    5.3.1.2. Discussion with Julio Argueta ............................................................ 28  
    5.3.1.3. How will the future be? ....................................................................... 29  
    5.3.1.4. Interview with Nelly Antonia Vásquez ................................................. 31  
    5.3.1.5. Interview with Vilma Sáenz ................................................................. 35
1. INTRODUCTION
This chapter will give an introduction to the issues that will be developed in this thesis, followed by a motivation to the choice of studying these issues in El Salvador. The purpose, problems, delimitations and target group will be presented. An outline of the thesis’ disposition will end the chapter.

1.1. Background
In many countries the rapid transition to market economy has created an extremely rich minority that has left others to tackle the negative aspects of economic development. One of UN’s recent development reports say that ‘for economies to function better, other things must fall into place first’\(^1\). Externally, structural obstacles such as high debt levels and barriers to trade must be removed. Internally, economic growth must be pursued in an equitable way that benefits the poor, and an enabling environment must be created that increases the productivity of farmers and nurtures entrepreneurial activity among small and medium-size enterprises.\(^2\)

1.1.1. Development of rural organisations
70% of the world’s most poor people live in rural areas, and agriculture is their main source of income.\(^3\) To cope with the rapidly changing environment in the age of globalisation, people living in poverty all over the world have to find good ways to organize themselves. Women and men, children and adolescents have to come together and create a democratic process at a grass-root level. Especially in times when recourses in the public sector are diminishing, it is important to have increased self-control over services people depend on.

Recent theories have centred on the observation that in many areas modern societies are characterized by network-like forms of organization and that problem-solving is increasingly based “joint decision systems”. The concept “network” underlines the self-organization and/or self-coordination between autonomous actors aimed at achieving a joint result.\(^4\) The movement towards networking and self-governance has created the “Third Sector”, that assumes the intermediary functions between state and market. One type of organisation in this sector is the co-operative enterprise, which is an enterprise that combines democracy, business development and social responsibility. Co-operatives are networks of people with common needs, striving for common objectives by sharing and developing resources and knowledge. They come in several forms, like consumer cooperatives, housing cooperatives, credit cooperatives, worker cooperatives and agricultural cooperatives.

Co-operatives have an enormous potential as organization of the poor, and their track record over 150 years in lifting whole groups of people out of poverty in the now developed world is substantial.\(^5\) This is a fact that has been recognized by many NGO’s in the world and has become the focus for their development cooperation.

However, co-operatives in developing countries also have a more disappointing history. For the first 50 years after the Second World War they were used in a planned, top-down attempt by national governments and international aid agencies to deliver economic growth. This attempt came to an end with the end of the cold war

\(^1\) UN, *World Development Report 2003*
\(^2\) Birchall (2004)
\(^3\) www.fao.org, 09/12/2005
\(^4\) Messner (1997)
\(^5\) Birchall (2004)
and the era of ‘structural adjustment’, leaving an indelible impression in the minds of many policy-makers at the UN, World Bank and other international agencies that co-operatives had failed. Johnston Birchall argues that co-operatives – as autonomous member-owned businesses – had rarely been tried. The form that had been promoted had never really developed into the kind of people-centred business that had, over the previous 150 years, produced such spectacular gains for farmers, consumers and workers in the now developed world.\(^6\)

### 1.1.2. The importance of gender equality

According to the World Bank, gender related differences in access to resources are greatest among the poorest of the poor. Women are more often than men subjected to hunger and malnutrition, in spite of the fact that women to a great extent are economically active and work longer days than men as the main food producers in the families. Gender-based differences as concerns poverty levels occur due to women’s lack of economic independence and their exclusion from economic decision-making.

According to UNDP’s Human Development Report for 2003; increased gender equality is the key to the achievement of the Millennium Development Goals. Gender equality is not a women’s issue, it is a vital societal issue. Gender has become an increasingly important development issue, not only because of the human rights aspect, but also from the economic efficiency and sustainability point of view. Increased gender equality improves preconditions for both economic and socially sustainable development and for increased growth.

In development cooperation there has been a shift from women specific programmes and projects to a mainstreaming inclusive approach. Implementing a gender mainstreaming policy implies that a gender perspective should be attributed to all areas.\(^7\)

As organizations with an open membership principle, we might expect co-operatives to be open to women. But if only one person in each household is allowed to join, women will usually be excluded.\(^8\) In many cases women have gained a place in the governance structure of their cooperatives, but they are still under-represented at higher levels and generally there are fewer women who are members.

### 1.1.3. Why El Salvador?

El Salvador is geographically the smallest country in Central America, but at the same time it has the highest population density in all Latin America. In 1992, a 12-year civil war ended, that resulted in the domination of two opposite political parties that institutionalised the disintegration worsen during the conflict. The economy started to grow steadily the first years after the war, but during 2000-2004 it diminished to an average of 2%. Factors behind the decline are said to be high national budget deficit and increasing national loans, weakened competitive power, insufficient infrastructure and human capital and deficient governance. External cyclical factors and earthquakes (2001) have also contributed to restrain growth. According to official data from UNDP, 43 % of the population is poor and 20 % extremely poor. The poverty is severest in rural areas, where approximately 42% of the population lives.\(^9\) According to local people this is because the government have been focusing its efforts on the

---

\(^6\) Birchall (2004)
\(^7\) KoopUG/SCC, Policy Paper: Gender Equality and the Empowerment of Women
\(^8\) Birchall (2004)
development of the industry, and this has left the majority of the population excluded from its interests.

There are 3000 co-operatives in El Salvador, and the co-operative sector contributes with 4 % to the GNP of the country.\textsuperscript{10} According to the Salvadoran Institute for Promotion of Co-operatives (INSAFOCOOP), the co-operatives are an essential part of the national development, working in sectors where they have achieved equal or superior performance than traditional enterprises.\textsuperscript{11} The problems identified in the sector are lacking integration, organisational capacities and production; a low influence in the national politics, the economy and the social spheres; and an inferior practise of the co-operative values and principles.\textsuperscript{12}

1.2. Purpose
The purpose of this study is to investigate different types of co-operatives in El Salvador, in order to show how they can manage their organisation and activities in the best way to serve their members and to achieve their economic and social goals. The purpose is also to show how these types of organisations can enhance gender equality. The aim is to identify problems and suggest solutions. The study will contribute to the knowledge about success factors in co-operatives and other similar network-based self-help organisations when it comes to organisation and gender equality. The organisations that will be investigated are FECANM, FEDECOOPADES, FEDECACES and FUNDASAL. The two first are federations of agricultural co-operatives, the third is a federation of saving and credit co-operatives and the fourth is an NGO, which supports housing co-operatives.

1.3. Problem
The research questions in this study are:

- How shall a co-operative be organized and managed to bring about advantages for its members, in terms of profit, social capital and empowerment?
- How can a co-operative contribute to the empowerment of women, in terms of increasing their insertion into economic and political activities, and strengthening their position in the organizations in which they are members?

1.4. Delimitations
This study is delimitated to the development of co-operative organisations in El Salvador. The study have been conducted in villages in four of the fourteen departments of El Salvador; Perquin and Torola in the department Morazán, Santa Martha in Cabañas, La Palma in Chalatepango and La Libertad in La Libertad. These areas of the country were chosen because they are rural and classified as having high rates of poverty, and because co-operatives of the sort that lies in the interest of this study where founded here. On the countryside the study have been conducted at a grass-root level where the base-organisations operate. Interviews have also been conducted in main offices of the organs that assist these organisations in the capital city San Salvador.

\textsuperscript{10} Workshop ”Advocacy and Public Politics“, ACI Americas
\textsuperscript{11} INSAFOCOOP: http://www.insafocoop.gob.sv/index.html
\textsuperscript{12} Workshop ”Advocacy and Public Politics“, ACI Americas
The knowledge drawn from this study lies in the context of one country, but general knowledge about the phenomena in countries with similar conditions is also expected to be generated to some extent.

The study is limited to the perspective of the members at the base of the co-operatives, as well as their leaders. Also included is the perspective of persons working within assistance of the co-operatives, as technicians employed in the federations and co-operators from the NGOs the Swedish Cooperative Centre and UBV. Perspectives that could have been interesting for the study but that weren’t included are from governmental institutions that influence the development of the co-operatives and other NGOs working with these organisations.

One other delimitation that was necessary for the study is to the types of co-operatives treated; agricultural, saving and credit and housing co-operatives. These three types have been chosen in order to compare the phenomenon of the co-operative organisation created for different purposes, and because they all have the characteristic of self-help organisation of the poor, and because they are common forms of co-operatives in El Salvador. There are numerous of other types that haven’t been treated in this study, like consumer and worker co-operatives.

The study is limited to the issues organisation and gender, even though other aspects as access to markets and relationship to the national and international environment are touched in the discussion throughout the work.

The problems in this thesis are studied at a given point of time (during the time of the fieldwork; November-December 2005), but also historical aspects have been crucial to include in the process of understanding the current situation. The suggestions given are developed from the analysis of the current situation of the organisation and their possibilities for the future.

1.5. Target Group
This thesis turns to persons engaged in co-operatives and other similar network-based self-help organisations, as members or employees, for persons working with development cooperation related to these types of organisations, or for anybody interested in the subject.

1.6. Disposition
To give the reader an overview over the thesis, an outline over its structure is presented below. This thesis is divided in eight chapters, where each one of them has its subsections. Their interrelations are illustrated in figure 1 below.

![Figure 1: Disposition of thesis](image-url)
This chapter have presented the background of the problem and the research questions in this work, and the next chapter will present the methods adapted to find the answers to these. This will be followed by a country context, and the theories studied to acquire a deeper understanding of the problem and to have a structure to analyse the central part of the thesis, which is the empirical study that was carried out during the field work. The thesis will end with a critical reflection about the study and propositions for further research.
2. METHOD
This chapter starts with a motivation of the scientific approach chosen in this work, followed by the course of action adopted to find the answers to the research questions. Also discussed are the reliability and generalisation of the results.

2.1. Research approach

Scientific approach
In this study a hermeneutic approach was adopted. The hermeneutic process encompass four principal moments: interpretation, understanding, pre-understanding and explanation. Problems and conditions of the organisations at issue have been interpreted and explained in order to draw conclusions that can serve as advises and guidelines. The interpretation process should hover between the parts and the whole, in order to reach a holistic explanation. Therefore I have included other issues than organisation and gender when answering my inquiries, like commercialisation, politics, history, culture and economy. When I came to my field of study, I discovered that my pre-understanding of co-operatives was very theoretical and idealistic. Therefore I tried to leave my pre-understanding a side during my fieldwork, in order to be as open and attentive as possible to the new reality that I was facing.

This study combines an economical and anthropological understanding. This approach was found adequate when studying co-operatives, which are enterprises with both economical and social goals. In order to understand the effectiveness of an organisation in achieving its goals, I have chosen to focus on its people; how they organise themselves and how they relate to one another within their common projects. Gender problems and their economical consequences are also subjects that need to be looked upon through anthropological glasses in order to understand them. To think about cultural aspects was also crucial due to the fact that I conducted the study in another culture then my own.

Inductive and deductive
The deductive method is a way of proving what we try to understand, while the inductive method is a way of discovering it. But it is in the opposition between them, or the combination of them, that new exiting knowledge emerges. This study started as deductive because I have prepared my problem formulation and method collection after reading theories and previous writings. During the investigation other perspectives came into consideration, and when analysing the results the initial theories were applied, but new perspectives were given space and generated some inductive findings.

Qualitative and quantitative
The qualitative method aims to capture the distinctiveness in the individual entity and its special life situation. It generates a holistic picture which permits an increased understanding for social processes and contexts. It’s also more flexible then the quantitative method, which is standardised and therefore can generate generalisation. In the quantitative method information is collected in a way characterised by distance.

---

14 Ibid.
15 Holme & Solvang (1997)
This thesis relies on qualitative data, even though some references to quantitative data also have been made. To study organisation and gender has in this work meant to study relationships, emotions and thoughts, and therefore a qualitative method needed to be used.

2.2. Study design
This is a comparative and normative study. I decided to compare different types of co-operatives when I discovered that their success was interrelated to the initiative and objectives for their existence. This comparison provided insights about the implications that the initiative and objective to form an organisation has for its development. The main aim of this study is to understand and explain, but propositions for solutions to problems have also been made. Because of this my study has a normative side too, and to this can be added that all research is subjective and therefore to some extent normative.

2.3. Methods for data collection
This study is based on a fieldwork conducted in El Salvador during the period 06.11.2005-15.12.2005. The following organisations and co-operatives were investigated:

- The Federation of Farmer Cooperatives in Northen Zone of Morazán (FECANM), a second-level cooperative federation with a membership of 13 cooperatives and 420 members.
- The Federation of Agriculture Cooperative Associations (FEDECOOPADES), a second-level cooperative organisation made up of 27 cooperatives located in 10 departments of the country and 1257 members.
- The Federation of Cooperative Savings and Credit Associations of El Salvador (FEDECACES) with a total of 85 000 members and 31 co-operatives.
- The Salvadoran Foundation for Development and basic Housing (FUNDASAL), a private, non-profit institution that currently is supporting 4 housing co-operatives.

The organisations mentioned above receive support through programs of capacity building from the Swedish Cooperative Centre (SCC), and this organisation’s perspective is also included in the empirical data. One cooperation worker from “Education for development activities” (UBV) who is working with FECANM, have also participated in activities included in the empirical data.

Primary data was collected through participant observations, interviews, discussions and dialogs.

Interviews, discussions and dialogs
Interviews’ main objective is to collect objective data, discussions’ main objective is to collect subjective data and to obtain a holistic picture of subjective realities, and the main objective of a dialog is to attain meaning and significance in the co-actor’s language and culture. This study has strived to obtain a holistic picture of objective facts, subjective thoughts and feelings, and cultural causes and consequences behind

---

16 Holme & Solvang (1997)
17 Gustavsson (2004)
these related to the interests of this study, therefore the three methods have been combined.

The interviews were semi-structured, where the questionnaire I used served as a checklist to ensure that all aspects from the theories were brought up during the interview. The order of the questions was often changed, and sometimes new questions were spontaneously posed and other sometimes excluded when they weren’t relevant. The same questionnaire was used in all types of co-operatives and when interviewing persons in different positions, in the aim to generate different perspectives on the same phenomena. This was made possible because of the questions general character.


d
development

development

Participant observations
Observation means that we are for a longer or shorter time together with members of the group that we will study. Therefore this method has the most intimate relation to the research entities. It’s also the method that poses the biggest ethical requirements. During the observation one can ask: what is the order in, and meaning of what is happening? When the observer is participating in the activity that the group is doing, which can be done in different extent, he is conducting a participant observation. In this field study, participant observations have been made in situations like meetings, workshops and visits of productive projects. The meetings occurred within the organisations in different entities and at different levels, and sometimes between representatives from several of the organisations included in the study. These situations were quite formal and my level of participation was most of the times limited. In work-shops and visits my level of participation became bigger, and the exchange of information was more relaxed.

Secondary data
Secondary data was collected in internal written material from the organisations, meeting protocols and working papers from work-shops.

2.4. Selected theories
For this thesis theories from different fields and sources have been chosen in order to capture the complexity of the co-operative organisation, including economical and social aspects. They have served as a framework in the design of the investigation and the interview questionnaire, and as a support in structuring and analysing the empirical findings. The theoretical framework starts with the philosophy and the characteristics of co-operatives, followed by a theory of self-management which can be seen as the ideal way of managing a democratic self-help organisation. A theory about how women’s participation in co-operative work and management should be increased is here incorporated. Further theories about networks and types of relationships within them have been chosen to be presented, because of their many characteristics’ resemblance with co-operatives. The term social capital and it’s implications to economical performance have been included in order to reach deeper into the meaning of relationships within organisations. The theoretical framework will end with an outline of the concept empowerment, in order to analyse in what way co-operatives can have a significant impact on their member’s ability to change their life situation.

\[8\] Holme & Solvang (1997)
2.5. Population
I was presented to several federative organisations by the SCC, when I explained the interests of my study. Because of the comparative perspective in this study I chose to include three types of co-operatives, within three federations and one NGO working with them. These cases were chosen because of their representation of marginalised communities in the country, and because they are considered representative for the type of organisations treated in this study. FECANM was chosen because it is a small agricultural federation with an interesting organisational and productive development. This case was complemented with FEDECOOPADES, to obtain a comparison with a bigger agricultural federation with a longer history of co-operative work. FEDECACES was chosen because it is recognized as an advocate of the savings and credit co-operative sector in El Salvador, and FUNDASAL was chosen because they are working with the pioneer housing co-operatives in the country.

2.6. Validity and generalisation
A study with high reliability can be repeated by others and every one of them shall obtain about the same result. This is often not possible when studying complex phenomena. Therefore I have not strived for reliability, but focused on reaching high validity and generalisation instead. What determines validity is if the research has succeeded in capturing what it aimed to, in other words if its results are accurate. Generalisation can occur in many levels, from a narrow generalisation in a limited area to the creation of a universal rule. The choice to include different types of co-operatives, represented by recognized organisations in their sector, has increased the generalisation, at least in the context of one country, or some countries with similar characteristics. To increase validity, big efforts have been done in the formulation of interview questions, use of reliable data sources and choice of population. Persons from different areas and levels in the organisations have participated in the study, which has contributed too many different perspectives on the same phenomena.

---

3. CONTEXT

This chapter will give a context to this work by presenting a summary of the economical and political situation in El Salvador, in order to make the reader understand the conditions for the development of co-operatives in the country. The country is largely rural and problems related to poverty are biggest on the countryside, where also most co-operatives are operating, therefore will a part of the chapter describe the conditions of the agricultural sector.

3.1. El Salvador

El Salvador achieved independence from Spain in 1821 and from the Central American Federation in 1839. A 12-year civil war, which cost about 75,000 lives and shattered the Salvadorian society, was brought to an end in 1992. In 2001 the country suffered a new catastrophe in form of enormous earthquakes, that didn’t only take many lives, but also caused a devastating destruction with deep consequences to the country’s already weak economy. A fourth of the total population were affected directly from the damages, and a quarter million houses were ruined. According to official data from UNDP, 43 % of the population is poor and 20 % extremely poor. The real numbers are probably higher though, and UNDP stresses in their report from 2003 that the official method for measuring national poverty is inadequate. El Salvador has a long past of military governance, internal conflicts and lacking democracy. The principal problem of today is the big income rifts and a faulty human rights situation.

3.1.1. Politics

An unequal ownership of land and the global recession led to a revolt of landless labourers in 1932, led by the founder of the communist party Farabundo Martí. The revolt was crushed by the military and thousands of farmers were killed. The politics were characterized by military coups and elections that were fixed by forehand for many years. The civil society reacted very strongly to this lack of democracy and guerrilla groups were formed. In 1980 five of these guerrilla groups got together under the name FMLN, and a year after the civil war begun. The 16 of January 1992 a peace agreement was signed after many years of mediation with the UN. Reforms that diminished the military’s influence and power made FMLN lay down their weapons, and founding a political party instead.

The polarisation within the politics has endured after the peace agreement. The tensions are strong between the governing right party ARENA and the left party FMLN. Until 1997 the right party ARENA was dominating the politics. FMLN got their success in the parliament elections in 2003, when they became the biggest party with 34 percents of the votes, followed by ARENA that got 32 percent. The third biggest party was PCN, which is the military’s old right party. This meant that that the conservative parties could keep a narrow majority in the national assembly. In the presidential elections that were hold in 2004 ARENA’s candidate Elias Antonio SACA Gonzalez won with a big marginal, even though many people were expecting FMLN’s candidate Shafik Hándal to take over the power.

The total domination of two parties that both were founded during the civil war, and which have total opposite ideological positions, has somehow institutionalised the disintegration of the country that was worsen during the conflict. The Salvadorian

---

democracy has definitely developed since the peace agreement in 1992, but there are still deficiencies. Violence and corruption is still a part of every day life in El Salvador. The institutional unpredictability and the tradition of corruption have created a general political mistrust in the society.

3.1.2. Economy

The civil war will have consequences for the economical development for a long time ahead in El Salvador. Big economical reforms have been made concerning free trade, privatisations, tax regulations, central government administration and pensions. El Salvador now has the second biggest GNP per capita in Central America, and it is the third biggest economy after Guatemala and Costa Rica.

The economy started to grow steadily the first years after the war, but in the end of the 1990s the growth diminished together with productivity and investments. Under the 1990s the average GNP-growth was 5%, and during 2000-2004 it was 2%. Factors behind the decline are said to high national budget deficit and increasing national loans, weakened competitive power, insufficient infrastructure and human capital and deficient governance. External cyclical factors and earthquakes (2001) have also contributed to restrain growth.

The US-dollar was made to a legal currency next to the local currency colones, and is now making up for 99% of the total money amount. With this reform the government hopes to achieve stability and a macroeconomic trust in order to attract more foreign investments. The new currency reform has contributed to lower rents and a consolidation of low inflation.

The economical structure in El Salvador has changed a lot in the last 30 years. The agriculture is still an important sector, even though its importance has decreased. The economy is now more based on trade, a developed service sector and a growing industry sector. The agriculture stands for about 10% of the GNP, the industry sector 30% and the service sector for 60%.

An important engine to the Salvadorian economy are remesas; money that the 2.4 millions Salvadorians that live abroad send home. These transfers increased with almost 10% in 2003, and totalled 2.1 milliards USD, which corresponds to 14% of BNP or 65% of total exports. El Salvador is the most depending country on money transfers from abroad in the whole Latin America. Of all the households that receive remesas from relatives abroad, 31% are poor and remesas accounts for 50% of their total income. The economical power is still held by a small elite that originally made their money from sugar and coffee production, but now also have strong interests in the trade- and finance sectors. El Salvador has one of the most unequal income distribution in Latin America: the richest 10% of the population stands for 40% of the total incomes and consumption, while the 10% of the poorest stands for 1,4 % of the total incomes and consumption. Indicators about education, health and access to sanitary installation and clean water are still insufficient, even though some indicators have ameliorated and poverty has been reduced.

3.1.3. Agriculture

El Salvador remains a largely rural country despite the growth of San Salvador and its environs. Approximately 42% of the country's population lives in rural areas and about 75% of the country's basic grains are produced on family farms. The main

---

food crops are maize, rice and beans. The main cash crops are coffee, sugar cane, cotton and shrimps. Other agricultural products are oilseed, sorghum, beef and dairy products. The agricultural sector had a growth of 3.2 percent in 2004, which is a big increase in comparison with previous years.

The opinion of local farmers is that the farming sector is in a deep crisis, because the government has focused its priorities on maquilas (international companies with mainly textile production that demand cheap manual labour). In addition the traditional cultivation crops like coffee, henequen (a type of cactus), the sugar cane, etc. have low sale prices. For the vast majority of rural residents, land shortages, unemployment, underemployment, and extremely low wages keep the standard of living low and the quality of life barely tolerable. Poverty encouraged the additional hardship of broken families, a particularly acute problem among landless labourers who often had to move to find work.

---

25 Haggerty (1990)
4. THEORETICAL FRAMEWORK

This chapter will present the theories used in this work when planning the investigation and analysing the empirical findings. The theoretical framework starts with theories about the co-operative organisation, where a theory about how gender issues should be managed in these is included. The following theories about self-management and networks will serve as useful tools in the reflection about various dynamic aspects of organisations. Relationship’s significance to the performance of organisations will be analysed through the concept of social capital. The theoretical framework will end with a theory about empowerment that will contribute to the understanding of how co-operatives can ameliorate the life situation of their members, and especially when discussing how they can tackle gender issues.

4.1. The co-operative organisation

The International Co-operative Alliance (ICA) defines a co-operative as:

“A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.”

4.1.1. A different business enterprise

Co-operatives are enterprises that put people at the centre of their business and not capital. Co-operatives are business enterprises and thus can be defined in terms of three basic interests: ownership, control, and beneficiary. Only in the co-operative enterprise are all three interests vested directly in the hands of the user.

Co-operatives put people at the heart of all their business. They follow a broader set of values than those associated purely with making a profit. Because co-operatives are owned and democratically-controlled by their members (individuals or groups and even capital enterprises) the decisions taken by co-operatives balance the need for profitability with the needs of their members and the wider interests of the community.

4.1.2. Different types of co-operatives

Several different types of cooperatives exist, each performing a different function. Different ways of categorizing cooperatives have been developed. There are three basic forms that are most commonly discussed:

Producers’ Co-operative: Producers of goods and services co-operate in marketing, sale and purchase of material and equipment. Members pool skills to offer a professional service or a product. The profits are then distributed amongst members in proportion to the volume of their business with the cooperative. Fishermen and farmers pool their products for the purpose of sale in order to obtain the most advantageous prices.

Consumers’ Co-operative: Here, members group themselves in a cooperative in order to benefit on prices and quality for several products and services as consumers.

Workers’ Co-operative: Unlike the producer cooperatives or the consumer cooperatives, the members of a worker cooperative are both its owners and its employees.

26 International Co-operative Alliance: http://www.ica.coop/
4.1.3. Values and principles

Values
Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles
In 1995 the International Cooperative Alliance adopted a set of principles, which are intended to articulate a guideline by which cooperatives put their values into practice:

<table>
<thead>
<tr>
<th>1st Principle: Voluntary and Open Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2nd Principle: Democratic Member Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3rd Principle: Member Economic Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4th Principle: Autonomy and Independence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-operatives are autonomous, self-help organisations controlled by their members. If they enter to agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5th Principle: Education, Training and Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6th Principle: Co-operation among Co-operatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7th Principle: Concern for Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-operatives work for the sustainable development of their communities through policies approved by their members.</td>
</tr>
</tbody>
</table>

Table 1: Co-operative principles. Source: http://www.ica.coop/
4.1.4. Federations of co-operatives

What cannot be achieved by a single small organisation, may well be within reach of organisations acting as a group. Federative strategies may provide a highly appropriate substitute for growth, as far as access to power and advantages of scale are concerned, to organisations that would rather remain small. “A federative organisation is an organisational form where independent organisations gather together and create one or more units (central units) which are supposed to fulfil some common needs of the founding organisations and foster collaboration /../. At the same time, the member organisations /../ keep their independence and self-governance in important areas”

Possibilities that federative strategies offer are:

a. A tool and resource in legal suits, taxation issues, etc, and as a lobbying group for new legislation or modification of existing ones.

b. A source of “committed financing”. Since organisations are highly vulnerable to pressures in their formative stage, committed financing would play a key role especially where establishment or conversion of new units is considered.

c. A forum for exchange of organisational know-how, an “experience clearinghouse” supplying information on successful modes of creative adaptation to arising problems or novel situations. Such a forum mediates between ideological premises, which it helps reformulate, and practical, often environment-caused constraints.

d. A recruiting organ: This is a twofold function consisting of (a) long-range activities aimed to maintain and service the recruiting base, and (b) actual recruitment and screening of applicants.

e. In some cases federations can also provide a great deal of the infrastructure for communal and social services, like education, health a welfare services for example.

The aggregation of organisations into federative forms is not problem free. The complex interplay between autonomy and interdependence is a central issue in the federative problematique. “The federative organisation is a borderline organisation. /../ It is both an inter- and intraorganisational system, with freedom for the participants to define their belonging to different parts of the system. This explains the confusion about authority and responsibility”

4.1.5. Co-operatives and gender

When talking about promoting gender equality, gender mainstreaming is becoming more and more commonly addressed in organisations’ policies. Mainstreaming a gender perspective is the process of assessing the implications for men and women of any planned action, including legislation, policies and programmes, in all areas and at all levels. The challenge is how to identify barriers and change institutional cultures so as to create a level playing field for equal opportunities for woman and men. This is different than simply integrating women into existing policies and practices. However, once gender sensitive policies and strategies are in place, there is no assurance that organisational, much less individual behavioural change will be

---

27 Stryjan (1989)
28 United Nations Economic and Social Council (1997)
forthcoming. Achieving gender equality must involve redefining power relationships, overcoming non-legal barriers to equality, and confronting gender stereotypes.\textsuperscript{29}

ICA has suggested the following actions for co-operatives in order to strengthen institutional capacity/arrangements to promote gender equality:

- Genuine and clear statement of commitment from top leadership and visibility of competent women and men leaders.
- Capacity building. People must understand the issue, and gender training is essential at all levels of an organisation, but beginning at the very top.
- Gender balance of elected officials and staff. ILO have stated that “women possess qualities which could contribute significantly to improved communication, co-operation, team-spirit and commitment within organisations – qualities which today are essential for achieving excellence and mainstreaming the necessary networks of contacts and relationships.”
- Accountability and Monitoring. Appoint individuals who will be responsible for ensuring that gender issues are addressed, following up on gender promotions and providing information regarding these activities.
- Human and financial resources. Assess budget to see what proportion of resources are allocated to activities to promote gender equality. Recruitment of new staff should be done with a gender balance.

4.2. Self-management – is it possible?

Yohanan Stryjan’s book\textsuperscript{30} about conditions for successful self-management entails examples of worker co-operatives, worker-owned enterprises and Israeli kibbutzim. In this thesis, his theories will be used to examine the application of self-management in co-operative organisations, because the philosophy behind these organisations is autonomy and self-management based on democratic governance.

Self-management is a deviant, unconventional organisation form. Research on such organisations has mostly focused on their impossibility. The basic tensions between ownership and labour, between democracy and efficiency, and between the demands of the market and moral principles came to constitute the core of the self-management problematique.

Ownership or membership

A requirement for self-management is sometimes said to be ownership. Control is often identified with ownership in organization theories. But even in organisations “owned by workforce” control can drift up to a “managerial group”. A transfer of ownership merely eliminates external ownership as a source of control, and does not unequivocally lead to self-management and control. The discussion of self-management have to go beyond ownership, it should focus on membership.

Reproduction

When self-management prevails, practice reproduces routines and assumptions, and assumptions shape decisions that generate organizational routines. Actions as steering and decision-making are considered a continuous process of organizational redesign. On the other hand commitment to the organization’s goals and values shapes members’ perceptions and modes of action. The process can be summed up in a loop,

\textsuperscript{29} ICA Strategy for Promoting Gender Equality (2000)

\textsuperscript{30} Stryjan (1989)
in which members continuously shape and reshape their organization and are, in turn, also being shaped by it.

The following assumptions are made for self-management reproduction:

a. All participants are members.
b. All members take part, actually or potentially in decision-making and implementation.
c. SM is a self-designing organization. The locus for all decisions as to its internal organization and its strategy is situated within the organization.
d. It is a decisional organisation, its continued existence is conditional on the members’ active and withdrawable consent.

Reproduction of membership
Self-management’s core process centres on reproduction of the organisation’s active membership. An active membership should encompass three basic aspects:

a. Physical bearer (a corpus of members)
b. A shared frame of reference, whereby definitions of situation can be generated
c. A repertoire of options for action or members’ inputs

Three meta-assumptions are proposed, which if adopted by members engaged in a democratic process of designing their own organization is likely to yield a self-managed organization. These assumptions concerns:

- **Permanence.** Stability, routines and repetitive actions such as rituals can be established only under the assumption of permanence. The relationship between members in communities build on mutual exchanges of favours over long periods and accumulation of open obligations and debts, and an assumption of permanence is a basic prerequisite for their existence and stability.

- **Mutual dependence.** An economic model of self-management cannot make sense unless an “assumption of solidarity” is introduced. Every participant should also understand that their satisfactions are interdependent and attach a weight both to others’ welfare and to the others’ goodwill, that is, their concern to one’s own welfare.

- **Collective endeavour’s intrinsic worth.** The assumption of worth deals with a commitment to the goals and values of an organization, to one’s role in it, and to the organization for it’s own sake. Such an attachment may range in its character and intensity from a sense of ideological mission or being “chosen” trough a self-perception of constituting an “alternative institution” to ”company spirit”.

Loyalty or involvement
Degeneration can be seen as a failure of reproduction. It can also be seen as a management failure when handling involvement. When members are dissatisfied with their organisation, they can choose exit or voice (to protest or to demand change). Loyalty is seen as an internalised threshold to exit, shifting preferences to voice in cases in which exit would have appeared the easier way to the external observer. Loyal
membership can be an utterly passive behaviour. When involvement is present, voice would be rather chosen and it effects a complex transformation of costs to benefit.

Figure 2: Exit, Voice, Loyalty and Involvement. Source: modified from Stryjan (1989)

**Self-management and the environment**

Access to, and the ability to use the environment’s resources were identified early in the history of self-management research as crucial problems of self-managed organisations. Among the reasons for producer co-operatives’ failures have been named the deficiencies in access to capital, markets and organisational competence. Dependence on environmental resources is, presumably, general to all organisations. The resource categories can be devised as follows:

a. Recruitment of new members
b. Material resources (capital, capital equipment, access to market)
c. Professional competence and skills

The self-managed organisation’s specific resource requirements, as well as its way of meeting such dependences may, however, differ substantially from those of conventional organisations. Being different, its needs are different from those that society at large is geared to supply. It can require its would-be members to have certain orientations that are uncommon, and technologies that are compatible with its mode of organisation.

**Coping with the environment**

For the deviant organisation, struggling to preserve or spread its identity, successful reproduction presupposes that isomorphic pressures that the environment generates are coped with. Isomorphism is developed within the ecological research, meaning that the environment operates with norms and general rules on populations and single organisation in order to create an uniformity that eliminate or limit the incidence of random or deviant outcomes as the SM-organisation. The organisation that adapts has
a strong fitness and persists in a certain environment. The research on isomorphism offers some valuable tools for understanding the problems a SM organisation has to cope with. Stryjan writes that the exchange with the environment cannot be merely treated as a matter of traffic of goods and payments. It involves traffic of ideas, routines, action algorithms, and finally, people.

There are three types of mechanisms through which institutional isomorphic change is imposed on organisations:

1) **Coercive isomorphism** that stems from political influence and the problem of legitimacy. Central agents are the state, primarily through legislation; other powerful organisations; and national or corporate monopoly services.

2) **Mimetic isomorphism** resulting from standard responses to uncertainty. When faced by uncertainty, whether internally or externally generated, organisations may mimic other more successful ones. This can be interpreted as a reproduction breakdown in the case when deviant organisations try to mimic environmental models, different from their identity.

3) **Normative isomorphism**, associated with professionalism. These are isomorphic solutions created by the organisation's own members. In these cases, norms and general algorithms to derive solutions are imported rather than specific solutions in themselves.

Organisations are not only constrained by their environment. Often they define their own place in it. They have a capacity to manoeuvre among environmental parameters, selectively assembling the parameter set they would rather be controlled by. In one sense, organisations create the environments to which they adapt, by excluding some elements and excluding others. The federative strategy described above (see 4.1.4.) is a good and commonly used tool for SM organisations to cope with environmental constraints and pressures.

**The dilemma of size**

Powerlessness is often seen as a problem for SM-organisations. One important reason for this problem is that they are often continuously maintained small size. For organisations, size seems to be a basic precondition for achieving any degree of political and economical power. At the other hand there is a commonly shared belief that size is detrimental to democracy, participation, and immediate personal relations between members.

The dilemma facing the SM organisation is obvious: power or identity. In this way every SM-organisation seems to have its own size limit, but they have to consider trade-offs of benefits and a curve of diminishing returns- a slow erosion of democracy. If a size limit wants to be established the following variables have to be considered: a. rate of growth, b. the nature of relationship between members, c. internal organisation.

**Subunits and federalisation**

Self-management can be maintained in a big organisation by creating subunits. This can be done as long as (a) the size of the subunits is kept down (b) a reasonable way of aggregating these subunits’ actions, while preserving a wide-ranging autonomy, is found. Growth will in this case be effected through establishments of new subunits. They can either be started from the scratch in new areas of activity, come into being through splitting of existing units once they have grown beyond a certain size, or, can
evolve through the weaning of groups that have evolved in an intrapreneurial process within existing subunits.

4.3. Network theory
Abstractly considered, networks consist of sets of relationships, ties, or links between things. In the purpose of this thesis, these things are social and economic actors like individual persons, firms, formal organisations and institutions.

4.3.1. Why networks matter
Foremost network connections matters because they involve a relationship. Relationships entail mutual obligations and expectations, a fuller sense of trust and reciprocity, greater flexibility and give-and-take, and so on. Some networks also matter because they affect economic performance. Networks shape information, influence opportunities, structure claims on others and obligations to them, and grant access. Consequently, networks influence a firm’s performance, a person’s career mobility, trading patterns and a host of other outcomes. Messner Dirk sees networks as a new type of social action “beyond markets and policy hierarchies”. These phenomena’s departure is constituted by the limitations of the state and market. Market-based relationships are flexible and innovative but lack long-term orientation, coherence and accumulated experience. Organisations can solve these problems but at the at the expense of variety and innovativeness, and with problems of rigidity, bureaucracy and motivational problems. Networks are a higher type of action based on both:
- the existence and action logic of autonomous, decentrally organized actors (typical for markets)
- an action strategy geared to defining medium- and long-term goals and the means adequate to attaining these goals; a collective goal-directed action strategy (typical for hierarchical governance concepts)

Networks act along three complementary logics:
1) **Inward orientation**: they optimize their own organisations on their own responsibility
2) **Representations of interests**: vis-à-vis the state and other social actors
3) **Cooperative competition**: they shape their own environment through cooperation and networking with public and private organisations.

4.3.2. Comparing weak and strong ties
Brian Uzzi’s research on the New York garment industry illustrates firm-level benefits that networks can bestow. Uzzi argues that firms relate to each other in two ways: They can have “arm’s length” or “embedded” ties. *Arm’s-length relationships* are related to the proverbial business relationships: self-interest, contractually specified, highly formalized and short-term. In contrast, *embedded ties* are much closer, personal relationships that involve repeated transactions over long periods of time. They are implicit, informally negotiated and easy to modify. According to Uzzi, compared with arm’s-length relationships, embedded ties provide three kinds of benefits: *trust, information, and joint problem solving*. The

---

31 Carruthers (2000)
32 Messner (1997)
33 Ibid.
advantage of trust is that the two parties enjoy access to valuable but hard to specify and hard to price resources, and that they don’t take advantage of each other. Because of the three benefits, embedded ties can improve firm’s performance. But under some circumstances, too much embeddedness can be a liability. Heavy reliance can be problematic in case when one partner gets into financial difficulties. A risk of the business equivalent incest also exists: The firm becomes trapped in a closed network cut off from new sources of information and new opportunities.  

Another study on strong and weak social ties is a well-known analysis about how people obtain information about job opportunities that led to a new job made by Mark Granovetter. His study showed that most placements did not occur through the formal mechanisms of job allocation but instead happened informally through friends and relatives. While one might expect that strong ties are more useful (because they entail more trust and obligations), Granovetter argues that when it comes to new job opportunities, weak ties perform better. Weak ties give more access to more distant social circles, and therefore more information. By contrast, strong ties are more likely to generate information that one already knows.

4.4. Social Capital

The social capital theory is interesting to mention when focusing on the relationship aspect of networking and organisations. Under the 1990-ties this concept started to be used beside the more traditional concepts of capital, and it has its roots within the sociology.

According to Bourdieu, social capital is “the sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition”.

Coleman defines the concept at another level than the individual. He means that the social capital is found in the links (the relationships) between the individuals/actors. Coleman points out that social capital should be treated from a public-good aspect, in order words that it constitutes “an attribute of the social structure in which a person is embedded” and that “social capital is not the private property of any of the persons who benefit from it”.

Putnam’s definition of social capital is strongly linked to Coleman’s; “social capital refers to features of social organization, such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefit”.

Other research has pointed on the negative sides of social capital. Portes and Landolf argues that “There is considerable social capital in ghetto areas (…) inner-city youth gangs are also social networks (…) The same kind of ties that sometimes yield public goods also produce ‘public bads’”. The negative aspects pointed out are that networks have an excluding function, and that common norms create conformity that implies restrictions for individual freedom and business initiatives.

A group’s internal social capital can be used both positively and negatively from the society’s point of view. What decides if the capital is used in a positive or negative way is if the group’s goals agree with the society’s interests or not.

---

34 Uzzi (1997)  
35 Granovetter (1974)  
36 Föreningen Kooperativa Studier: Kooperativ Årsbok 2001  
37 Coleman (1990)  
38 Föreningen Kooperativa Studier: Kooperativ Årsbok 2001  
39 Ibid.
elements will always have negative effects, but these cannot be left out. Social capital is different from physical capital because it is growing when it is “used” (consumed) and diminishes when it is “not used”. To consume social capital is an unintentional investment.40

Both Coleman’s and Putnams group-related social capital is seen as productive. The fundamental proposition of social capital theory is that relationship ties provide access to resources. Therefore the challenge is to constitute effective networks/organisations. According to Stryjan41, who examines social capital related to social entrepreneurship, the links that connect individuals also link the resources that those individuals can access. The resources are mobilized (through his/her actions) or allocated (through his/her position in other organizations/enterprises). Social entrepreneurship is thus a matter of connecting such nodes into networks to provide a desired resource mix, in other words effectively converting social capital into economic resources.

The implication is that social capital has an impact on economic performance; the higher the social capital, the higher will be the economic activity be. These two factors are intertwined and influence each other in an ongoing reproductive process where social capital can be converted into economic resources and then reconverted into the former.42 Stryjan’s illustrative figure describes this interrelation:

<table>
<thead>
<tr>
<th>Into</th>
<th>Economic capital</th>
<th>Social capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>from</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social capital</td>
<td>Trust: Partnerships, credit assessment, contractor loyalties</td>
<td>Reproduction: Networking, recruitment, common values, culture</td>
</tr>
<tr>
<td>Economic capital</td>
<td>Venturing, investment</td>
<td>Redistribution (e.g Sponsoring, targeted purchases)</td>
</tr>
</tbody>
</table>

*Figure 3: Transformations of social and economic capital. Source: modified from Stryjan (2002)*

### 4.5. Empowerment

Not everyone accepts that empowerment can be clearly defined, and less measured. For many feminists, the value of the concept lies precisely in its “fuzziness”. Maybe many NGO activists like it, because it gives a space to work it out in action terms before they have to clearly define what it means. In this work a brief outline of the concept will be presented, in order to discuss empowerment related to member’s benefits of co-operatives and their gender.

---

40 Föreningen Kooperativa Studier: *Kooperativ Årsbok 2001*
41 Stryjan (2005)
42 Stryjan (2002)
Definition: Empowerment refers to the expansion in people’s ability to make strategic life choices in a context where this ability was previously denied to them.43

4.5.1. Resources, agency and achievements44

Changes in the ability to exercise choice can be thought of in terms of changes in three inter-related dimensions which make up choice: resources, which form the conditions under which choices are made; agency which is at the heart of the process by which choices are made; and achievements, which are the outcomes of choices. These dimensions are inter-dependent because changes in each contributes to, and benefits from, changes in the others.

Resources can be material, social or human. In other words, they refer not only to conventional economic resources, such as land, equipment, finance, working capital etc. but also to various human and social resources which serve to enhance the ability to exercise choice. Human resources are embodied in the individual and encompass his or her knowledge, skills, creativity, imagination and so on. Social recourses are made up of claims, obligations and expectations which inhere in the relationships, networks and connections which prevail in different spheres of life and which enable people to improve their situation and life chances beyond what would be possible through their individual efforts alone.

Resources are distributed through a variety of different institutions and processes and access to resources will be determined by the rules, norms and practices which prevail in different institutional domains (e.g. familial norms, patron-client relationships, informal wage agreements, formal contractual transactions, public sector entitlements). These rules, norms and practices give some actors authority over others in determining the principles of distribution and exchange within that sphere. Empowerment entails a change in the terms on which resources are acquired as much as an increase in access to resources.

The second dimension of power is agency, the ability to define one’s goals and act upon them. Agency is about more than observable action; it also encompasses the meaning, motivation and purpose which individuals bring to their activity, their sense of agency, or “the power in”. While agency often tends to be operationalised as “individual decision-making”, particularly in the mainstream economic literature, in reality, it encompasses a much wider range of purposive actions, including bargaining, negotiation, deception, manipulation, subversion, resistance and protest as well as the more intangible, cognitive processes of reflection and analysis. Agency also encompasses collective, as well as individual, reflection and action. In the positive sense of “power to”, it refers to people’s capacity to define their own life-choices and to pursue their own goals, even in the face of opposition from others.

Recourses and agency together constitute capabilities, the potential that people have for living the lives they want, of achieving valued ways of “being and doing”. An idea of “functioning” refers to all the possible ways of “being and doing” which are valued by people in a given context, and “functioning achievements” refers to the particular ways of “being and doing” which are realised by different individuals. These realised achievements, or the failure to do so, constitute the third dimension of power. Clearly, where the failure to achieve valued ways of “being and doing” can be traced to laziness, incompetence or some other reason particular to an individual, then the issue of power is not relevant. When, however, the failure to achieve reflects

43 SIDA (2001) Discussing Women’s Empowerment Resources
44 Ibid.
asymmetries in the underlying distribution of capabilities, it can be taken as a manifestation of disempowerment. The interest lies in inequalities in people’s capacity to make choices rather than in differences in the choices they make.

4.5.2. Qualifying choices
When talking about the conditions of choice, a distinction needs to be made between choices made from the vantage point of real alternatives and choices that reflect their absence or punishing high costs. When qualifying the consequences of choice, a distinction needs to be made between strategic life choices and other more mundane choices which follow once these first-order choices have been made. Choices need to be valued on their transformative significance also, therefore are choices which express the fundamental inequalities of a society, which infringe the rights of others or which systematically devalue the self, not compatible with the notion of empowerment. 45

4.5.3. Levels of empowerment
Empowerment can reflect change at a number of different possible levels:

<table>
<thead>
<tr>
<th>Deeper levels</th>
<th>Structural relations of class/caste/gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate levels</td>
<td>Institutional rules and resources</td>
</tr>
<tr>
<td>Immediate levels</td>
<td>Individual resources, agency and achievements</td>
</tr>
</tbody>
</table>

*Table 2: Levels of empowerment. Source: SIDA (2001)*

It can reflect the level of individuals and groups, in their sense of selfhood and identity, in how they perceive their interests and in their capacity to act. It can occur at the intermediate level, in the rules and the relationships which prevail in the personal, social, economic and political spheres of life. And it can occur in the deeper, hidden structures which shape the distribution of resources and power in a society and reproduce it over time. However, for any such change to translate into meaningful and sustainable processes of empowerment, it must ultimately encompass both individual and structural levels. The institution of rights within the legal framework of a society is meaningless unless these rights have a real impact on the range of possibilities available to all the individuals in that society. Equally, changes in the resources that individuals enjoy, but which leaves intact the structures of inequality and discrimination may help to improve their economic welfare without necessarily empowering them.46

---

45 SIDA (2001) *Discussing Women’s Empowerment Resources*
46 Ibid.
5. EMPIRICAL STUDY

This chapter will present the empirical findings from the fieldwork in El Salvador during the month of November and December 2005. Two weeks were entirely dedicated to FECANM, when I stayed in Perquin. The rest of my fieldwork I stayed in San Salvador in order to be close to the offices of the other organizations that were studied. On various occasions I visited co-operatives affiliated to these organizations, in several parts of the country. The empirical material will be ordered by the three types of co-operatives studied. In the first section, the observations that concern all the organizations will be presented.

5.1. A reunion with six federations and the SCC

My first encounter with the co-operative organisations occurred on my first day in San Salvador, when I got invited into a meeting between representatives from six organisations, and their common supporter the Swedish Cooperative Centre. The organisations who participated were UCRAPROBBEX, CONFRAS, FUNDASAL, FECANM, FEDECOOPADES and FEDECACES. These organisations meet every month to exchange experiences and discuss progress. At this meeting representatives from the Swedish Cooperative Centre (SCC) were also present; Viveka Carlestam, Jorge Vargas and Mónica Hernandez. The aim with the meeting was for all the federations to present for the SCC their current advancements and how their affiliated co-operatives had been affected by the rain disasters that had currently taken place. The reunion took place in FEDECACECES’ meeting hall in San Salvador, around tables covered by dark cloths in a formal ambience.

After that every participant had introduced themselves, Carlestam started off the meeting by announcing new goals for the collaboration between SCC and the federations. She explained the need to develop a new strategy for the coming years to SIDA, the Swedish International Development Cooperation Agency. In the future SCC wanted to see more focus on gender, democracy, human rights, organisational development, preparation for catastrophes, team-work, county decentralisation, rural development and active searching for new financial resources.

The proceeding of the meeting was focused on every representative’s presentation of his organisation’s activities, difficulties and progresses, and they were addressing themselves towards the SCC.

To meet the demand of integrating a gender focus made by the SCC, every representative touched the issue. All persons handling the presentations were men. At the meeting there were 22 participants, out of which 6 were women, with me included.

5.2. Workshop “Advocacy and Public Politics”

One day I was invited to participate in a work-shop about advocacy and public politics, supported by the SCC and hold by ACI Américas, which is the Latin-American section of the International Co-operative Alliance. In the work-shop there were 20 participants, who were from UCRAPROBBEX, CONFRAS, FEDECOOPADES, FUNDASAL, FECANM and FEDECACES, and it took place in a hotel in San Salvador.

The aim of the three day long work-shop was to unite federations in El Salvador and jointly define the problems of the co-operative sector and their causes, in order to formulate a plan of advocacy.

Firstly, the members were asked how they perceive the co-operative sector’s level of advocacy in the political, economical and social sphere in the country. In the
political sphere 76% of the participants perceived the advocacy non-existing or low, in the economical sphere 77% of the participants perceived the advocacy non-existing or low, and in the social sphere 53% perceived the advocacy medium high and 41% low. The rest of the participants perceived the advocacy high.47

The main problem that was identified in the work-shop was the disintegration of the Salvadoran co-operative sector at all levels, and the factors and causes identified to this problem are presented in the table below.

<table>
<thead>
<tr>
<th>Factors and components that causes the problem of disintegration of the Salvadoran co-operative sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>The fifth co-operative principle isn’t applied in a methodological way</td>
</tr>
<tr>
<td>The leaders have limited capacities.</td>
</tr>
<tr>
<td>Individualist attitude among the co-operative members.</td>
</tr>
<tr>
<td>There aren’t possibilities for a new leadership</td>
</tr>
<tr>
<td>There isn’t any system of internal and external communication between the co-operative organisations.</td>
</tr>
<tr>
<td>Methods for investigation for the development of co-operatives aren’t applied</td>
</tr>
<tr>
<td>The sixth co-operative principle isn’t applied in a methodological way</td>
</tr>
<tr>
<td>The co-operative law is out of date and not in accordance with the co-operatives needs</td>
</tr>
<tr>
<td>Resistance to change</td>
</tr>
<tr>
<td>Competition instead of collaboration between the co-operative organisations of second or third level</td>
</tr>
<tr>
<td>INSAFOCOOP doesn’t promote the integration of the sector</td>
</tr>
<tr>
<td>Passive leaders with a short-term focus</td>
</tr>
<tr>
<td>Persistent signs of corruption</td>
</tr>
<tr>
<td>Insufficient technology to compete in the market</td>
</tr>
<tr>
<td>Lack of motivation and trust</td>
</tr>
<tr>
<td>No strategic visions</td>
</tr>
<tr>
<td>No interest for the sector from the government</td>
</tr>
<tr>
<td>No sense of belonging and compromise at the different levels</td>
</tr>
</tbody>
</table>

Table 3: The problem of disintegration of the Salvadoran co-operative sector. Source: own construction after the work-shop “Advocacy and Public Politics”

The problem formulated as non-existing possibilities for a new leadership, was analyzed as being caused by lacking education for co-operative leadership, lack of interest, lack of multiplication of knowledge and that there are leaders that don’t want to be replaced and monopolize the power.

The problems above were elaborated in small groups were persons from the different organisations were mixed. Causes and consequences of the problems were further analyzed in different group-based tasks. Both internal problems of the organisations were discussed, as well as external factors. Key actors in the surroundings of the organisation were identified, how they are affecting the sector and how influence can be exercised on them by the sector. The action plan presented in the figure below was at the end of the work-shop formulated, and the participants from the work-shop would form the group of advocacy that together would execute this plan in their respective organisations to foster integration between them.

47 ACI Americas, Informe de Actividad Académica, working paper “Advocacy and Public Politics”
### Table 4: Plan and strategy for the integration of the co-operative sector. Source: own construction after working paper “Advocacy and Public Politics”.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Activities</th>
<th>Desired results</th>
</tr>
</thead>
</table>
| Search for and spread of         | - Investigation of the impact of the problem  
| information                      | - Clasification of the information  
|                                  | - Preparation of the messages                                                | Clear and scientifically elaborated messages  |
| Lobbying                         | - Visit to the board of directors of the organisations                      | Approval of the proposition of integration    |
| Strategic communication          | - Discussion and analyze of the messages  
|                                  | - Spread of the messages                                                     | Create awareness of the importance of co-operative integration |
| Education, sensibilisation       | - Forums  
| and means                        | - Work-shops  
|                                  | - Seminaires  
|                                  | - Panels  
|                                  | - Round tables  
|                                  | - Conversations  
|                                  | - Posters  
|                                  | - Reports                                                      | Inform and educate the co-operative members at all levels about the importance of co-operative integration |

#### 5.3. Agricultural co-operatives

**5.3.1. FECANM**

The Federation of Farmer Cooperatives in Northen Zone of Morazán (FECANM) is a second-level organisation, with a membership of thirteen cooperatives and a total of 420 members, of which 143 are women and 277 are men. The mission of FENCANM is “We are an institution that trough a co-operative effort in the agricultural sector contribute to the organisational strengthening in order to reach a better sustainable production with profit in the co-operatives, production groups, committees of women and young people. We are developing programs of agricultural diversification with an entrepreneurial vision, investigating, capacitating and supporting the commercialisation of the products, accompanied by a personal with capacities and that identify with the institutional work.”

**5.3.1.1. Field excursions**

One day I went on a round trip to the agricultural fields to meet members of co-operatives associated to FECANM, together with coordinators from the SCC, and employees in FECANM.

Two of the productive projects that FECANM currently is promoting to its members are cultivation of macadamia and honey production. These activities are proposed as a way for the farmers to think more entrepreneurial, by cultivating grains with a potential for a more long-term profit in the market. These grains have the potential to generate a bigger and more sure income than the cultivation of traditional grains like maize and beans, which mostly serve for the daily source of nutrition and aren’t profitable.
We visited one of the cultivators of macadamia called Santo Garcia Argueta, who proudly showed us his plants which had grown to about one meters height. Garcia Argueta had studied agronomy, and I was told that he was one of the few members who actually followed the recommendations in the projects given by FECANM. Santo Silvia Sáenz, a women working with commercialisation in FECANM, explained to me that it was hard to motivate the farmers to think of profit on a long-term basis. To seed a tree of macadamia means waiting four years before the first seed of nuts can be collected, and even if this option can be considerably profitable in the future, most of the cultivators prefer to continue with traditional cultivation to assure daily nutrition. The next visit was with Ana Soledad Rodriguez, one of the women engaged in the project of honey production. At this moment she had about 8 hives, but she wanted to extend the number soon. Rodriguez thinks that this is a project especially good for women, because it is an opportunity for them to engage in a productive and profitable activity of their own. Women have the capacity to think “entrepreneurial” and are not scared of being stuck by the bees, she said.

There is currently 36 associates engaged in the project of honey production, and 27 of them are women. To participate in the project one has to pay 93 dollars to FECANM, which is a big sum for people to save in this area, but once they have managed to do this, FECANM provide them with the necessary equipment and training of a total worth of 465 dollars. With the help to start up the production, they can increase it successfully. The idea is that all the honey producers in the area eventually could collaborate in a collective enterprise, marketing their products in a joint force.

Rodriguez is also active in the women committee of her co-operative Manuel de Jesús Rodríguez. She says that one difficulty in achieving gender equality, is the fact that many men still don’t help their wives in the work at home and prohibit them from coming to meetings and organize themselves in productive activities. The men’s argument is either that “they want to go just to meet another husband”, or that it is a spill of time that could be used in a better way. If the men can’t see an immediate lucrative result from the activities that their wives want to engage in, they say that it’s useless.

5.3.1.2. Discussion with Julio Argueta
Julio Argueta is the manager in FECANM. We had several discussions concerning the situation of FECANM during my stay in Perquin. The first discussion took place on my first day in the small office of FECANM.

Argueta told me about the history of the co-operative movement in El Salvador and the department of Morazán, and what implications this history had for the attitudes that prevail in the organisations today. The first movement of cooperatives was initiated by the government in the 80-ties, when big landed property where bought up and distributed to the landless farmers, who previously had worked on other’s manors. In 1993, new co-operatives where formed, this time in the initiative of the leaders of the ex-guerrilla, which at this time had formed the left political party FMLN. The farmers were given access to land, housing and credit, if they affiliated themselves to a co-operative. The co-operatives where in other words formed out of an imposed necessity, not will. Trough the Agrarian Reforms credit was given to the farmers, at the same time as an extensive international development aid started to flow in to the country. The farmers received credit and aid, but weren’t conscious of the obligations and consequences it implied. This led to that they couldn’t pay back the loans. The co-operatives had more social aims then economic, according to Argueta.
There existed a production, but with no relation to the market, and the co-operatives where lacking organisational and technical capacities. Around 1996 various institutions started to discuss how to resolve the co-operatives problems. In this context FECANM was formed in 1998, constituted by 11 co-operatives (today 13 co-operatives and 420 associates). FECANM was a project initiated by Comunidades Eclesiales de Base del Norte de Morazán, CEBES, with the support of Father Rochelio Ponseele; and the Confederation of Agrarian Reform Federations, CONFRAS. Julio Argueta was employed as manager, and the federation was to serve as a facilitator for the organisational and productive development in the co-operatives.

1-2% of the 26,000 habitants in the department of Morazán are affiliated to co-operatives. The organisational form that FECANM is adopting should embrace democracy, says Argueta. Two representatives from each co-operative constitute an assembly of 26 persons, which proposes candidates for the board of directors, which then are voted on by the members of the co-operatives. There is also a supervisory board which controls that democracy is adopted. But because of the fact that a big part of the base that constitutes the co-operatives affiliated to FECANM are ex-warriors involved in the left party FMLN, people who sympathised with the war, there is a dark side of the organisation with certain social and political interests. Some members in leading positions of the organisations are for example against the development of the productive and entrepreneurial initiatives promoted by FECANM. Some say that it is unjust that some members “are being fed” by FECANM’s projects and that others are not. The high level of illiteracy and the low educational levels in the area make the motivation levels in the organisation low, and creative proposals from the co-operatives are practically non-existing. To take a leading position in the co-operatives is by the members seen as a huge burden instead of something to strive for. These problems make the organisation static, and Argueta says that his task to stimulate its organisational and economical development is very challenging.

5.3.1.3. How will the future be?

During various observations, discussions and interviews, a clear picture of a disagreement between two parts of FECANM concerning what the objectives of organisation should be, have been presented to me. Especially at one morning meeting with the employees and the board of directors, after that the plan of work for the week had been gone trough, the discussion around this theme exploded, in the initiative of one person that felt that the situation of never telling each other things upfront was insupportable. Also at a work-shop about honey production, the incorporation of new members came up as a frustrating subject, in which clear answers and decisions were never reached. In short can be said that the conflict is about whether the focus should lie on the production or on the organisation.

Focus on production for economical development

The manager and the other employees in the organisation constitute one side of the conflict. They are for a reorganisation, a more profit-focused production and openness for new collaborations. According to this side, the co-operatives of FECANM have serious problems of sustainability, and their continuing existence is totally depended on the federation. Four of the co-operatives are practically non-existing. The legal charge of administration, which requires 14 administrative positions in every co-operative, is too heavy for the members due to low levels of education and motivation. Three areas of change a proposed:
The organisation: A new more solid and functional organisation with an easier administration is needed, where people can focus on the productive activities instead of only the administration. The proposition is to transform the organisation to an association of farmers, with different committees for different productive activities, for women, for youths etc. In the long run, members of the co-operatives which no longer are functioning can affiliate themselves to this association. Another problem seen by this side is that there exist confusions about the professional roles in the federation. The board of directors should formulate the objectives and the strategy, and the management team, with the other employees, should have the responsibility to implement and carry out this work.

Openness to grow: At this moment, it will not be possible to sell the production of honey and macadamia in the local market, therefore FECANM has the responsibility to initiate an enterprise that process’ and sells the products. Every entrepreneurial activity requires an administration that brings along fix costs. With the small production that is generated today, the fix costs make the products too expensive to have a chance to compete in the market. Therefore it is necessary to search a way to associate as many producers as possible in Morazán.

Entrepreneurial vision: To ameliorate the price, it’s necessary to offer a processed product with more added values. This means that FECANM has to raise a enterprise which also will commercialise the production from the new activities. The enterprise will compete with other enterprises in the national market, which is why all the decisions taken in the enterprise have to be based in an entrepreneurial vision.

The overall aim with these changes is the amelioration of the economical situation of the families of the producers affiliated to the co-operatives in FECANM. The objective to be more productive and profit-oriented is supported by a part of the members. The ones that already have engaged in one of the productive projects or have the aim to do so show an enthusiasm for the new mode of thinking.

Focus on the organisation to strengthen the co-operatives
The board of directors and a part of the affiliated members of the co-operative organisations are not agreeing on all the changes presented above. The opinions presented below are said to prevail at this side of the organisation.

The organisation: FECANM is a federation of co-operatives, and its function should be to support the development of these. It is important to keep the co-operative organisation form and the values that come with it, in order to assure democracy and the members control over their organisational activities. To change this structure could lead to disorganisation, lost of control for the members and injustices in the distribution of benefits.

Openness to grow: When the co-operatives where founded, earth was distributed to the members. Since then, a big part of them have stayed in their co-operatives for this benefit, and a common production has not been a shared concern. If more persons would be affiliated in the co-operatives, they would have to share their right to the earth that they were given. The support coming in from different institutions would also become smaller for each member if more persons would be affiliated. These beliefs have led to the fact that it has become more difficult to become a member of the co-operatives. Since the foundation of the co-operatives, new members have been taken in, but the process is complicated and there exists special requirements.
Entrepreneurial vision: In the beginning FECANM was focused on developing the co-operatives, but recently the principal focus has been changed to economical activities. Social objectives and the legalisation of co-operatives have been put aside, for the new objectives of production and commercialisation. As the co-operatives in Morazán have their base in a socialist movement, to be speaking of “an enterprise” is not welcomed by a big majority in this area. The benefits generated from the productive projects provided by FECANM, are not equally distributed among the members, according to this side. Anyone affiliated to a co-operative in FECANM can join the projects, but the most of the projects require that the members contribute with an amount of money themselves to start off their activity. The project of macadamia for example, also requires that the members have access to earth to cultivate on. Not all members have access to the resources required. Therefore an injustice has been created; some of the members can profit from the support given in the projects, and some cannot. According to Francisco Martinez, the chairman of the board in FECANM, the majority of the associates are demanding a support in their traditional activities, like the cultivation of maize and beans. The new productive projects developed in FECANM are by them seen as imposed from the management and the technicians, and the real needs of the associates are not given attention.

5.3.1.4. Interview with Nelly Antonia Vásquez

Nelly Antonia Vásquez is employed as promoter of women’s economic initiatives in FECANM. She is also a member of a co-operative affiliated to FECANM called Nueva Torola, where she has the position of secretary. In this co-operative she is, together with a number of women, engaged in a project of breeding chickens. Vásquez is also the chairman of the board of the National Committee of Women Cooperative Members (CNMC) which makes part of the confederation CONFRAS.
Below are presented the answers from the interview.

Meaning and benefits of co-operatives and federations
It has only been a year since I have been affiliated to the co-operative Nueva Torola, but I have been organized in the local committee of women, which also is a part of this co-operative, for three years. We decided that it would be best for us in the committee to be affiliated to a co-operative, because the committees of women don’t have the same legislative rights as the co-operatives do. The women could work together in the committee, but they weren’t “legal” as the co-operatives are.

The benefits of being a member of this co-operative, is thus to be legally organized, and also to be affiliated to the federation FECANM and to have the support from its services. The federation consists of the co-operatives, if there weren’t any co-operatives, there weren’t any federation. “It comes from the bottom and up”. What they are searching for in my co-operative, is the well-being of all the members.

In my co-operative, the associates see it as an enterprise, because there are productive projects that generate economical incomes. Anyone that want to work to generate incomes to his or her family, have the possibility to do so with the projects promoted by FECANM. But people also engage in co-operatives for the “organisation”, these are two things that come apart. If there isn’t any organisation, there isn’t any interest to work. Also the work-shops are important. All the members that affiliate in a co-operative, have to have something in common, the necessities are almost always the same for each person. Because of the unemployment and the lack of resources here on the countryside, it’s better to work in a co-operative. Collective
work is done, like sowing maize for example, and the incomes from this work are
shared equally among all the associates.

The development also benefits the community, not only the members. The
projects conducted in the co-operatives are based on the needs of the whole
community, not only on the needs of the associates. If a community needs water, this
common need can be solved through a co-operative.

A person alone can’t do much. When one affiliates to a co-operative, one is also
affiliated to a federation and a confederation. In this way the associate is motivated to
be productive in projects. For the moment we don’t have contact with other
institutions, but the federation FECANM do, it’s like a chain from that goes down
from the federation to the co-operative.

My work in the federation since one year is to promote women’s economic
initiatives, which means to integrate women in a production that can generate income.
But my development started even before when I started to work with the national
committee of women, because it’s very beautiful to work with women. I have felt a
big personal development in my work through the co-operative and the federation.
What I am now, I wasn’t before; before I was afraid to speak. Before, I thought that
everything that I did would come out wrong. But once you join the workshops of
CNMC you start to develop. And when I work with women I learn a lot from them.

The federation has a team of commercialisation; they do all the work needed to
enter with the products in the market. They do studies of market, to see what the co-
operative should produce, in what quantity, and if this will generate profit for the
associate. But we still haven’t entered to the market, because the projects started in
2004, and there is still not much production. The federation does the investigation
needed, but then it is the associates that take care of their enterprise and the sales.
Between the co-operatives, there is collaboration, what one misses the other provides,
and they join their products to have a bigger quantity when they approach the market.

Membership
The requirement to become a member of a co-operative, is to have a common need
with the other affiliated, to know the organisation and to have an interest in working
in the co-operative. You also have to pay a “social contribution”, which is like making
savings in the co-operative and contribute to the resources needed for the work in the
co-operative. When a member wants to leave the co-operative, the “social
contribution” is returned to him or her. In our co-operative the contribution is one
dollar per month. The co-operative is open, for associates to join and leave. For
example the co-operative to which I am affiliated was founded ten years ago, and we
made an application to join one year ago and were accepted. When somebody wants,
he can enter. Evaluations are made though, to see what interest the person has to join,
if he knows clearly what a co-operative is, and if he is aware of that in a co-operative
you work collectively.

Relationships
There are good relations between the co-operative members, because we all are from
the same class of poor, and we are like a family. We understand each other and there
is a habit of helping and sharing knowledge. If somebody needs to go to the hospital
and pay, we collect money to help him. We knew each other before the foundation of
the co-operative because we come from the same community, but we got to know
each other even better when we started to work together. Trust is very important
between the members of a co-operative, because if there isn’t any trust, the
organisation and the collective work don’t function.

Management
The structure in co-operatives and federations is the same. Every co-operative send a
representative to the federation, where a board of directors of seven members is
formed, and they are the ones managing the whole organisation. The chairman of this
board has the most power in decision-making. They take decisions, by searching for
what that the co-operatives really want and handling their proposals at meetings.

The manager is an employee in the federation; he is paid to implement and
operate the projects. His function is to analyze the situation of the co-operatives,
implement and evaluate projects. He also takes care of the administration, in other
words he has a lot of work. But the one who decides everything is the chairman of the
board, because he is also a member of a co-operative, and therefore he is defending
the rights of the base. The chairman meet with the employees of the federation to
discuss how the co-operatives can function better, but everything has to be approved
by him. Everyone has a clear definition of authorities and obligation in the
management team.

The federation is a democratic organisation, because the chairman, even if there
has been some ones that wanted, can’t take any decisions without first listening to
everybody at the base, and go for the side that are right. Important decisions are taken
by vote. For example we will have a work-shop with several members engaged in the
honey production, to discuss a new proposal for this activity from FECANM. Then
the board of directors and the employees are there to listen to the opinions about it.
Every co-operative will elect a person that will represent them at this meeting.

The chairman of the board keeps his position for a period of three years. He can
be re-elected for the next period, but only one time, then the director have to be
changed. The board of directors is elected in the assembly, where representatives from
all the co-operatives together and the manager gather. Here are suggested the ones
that can be voted on, one cannot suggest oneself.

All the co-operatives gather once a year to evaluate the previous year and to
decide the work that will be done the coming year. There are no problems of
coordination, the opinions of everybody is always taken into consideration.
Representatives always bring proposals from their bases.

It’s possible to have a leadership role or an employment in the federation for
anybody from the base, but evaluations of their capacities is always made, and it is not
so simple. The board of directors take the decision of employing somebody, and this
person can be a member of a co-operative, or somebody from outside. To be
employed as a technician in the federation you have to be a technician, but they also
try to employ members from the co-operatives, so that they get the experience. The
board have for example decided that all the promoters, like me, have to be associates
of one of the co-operatives. I have for example only seven years of basic education,
but the good thing here is that they evaluate your capacities, not only your formation.
For me our organisations are egalitarian and not hierarchical. We search for equality,
it’s not easy, but I think that this organisation has achieved it.

Gender
Today the work is shared between women and men in the co-operatives. Women are
no longer discriminated from doing “hard men’s job in the field”, instead they are
invited to work. In our project of breeding chickens, the men helped us to construct
the house for the animals. And if one of the women in the project doesn’t have time to work, or if she is sick, her husband comes to work instead.

We are 15 women and 20 men in our co-operative. It has been more common that men joined the co-operatives, because the institution that legalize the co-operatives, require that you are farmer to affiliate to a co-operative. In our personal identification document our profession is reported, and if a woman isn’t working her profession is documented as “housewife”. If men don’t have a profession, they are registered as farmer. This is why only the men could join the co-operatives. Students can’t affiliate to agricultural co-operatives either. Today this process has become more flexible, because it has been discussed a lot, and with the help of a lawyer you can arrange to be legally incorporated. The lawyer have to write a document justifying that even if your status still is “housewife”, you also work in the field. Women are more accepted now, but still it is harder for women then men to affiliate to the co-operatives, because of this law, and men still participate more in co-operatives then women.

When it comes to leadership positions, women are always discriminated. Men don’t think that women have the capacity to be the chairman of the board in a federation for example. This is something that has been developed trough generations. Already as a child you are limited to what you can do. Girls can’t play boy-plays, and this is where they start to teach you that you have to be weaker then a man. This creates the fact that men always think that they are better then you are. And women think that they are weaker. The result is that more men have leadership position then women. Some women that have become leaders have gotten trouble with their husband afterwards. Women have won more space, but very little though. Men can walk around in the streets as they want, but women are more kept in the house, because their men tell them that they have cook for them and take care of the children.

This can be changed; we have already come a long way towards gender equality. Especially the young people are in this process of change. The most difficult for women is to enter in the co-operatives. Once you are there, it depends on your capacities, because there are possibilities to participate in projects and achieve a good position.

We work with these problems with a gender-focus. First we make women aware of their rights and the equality that should prevail between women and men. The women develop themselves in the gender work-shops by analyzing how their life at home is, and then they no longer are afraid to speak with their husbands. When they discuss with their husbands, they reclaim their rights. Some still stay at home when their husbands tell them to, but others go out as we have thought them to do in the work-shops. This requires effort, because when working with ten women, maybe five continues to apply what they learn. But we have had cases where women have been very shy, and now are leaders of a group because they feel that they have more capacities to resolve whichever problem.

The result from the work with gender is evaluated first and foremost on the attitudes of the women, that they participate in activities and don’t stay inferiors to their husbands. They can still be with their husbands, but both can work. Before women worked in the house and weren’t paid. Today both the men and the women can work in the same organisation and generate incomes. The housework can be shared, and there can be noted differences in men letting their wives go out and participate in meetings and work-shops. Sometimes when we have work-shops in El Salvador, men have started to take care of the children.
The most of the male leaders in the organisations express a clear interest for gender equality, but very few times they fulfil it. They are able to motivate many women, but there are cases that they still keep their own wives inferiors. But there are other male leaders, whose wives also are leading something.

Our organisation is not mixed (CNMC), so we search for results from the gender work among women, but the women bring the messages to their husbands. Some husbands accepts it, some do not. But I think it would be good if we could incorporate men to, because gender concerns both. The majority of the community understand the importance of the subject. The process of change is slow, but little by little good results are achieved.

The women work in the co-operatives to generate incomes to their families, still it is difficult for them to earn enough to manage on their own. Sometimes it can be noted that when women and men work together, women have more ideas and capacities to promote and facilitate activities. Women are in this sense more personal and dynamic then men. Women are more punctual at meetings and follow what have been decided. Men sometimes don’t show up or get bored fast. Women are more concerned for the well-being of the community to. They are more engaged in everything, and in the end they work more.

Relation to the surroundings
The organisations have a responsibility to show certain results to financial supporters like for example the SCC. The farmers here are used to work little by little, but with the new projects, they have more obligations to work in a profitable way. This is a process that we have begun, but it is difficult to motivate people to do a work that they don’t know, and that they don’t know if it will give them any results. But once the people are motivated, they achieve good results. For example, the last year five women started with the honey production, and even if nobody thought that it would turn out profitable, it did. When the other noticed this, it resulted in that 30 more persons incorporated in the project.

The projects aren’t given for free either; the members always contribute with 20% of the initial cost of a project. In this way they appreciate it more, and put more effort and in it. They invest in something, instead of being totally supported by a NGO. Before when things were given, people didn’t full trough the activities. They need to receive useful knowledge trough the projects to.

Our zone Morazán is the most neglected by our government. Governmental projects don’t exist. The financing is therefore always searched internationally. Small cultivators can’t receive any loans either. We don’t encourage them to take loans, because if their cultivation doesn’t turn out profitable, they can loose their house and earth.

Trough the confederations, members from different parts of the country can exchange competence. The work within FECANM do have a good affect on this area, because never before there have been a work at a grass-root level with farmers, that have been given such a continuation as it now is.

5.3.1.5. Interview with Vilma Sáenz
Vilma Sáenz is active in a local Women Committee, and in the process of becoming a member of the co-operative El Gigante. One afternoon we were sitting outside the office of FECANM waiting for people to show up to a work-shop about gender. Because only two women had shown up, the work-shop was cancelled and we decided to perform an interview. The answers from the interview are presented below.
Meaning and benefits of co-operatives and federations
Trough being organized you can acquire benefits, and you can develop yourself trough work-shops. Trough the projects of the SCC, the co-operative can contribute to the development of the community.

The co-operatives cultivate crops, and in FECANM there is a team of commercialization that helps us with the contact with the market. I have my own enterprise of chickens. It has been an advantage to participate in work-shops about administration and the market in the national committee of women, because it has helped me to make earnings.

The co-operatives can pressure the politics. Work-shops are given about the political, economical and social situation of the country. The organizations put us in contact with other important organizations.

Membership
In order to affiliate to a co-operative you have to pay a monthly fee. When you affiliate you have the right to participate in elections and decision-making. Who ever wants can affiliate.
I am not affiliated to a co-operative. There are women that are in the process of education to affiliate to El Gigante, and I am one of those. The education is given by the co-operative and takes a year.

Relationships
There are all kinds of relationships in the co-operatives. In the work-shops we try to learn that we have to have an enterprise and should think about the common interests of all.

Management
In the local committee of women we elect a chairman in the assembly. With another person she then represents us in the national committee of women, one or two times per month, and brings us information. The women committee gives work-shops to ameliorate women’s self-esteem and awareness of their rights.

My sister is chairman of the board in my co-operative. Decisions are taken by vote among the members. The chairman can’t take decisions without listening to the other member’s opinions. The chairman is a facilitator and gives propositions for ameliorations. There are no problems of coordination because every co-operative sends two representatives to the federation, and they bring the information back to the rest of the members. The different positions in the organizations are for a period of two years; afterwards the person in the position is changed. Co-operatives are democratic. Everyone is equal and has the same rights.

Gender
Fewer women affiliate in the co-operatives because they have always taking care of the children and the men treated them bad. The men think that the women are loosing time and search for another man when they want to be organised. This is starting to change now, because women don’t accept it. The opportunities to participate in the projects of FECANM are equal for women and men; it depends on everyone’s own interest.

Only women work with gender. There have been positive results, but I would like the co-operatives to work with gender, so that also men participate and start to
valorise women’s work. The majority of the men aren’t interested in the subject, but some are.

The national committee works a lot with women in productive projects, and there are women that are independent. They can contribute to gender equality through workshops. Now women explain their rights to their men. Before their mentality was different, women believed that they had to stay in the house because the man was working. Women have more capacities then men in making initiatives.

Relation to the environment
A co-operative is financed by the contribution from the members. The professional competence is achieved with the help of the technicians.

The government is neo-liberal and cares only for a small part of the population, not for the others. In the media they show that they are helping, but in the reality they aren’t doing much for us.

5.3.1.6. Reunion of Local Women Committees
One afternoon there was a meeting of FECANM’s committee of women, which is formed by five local woman committees that come from different co-operatives. I was invited to see how the women organize themselves locally. On this meeting a representative from four of the local committees participated. Two employees and one cooperation worker from FECANM were also present.

The first task of the meeting was to elect the board of directors for the committee. Very soon it was made clear that nobody wanted to have a post in the board, because it was time consuming and they all had a lot of other work already. Three posts were going to be elected; chairman, secretary and cashier. It was proposed that I would take care of the counting of the votes and I gladly did. When the results were presented, a disappointment was expressed from the ones that won, as they said, another task. We continued the meeting by preparing invitations to the general assembly of the CNMC.

5.3.1.7. Workshop “Gender”
One Saturday, eight women from a local committee met up in their municipal house in a small village called Torola, to participate in a workshop about gender. The workshop was given by a woman that herself is a member of a co-operative in FECANM, and had acquired the work materials about gender the CNMC. Two woman working with women initiatives in FECANM were also present, to facilitate the workshop.

The first question posed by her was why workshops about gender were important? The conclusion became that we sometimes are confused about what gender is; therefore we need to discuss and define it. A voluntary was asked for to do the first task, which was to paint a nude man and a nude woman on the board. After many jokes and laughter, the woman giving the workshop did it herself. Then the participants were asked to say male and female characteristics, as they are perceived in their society. The characteristics mentioned were:
**Table 5: Male and female characteristics. Source: Own construction after workshop about gender, FECANM.**

<table>
<thead>
<tr>
<th>Male characteristics</th>
<th>Female characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Machista”</td>
<td>Crying</td>
</tr>
<tr>
<td>Strong</td>
<td>Amasing</td>
</tr>
<tr>
<td>Brave</td>
<td>Afraid</td>
</tr>
<tr>
<td>Free</td>
<td>Domesticated</td>
</tr>
<tr>
<td>Intelligent</td>
<td>Inferior</td>
</tr>
<tr>
<td>Boring</td>
<td>Tender</td>
</tr>
<tr>
<td>Hard-working</td>
<td>Hard-working</td>
</tr>
<tr>
<td></td>
<td>Provocative</td>
</tr>
<tr>
<td></td>
<td>Coquettish</td>
</tr>
</tbody>
</table>

A discussion began about the male and female characteristics. The term domesticated referred to the fact that women are generally unemployed because their work is at home, and their title in the formal identification document is housewife. First it’s the father that keeps the women at home, and then it’s her husband. When women want to go to a reunion, the men can say that they shouldn’t go because they just want to search for another man. Mothers want their daughters to get married in a veil, but father Rochelio has said that they should get married in their kitchen apron. But some men start to understand that women also want to participate in activities outside their home.

The next question posed was if we are born with these characteristics, and the conclusion of the work-shop was that the only difference between the woman and the man was the sex, and that these characteristics were created at home, in church, in school etc.

I asked if anyone thought that it would be a good idea to have work-shops about gender where men participate to. The answers I got was that it would be difficult to do, firstly because no man would like to participate, and secondly because women wouldn’t speak so much in the presence of men.

During the work-shop the facilitators tried to motivate the participants to express their opinions. Afterwards they told me that these women haven’t had so much training in speaking up in front of groups.

### 5.3.1.8. Assembly of the CNMC

The day when all the woman committees of all the co-operatives affiliated to the confederation CONFRA met up in Perquin, to participate in the general assembly of the National Committee of Women Cooperative Members, was a day of joy and celebration of the organized woman in all parts of the country. More then being a formal meeting, it was a forum of women that had left their daily obligations at home, in order to meet up with other women and discuss their latest struggles and achievements in their local committees. The whole meeting hall was full of people, and the ambience was full of bubbling happiness. The manager, chairman of the board and a cooperation worker from FECANM was also present.

Ana Soledad Rodriguez, newly elected chairman of the board in the committee of woman in FECANM, held the meeting. She started with a welcoming speech and stated that “this organisation and it’s achievements show that we women have more capacities to do things!”. A presentation of all the representatives from the different committees followed, and they all shared their achievements during the year with the group. People were talking about workshops given in financing, production and
gender, and about the advancements of the women’s joint productive projects. They also talked about how their roles in their co-operatives had ameliorated giving examples of women that had taken leadership positions. There were women exposing their products, like shampoo and honey.

The chairman of the board in FECANM, integrated himself by saying that when talking about gender men were never mentioned. He stressed that gender equity is about the equality between women and men. “FECANM needs women and women need us”, he said. The women should be legally incorporated into FECANM by affiliating to the co-operatives, because today there are women that prefer being organised in the woman committees only. “There aren’t any sense of organisation any more”, “the organisations doesn’t entail the social economic model anymore, they have become enterprises”, he said.

Silvia Sáenz, employed in FECANM and affiliated to one of its co-operatives, responded by saying that the woman committee does more co-operative work then the co-operatives. The majority of us work both in a co-operative and in a woman committee and the ones that want to work only in the committee aren’t obligated to affiliate to a co-operative. We don’t want to say that we are poor anymore, we want to be productive.

As the last task of the meeting, groups were formed and an evaluation of the common projects and activities were done. After that every group had presented their evaluations, Rodriguez concluded the meeting by saying “We feel that the doors are already open for women to be organised”.

5.3.1.9. Interview with José Guillermo Montesinos
José Guillermo Montesinos one of the technicians employed in FECANM. He isn’t a member of any of the co-operatives affiliated to FECANM, but shows a lot of concern for their situation, always working closely at their side. Below are presented the answers from the interview.

Meaning and benefits of co-operatives and federations
My work in FECANM is to support the productive part. I work in the fields with technical assistance in the cultivation of achote and macadamia, and with the honey production. Also crops like bananas, yucca and sugarcane have been supported.
I am not a member of any co-operative affiliated to FECANM, but in the village where I live, I am affiliated to a financial co-operative. The benefits there are that I can get loans at low interest rates, I by shares every month, and I participate in work-shops.

For me co-operative means a group of people that unite to co-operate. But in order to generate the same benefits for all, one must sacrifice time and money. There are benefits when they generate profit.

In the co-operatives of FECANM, the main focus lies on the organisation, which is the base of the conflict of interest that we are handling right now. But for me, a co-operative also needs to focus on the productive and the economical part. If there isn’t any production, there is no sales and no incomes. If the members only organize themselves and participate in work-shops, this will not lead to anything. The co-operatives affiliated to FECANM are agricultural, and should have an interest in the production. This is a work that we are trying to motivate in FECANM.

The international support is constantly being limited, and comes with more requisites. Many people in FECANM think that this support always will come for free, but this is changing. One has to participate, work and contribute more. After the
war much support was given for free, but it isn’t anymore, and this is the mentality that we are trying to change in the fields.

There are no economic benefits at all in the co-operatives. In the collective part, there is no production. And to have equal benefits, there has to be collective work, and this doesn’t exist in none of the co-operatives. There are benefits when one enters in the collective work, supported by the projects of FECANM. Many members achieved benefits, but through the projects of FECANM. The benefits aren’t equal, because not all the members think in the same way. The benefits depend on the members.

Co-operatives contribute to the development of their community, when they plan for it. These plans doesn’t exist either. If they don’t take care of their co-operative, how can they make attention to their community? But we start to have effects on the community, in the technical parts that we support. In community we have honey production, and this has made an impact by drawing attention to the production that we made, who aren’t from the co-operatives. This was good, because the people were interested in being productive. But the co-operatives, they don’t have the capacity to see the problems of a community. The projects from the SCC are directed towards associates of co-operatives. But there have been projects, in which producers from the zone but not only from the co-operatives have participated.

Co-operatives form federations and federations form confederations. In this way, a political influence is made. Co-operatives alone don’t have influence, because they are very disperse.

The co-operatives here don’t have information about the market, so they can’t know who to sell to. The co-operatives in this zone are very dispersed and remote from the cities, and therefore it’s difficult for them to obtain this information. The team of commercialisation in FECANM can provide them with this information, because studies of the market have been done since two years ago.

When the co-operatives where founded they had a common interest. It was to obtain earth and resources to produce. But the time passed, the initial objectives were already obtained, and the members stayed with a small and individual production. The time that I have been here, one year and nine months, I haven’t gotten to know a co-operative with a common objective that it works towards. There was a try to process sugar cane collectively to produce sweets in San Fernando. It functioned for a year, but wasn’t continued because the production of sugarcane diminished in the zone. But this is the only case of collective work that I know of.

**Membership**

There are requisites and statutes to become a member of a co-operative. But right now the members of co-operatives are jealous; they don’t want anybody else to enter. But I ask myself why. They don’t have resources or savings that somebody could take away from them. The group wants to keep themselves closed. The requisites are simple, but the groups don’t want to give space for anybody else. And they don’t even want that a new co-operative is formed, that could strengthen the federation. They are putting up barriers for the FECANM to develop, because they don’t let anybody new with innovative ideas to enter.

The board of directors decides if somebody can enter or not. There is a fear of that a new organisation will enter with new ideas and with a production, to develop themselves. In an assembly it was decided that an association of honey producers could be formed. But afterwards they said no. Really they can’t stop another organisation from forming. But they can stop it from entering to FECANM.
**Relationships**

The leaders in the board of directors of the co-operatives, lack the capacity to make new fruitful suggestions. We, the employees have another level of education, experience, and knowledge about the national context. But there is good communication and transfer of information between us, between the management team and the board of directors. Every Monday we meet to plan the work of the week. The communication is both formal and informal; we meet in both formal and informal ways. At least me, I make a difference of work and friendship, the both things exists between us. I have been working in other enterprises to, and I think that we practice this communication and team-work better here. Because the manager distributes the work between the clearly defined areas well, there aren’t any problems of coordination. Every team has its responsibilities.

The board of directors also have good relationships with all the members of the base. Much of the things that the chairman brings to us comes directly from them. They sometimes reaction a little bit slow. We have to understand that it takes more time for them to understand things and explain what they think. We work faster and try to bring them in this process. But sometimes they come six months or a year after something has been agreed on and started of, and ask why we ore doing it because it doesn’t suits them anymore.

**Management**

All members of a co-operative in FECANM can call for a extraordinary assembly, which gather representatives from all the co-operatives and is the maximum authority of all, and ask them to change the board of directors. They then discuss if it will be a new election for the board of directors. The management team, which includes the employees, don’t have the right to ask for this change. They can only influence it by making suggestions. The manager depends of the board of directors. The manager stands for the operative work, he makes suggestions of new projects or employees, but all the decisions have to go trough the board of directors. The manager is also leading the assembly, but he can’t vote in it.

Another function of the manager is to keep the equilibrium of power between all the parts; the board of directors, the employees etc. In a way he has the power to take decisions. If he makes suggestions to the board of directors that are clear and well justified, he has a lot of power of influence. If he weren’t doing a good job, he wouldn’t have this power.

I agree in the matter that has been discussed lately that we need another structure of organisation, that is more consolidated and strong and with more members. Today the co-operatives are weak; they have very little people and activity. The leaders are already tired; they don’t want to come to meetings anymore. Therefore we want to implement the analysis that begun last year, that it is necessary with a new more reliable structure. We need more participation, without losing the common interests. We need less administration, because today when every co-operative has its administrative board they all have problems. We need a change in order to facilitate the work.

A leader can’t be made, a leader is borne. There are leaders that want to bring benefits for the community, and have good ideas, but they are bad administrators. There are good administrators, but only for their own benefits. You have to mix the two things. These people have to be discovered, and then we give them more education in different areas. If someone has these capacities, he easily reaches the position he wants.
To have democracy there has to be equality of participation and benefits. In the co-operatives of FECANM aren’t 100 percent democratic, because there are always interests. Sometimes somebody that isn’t the leader of his co-operative comes to vote in the assembly. The lacking democracy has to be worked on.

In the co-operatives there is hierarchy, but this is created democratically trough election in an assembly. There is equality, because the members are all in the same conditions of poverty, and there are no benefits to redistribute.

The projects in FECANM, supported by the SCC, have requisites that were decided together with the board of directors and the team of technicians. They support anyone that wants to participate, as long as they comply with the requisites. The requisites are that they continue to support their co-operative and to contribute with 20 percent of the cost of his participation in the project. According to some this is discrimination. But we are not discriminating; we are doing so that the people appreciate the projects and participate actively and economically in them.

**Gender**

In the projects from the SCC, there are dates on how many women and men that participate in the board of directors and as members in the co-operatives. We got the surprise that there where a number of women to in the board of directors of the co-operatives.

There are more men then women participating in the co-operatives because of our culture, in which the machismo prevail. This will exist for many years, but little by little it is being destroyed. It has started to be accepted that the women makes part of the family and brings incomes, by giving her opportunities to participate in projects and be productive.

There has been given more space for women in the different areas in FECANM, for example in the promotion of economic initiatives. All projects have to have a gender focus. There have been other projects that have conditioned that of every five technicians that are employed, one has to be a woman. I share this view, that in every enterprise it has to be a mix between the two. The women are prepared, as are the men. In the board of directors of FECANM there are two women. They participate and have opinions, but how much power in decision-making they have I don’t know.

The conditions to enter the projects are equal for women and men, but it’s more difficult for women, one more time because of the machismo. Women have sometimes better ideas and actions then we men, and one has to be prepared for this. Women have worked and prepared themselves for many years, more then the men have. They have proved that they are better in administrating and economizing. But because it is the men that work, the women don’t have the opportunity to put these abilities in practice. To reach equality will therefore take much time, but here in the zone we have made big steps, at least in searching for equality.

I am convinced, that women have capacities, and many times better then ours. I give them much attention and learn a lot from them. But to make everybody think like me, it will take a lot of effort. I come from a family where the machismo didn’t prevail. Both my mother and father worked. Their obligations and rights were the same. Therefore this depends a lot on our ancestors, but it can also be thought in the schools.

To change a macho is difficult. It has to start from the childhood. But in an organisation courses can be given to make people understand gender equality. Until today, men haven’t been included in these activities, but it started to be discussed last
year. The change that has been visible so far is in the employment of promoters for example. There is an opening for the participation of women.

An interest for gender equality is expressed in the level of the management, but not on the level of board of director. Until this day I haven’t seen this interest among them, maybe they think about it but I haven’t seen any work towards gender issues. It’s not more difficult for women to enter in the co-operatives of FECANM, but the difficulty is for them to be given the opportunity to do so from their husband.

Relation to the surroundings
The federation is sustained by international development cooperation, because there is no productive part that would make it sustainable financially. The statutes of the federation say that the co-operatives have to make a contribution, but there is no contribution from them. The federation is functioning financially trough projects from international cooperation. If it would be financed by the government, it would have more political dependence. Now we are autonomous. There are requisites in the projects, concerning information and how the financing will be done, but it’s the federation that decide the proceedings of carrying out the projects. The relation to SCC is both collaboration and a support in the productive part, both financially and in how to bring this production about among the people. We benefit to the maximum of this support and generate changes in attitudes towards participation in the production. But the federation also suffers to a great extent from the refusal of entry by some. Our work is to convince them to change.

Professional skills are searched for trough contracting technicians. In traditional enterprises there is no democracy, the manager decides and there is a production. In a federation the manager depends on the members, and this is a more difficult relation to achieve production. The interests are dispersed. The co-operatives that are active have more benefits.

The national politics have a big influence on the development of the co-operatives, because now they want them to disappear. The co-operatives are considered weak and have to defend themselves legally, which becomes more difficult. Out of the 3000 co-operatives that exist only 1500 will be left.

Montesinos wanted to include that the situation in the zone of Morazán is different from other parts of the country. There have been conflicts and slather of whole villages. Little by little the people have been motivated to return. The form of life is therefore different. He also said that cooperation workers and technicians have to get closer to the associates of the co-operatives, in order to know more about their reality and interests. He thinks that formal clothes can create barriers between the two groups. He was one time asked why he had so ugly shoes, and he answered that it was because he likes to work closer with the people in the fields. He doesn’t like to work in an office, that’s not where they are needed. When foreigners and technicians talk in a smart way, all the people agree with what they are saying. After some months protests comes up because the people can’t understand everything at ones, or because they have to much respect towards foreigners and technicians. Montesinos understand the standpoint of the chairman, because he has the responsibility to bring forward the opinions from the base, which many times come a long time afterward.
5.3.1.10. Interview with Francisco Martínez Reyes

Francisco Martínez Reyes is the chairman of the board in FECANM, and he comes from the co-operative Nuevo Futuro. He has been elected to a position which entails a great responsibility of bringing the opinions of all the members in the co-operatives of the federation up to their central management, and taking decisions based on their interests and for their maximum benefit, in an environment where many different ways of thinking prevail. Therefore it was very interesting for me to do an interview with this man, and the answers from the interview are presented below.

Meaning and benefits of co-operatives and federations

The advantages of being a member of a co-operative is that some basic needs can be satisfied, that can’t be satisfied in an individual way. A co-operative is an association of productive persons, which unite to resolve some basic needs, which are economic, social and cultural. It’s a collectively owned enterprise. The exchange is as big in the social as in the economical part.

Co-operatives can contribute to the development of the community, but some of the co-operatives in FECANM have problems because their members are dispersed, and this restrains them from meeting the needs of a community. In co-operatives where the members live in the same community, they can resolve problems of potable water, health and production of electricity. The co-operative Sueños en Jocoaitique, have done these kinds of activities. In the municipality of Cacaopera there are some that now are searching ways to meet the necessity of repairing roads.

The co-operatives here are affiliated to FECANM, which is affiliated to the confederation CONFRAS. And in this way propositions from the co-operative movement have been made, and they have a space to act politically. In this way the situation of the members in co-operatives is ameliorated, they receive better information and education.

I think that the co-operatives can’t contribute to strengthening the position of its members in the market, because the market is dominated by the private enterprises. There are people in the market that profit from the small producers, that haven’t an access to obtain knowledge, and develop them selves in the market.

There are co-operatives that have a collective production, and we in FECANM always try to promote it, because this makes part of the auto-sustainability of the co-operative and can resolve some of the basic needs of their members by generating incomes. I think that people are empowered and develop though collective production. The objectives of my co-operative are the development of the agricultural production, the incorporation of more members, women and men and especially young people, and to amplify the production with some new rentable products. If the organizational part works, these objectives can be achieved. FECANM needs to come closer to this problem, and guide the co-operatives every time the board of directors of the co-operatives changes, so that they can fulfill their responsibility of leading the members. For a certain time, FECANM has been promoting some new products, and the members of the co-operatives have announced that they have other needs. For example, the majority of the co-operatives don’t have earth. After the war they were given earth, but individually. Some of them received earth outside of Morazán, and some of them have sold it at a very low price, and now they don’t have earth. They can’t dedicate themselves to activities that permit them to think about the future with the small territory that they have, they can only build a house on it. The members also ask for support in ameliorating their cultivation of the traditional grains maize and
beans, which they do individually. They also need support in selling their production. Some also dedicate themselves to artisan craft like hammocks, and FECANM hasn’t yet made the initiative to help them to find a market for their products. The people have always been cultivators here, it’s their nature of being, and therefore they feel affected.

FECANM needs to support the needs that the members identify; in this way we can give them ideas of new cultivations, in order to ameliorate the earnings of the members and strengthen their co-operatives. Today the members can’t contribute economically to their co-operatives.

Since 2001, I have been focusing more on the organisational part, and I will continue to do it. I like to be close to the co-operatives and to get to know how they think, what they like and what they don’t like about the work of FECANM. During all this time I have felt that there are things that have to be changed, in order to do a good work in accordance with the opinion of the people. There has been a distance and decisions have been made that aren’t accepted by the people. In this way we will loose people in the co-operatives, and FECANM will loose its legality.

For me the co-operative is the most complete organization that I could ever discover. I know a bit about other organizations like associations for example, but I feel that the co-operative is the most fundamental for farmers. The administration of the co-operatives isn’t that heavy I think. The problem is that maybe 40% of the members have only have had a primer education of three years and are illiterate. This hinders them from interpreting what their functions are. You can motivate somebody to be a secretary, but then she can’t capture what is being said on meetings. They do notes in a note book, but these aren’t legal documentations. Also the treasurers have a difficult job. Here in FECANM we haven’t developed the capacities of the administrative positions. We have started with work-shops in leadership, we are only initiating to think of how to ameliorate the capacities of secretaries, but we haven’t started to work with the functions of the treasurers. Initially, there was a group in FECANM that worked with the organizational part, but they only got to the part of supporting and motivating the members, but they didn’t achieve to give them the capacity to practically know how to write a formal act or do bookkeeping. It’s not only the organizations that have to function, it’s the persons to.

I have seen example of many other types of organizations that have been created in this zone, that one still doesn’t know where they are or what they do. It’s only the co-operatives that were founded in 1992 that have survived. It’s only the productive part that hasn’t been developed, but the organizational part has, and people don’t want the co-operatives to disappear. Some of the co-operatives have difficulties in finding new members, so they have to incorporate their children in order to sustain the organizations. FECANM should work more with young people, give them scholarships, and support in economic initiatives that they ask for. But we haven’t the adequate resources to do so yet.

Membership
One of the co-operative principles is a voluntary membership. The door is open to all the persons that want to affiliate. First they have to make an application to the Board of Directors of the co-operative, and they have to meet in order to evaluate if the person wants to work and have good qualities. Then he is invited to two or three harvests, so that he gets to now the processes in the organization. Permission is then asked to the Ministry of agriculture to do an extraordinary general assembly, and then the legalization process of his membership is done in accordance with the assembly.
He has to pay for the entrance that according to the statutes is 15 dollars per month during a year. Then he contributes with the social capital, which is at least one dollar per month, and functions like savings in the co-operative for the member. We see this as an opportunity for farmers that can’t have an account in a bank to make savings. The co-operative is strengthened when more members affiliate; the most ideal would be if a whole community would be united in a co-operative.

When my co-operative was founded it was very big, but many people left because they didn’t have any vision of the future when they already had received their benefits. After this other have been affiliated, and we always try to identify people that would be good for the co-operative in order to motivate them to affiliate.

The obligations of a member are to contribute with the social capital, come to assemblies and to participate in all the activities in a co-operative.

Relationships

When a new board of directors is elected, they feel a little lost, and the relations become empty. Motivation has to be worked with, and the old leaders have to support the new ones.

Trust is vital and makes part of good human relationships. In co-operatives it is rather a companionship of work prevails. To close relationships can make some things to bee lost. Therefore the statutes say that members of the board shouldn’t be family, so that trust and benefits of the co-operative aren’t lost.

Management

The decisions in a co-operative are taken by majority of votes. The manager has to coordinate the team of work, elaborate propositions to the general assembly, and make part of the administration committee where they evaluate and approve propositions from the co-operatives. The chairman has to meet with the board every month to evaluate the work of the management, how the projects are developing, and remark when the management isn’t working in accordance with the opinions of the people. He has to bring forward the opinion of the members. Between the management team and the board of directors there has to be a good communication. There are no problems of co-ordination, because two representatives from each co-operative participate in the general assemblies and spread information to the other members of their co-operative, and then report their opinions back to the federation. In the co-operatives almost no one have the interest to be a leader. When one is elected into the board of directors, one feels an obligation to the co-operative. This takes time from ones economic activities. I didn’t wish to be the chairman of the board in FECANM. I always represented my co-operative, and people got to no me as somebody always engaged in the organizational activities. I saw it as an additional activity that was added to the ones I normally do. It hinders me from working and bringing incomes to my family. The chairman works a lot without being paid. But I am willing to finish my period, because I feel that being a chairman is a very good experience. One gets to now much in a federation that one can’t get to know in a co-operative, it’s another level of organization, and one is put in contact with important institutions. I want to do all that I can to respond to the demands of the co-operatives. First I thought that it was a task that was to difficult for me, but then I got a good relationship with the employees here and we are always sincere with each other and speak openly about things.

The democracy is considerably limited, because there are always people with different ways of thinking. But one is constantly promoting democracy, equal
participation of women and men, and the integration of new members both in the board of directors and the work.

The benefits from the economical projects aren’t equal because they are based on the work that one has done. Not every member has the same access to the projects of FECANM, firstly because not every one has a property of earth, and to them the cultivation of macadamia has been promoted. There are also co-operatives that don’t have common earth. There are people that haven’t been able to participate in the honey production because they are afraid of the bees. Others haven’t been able to participate because they live in very difficult economical situations. The contribution that the projects demand is equal to the amount of money that they can by alimentation for during a whole month. FECANM doesn’t want to give things for free though, because it wants people to think in terms of investing in something, and this is good.

The people don’t feel capacitated to identify problems and propose solutions. But steps are taken forward in this direction, and people are participating more. There is a lack of methodology in FECANM of maintaining this interest and motivation, which should be based on the reality of the people that we work with. If implementations are made by professionals, the people don’t understand it because they feel that it’s too difficult, and it doesn’t inspire them. One has to formulate programs that are based in what they can do, in the context of their reality.

Gender
In my co-operative we have more men then women members. The women feel limited to incorporate themselves in the groups that already are integrated. Another problem is the age of the women, many of them are old and ex guerrillas. Their daughters don’t have interest to affiliate in the co-operative, maybe because they aren’t motivated to do it, or because they want to study instead.

It’s as easy for women to affiliate as men, but the problem is that they have much work with their children and house. If a woman is married, the man often prohibits her to affiliate to a co-operative. If the man is affiliated, he doesn’t want her to affiliate because it will be another quote to pay, and he will have to do it because the women are always depending on men.

A lot of gender work is necessary in the co-operatives, and in the federation. The men need to become more sensible and understand the subject. There is still much ignorance in this field. It’s a very important subject, and we are now elaborating a gender equality strategy, in order to define how to work with it. Every member should have a clear plan on how to work on gender issues.

The men should be incorporated in the gender work, because there are institutions that direct their efforts only towards women, and this creates a structure of feminism, and turns women against men. The man also need to change his way of thought, so that he to can promote gender equality. Because men haven’t been incorporated, even more misunderstandings then there already existed have been created between women and men.

The gender work in FECANM has been done mostly in the women committee, not in the co-operatives. They achieve good results and are good organised. But a limitation is that the ones who formed the committee didn’t have much knowledge about co-operatives. A committee should be a part of a co-operative in order to have more benefits and be legal in order to be able to do actions with other institutions and organizations. The leaders still don’t express enough interest in the gender issue.
Relation to the surroundings
Resources are mostly searched through development cooperation. A lot of responsibilities towards the financiers of FECANM have been created. Recently there have been made alliances that supported a kind of work that haven’t been perceived as correct by the members.
The governmental institutions aren’t benefiting the co-operative sector. Because the co-operatives were formed by ex-guerrillas from the socialist movement, they aren’t supported by the current government that is liberal. There are other political preferences in the co-operatives to, and because one of the co-operative principles says that one has to respect the thought and religion of every one, they can’t be prohibited to affiliate. This is part of democracy.

5.3.2. FEDECOOPADES
The Federation of Agriculture Cooperative Associations (FEDECOOPADES) is a second-degree organisation made up of 31 cooperatives located in western, eastern and central parts of the country. It has a total of 1,466 members, of which 23% are woman and 77% are men. The vision of the federation is “An organisation that for its capacities to articulate effective actions of co-operatives and other organisations of small rural producers in El Salvador is recognized locally, nationally and internationally, as one of the most representative.” Its mission is to “Integrate and represent co-operatives and other organisations of small rural producers to foster joint actions of direct management and influence, with which they can satisfy their needs of technical assistance, financing, processing and commercialization, and with which they can produce effectively in harmony with the environment and ameliorate their life conditions.”

5.3.2.1. Interview with Maria Lidia Orellana
Maria Lidia Orellana is a member of the co-operative Ana Guerra de Jesus, in which she makes part of the Credit Committee. Until last year she had been the Chairman of the Board in FEDECOOPADES for three years, where she now continues to work in the Supervisory Board. She is also the Chairman of the Board in the federation’s Woman Committee in which 150 women are members. One day I visited the office of FEDECOOPADES to have an interview with her, and the answers from this interview are presented below.

Meaning and benefits of co-operatives and federations
The advantage of being a member of a co-operative are that I have the right to contribute to the resources and performances of the co-operative, and that the co-operative supports me, gives me loans and other services. We also practice mutual help. For example if the roads that lead to our fields of sugar cane and coffee needs to be repaired, we are all obligated to work together without salary. The other advantage is that if the co-operative makes profits, we share it proportionally to the contribution and work that each one of us has done.

We see our co-operatives as enterprises, because if we have several economic activities the idea is that we will sell what we produce and that it will bring us incomes. The co-operatives were ones formed to be enterprises. They weren’t created to be associations as some call them, because in order to survive they have to be sustainable. We adapt different projects and also have other activities that generate incomes. In a co-operative both the social and the economical part is important, for us the principal part is the social, but with it comes the economical.
All the people around in the community benefit from the social projects of the co-operative. We acquired houses after the earthquakes for example, and this was to favour the families whose houses had been destroyed. Also the co-operative principles mention the concern for the community. The federations and confederation always mobilize activities to have a political influence, and we all come to these activities because this is a way to pressure the government. We make propositions and go out on the street; it’s a struggle against poverty within the social movement. We women unite to struggle for more security for example. These actions benefit the whole population. But it’s difficult to because the government only cares about its own benefits, not the ones of all the people.

To ameliorate our position in the market, we are searching alliances with other organisations. We are negotiating with the government, because if you associate to the Ministry of Agriculture, they buy your products for a better price. If you sell in the national market, the people often gain a bigger profit then what you produce. The problem of this sector is that they don’t know where to sell their products. The majority of our co-operatives cultivate sugarcane, coffee, cereals, maize, rice, beans and different fruits. Some also produce fish, shrimps and milk products. The projects from the SCC have made the people to think more on diversification. The ones that only produced sugarcane understood that you have to do more, and now they produce fish to. This helps the co-operative to grow economically. The same goes for the women, the ones that didn’t have any incomes, rotate and work at least one day and share their cultivation. In one co-operative the committee of women, in which 105 women are members, has done a lot of progress; they now have a mill, a bakery and their own store. Their co-operative has a diversified production, and is now starting to promote eco-tourism to.

Membership
The requirement to join a co-operative is to take a course in co-operative organization for 5 months, and then to make an application to the board of directors so that they accept ones affiliation. A quote of incomes has to be prepared to. Then one has to participate in reunions and assemblies. The course teaches you the rules, obligation and rights that have to be fulfilled.

In the beginning when the co-operatives were formed, all the persons that wanted could affiliate. There were hundreds of associates, but many members of co-operatives were killed or left during the war. Today the co-operatives are smaller and closed. Many think that the co-operative is the earth, but the co-operative is made up by persons. But it’s already defined that the earth of the co-operative belongs to all the associates, therefore the principle of openness isn’t applied. My proposition has been to incorporate more young people. But the member thinks that they will be replaced. The thing that they don’t accept is that somebody that has been a member for ten years would have the same rights as a new member. This has happened in the whole sector. Some are open, but they demand new members to pay the whole amount that everybody has been paying since the formation of the co-operative, and this is a limitation that is to big. Many of the current associates don’t contribute anymore to the co-operative, which would become stronger with new spirits.

Relationships
First of all one has to have trust in a co-operative, especially in the board of directors. In the co-operatives there are conflicts of interests, religion and politics. One has to know how to manage these differences. There are people that come for the benefits
only. This generates corruption. This breaks the co-operative principles. The statutes of the co-operatives say that a person that violates a rule can be excluded from his rights of membership.

Management
The board of directors, which is constituted by eight persons, has the most power in decision-making. The decisions are taken jointly by vote, and the chairman of the board coordinates the reunions. When there is a manager, he does the operative part. But in most of the co-operatives there is only a chairman. There is a Supervisory board that controls that the board is doing a good job.

There are no problems of coordination. Together with the board, the activity is coordinated by a credit committee, a women committee, a committee of commercialization and a committee of education.
If somebody wants to have a leader position, he has to prepare and acquire capacities first. Then the assembly can elect him, for good or bad. I have never been the chairman in my co-operative, but I have been the chairman in FEDECOOPADES, and to achieve this took a lot of effort. As a woman I wanted to participate in the decision-making, but the ones who got me there were the men, not the women. They recognized my work and my leadership skills. The previous period I had been elected to vice chairman of the board. And as one can only make part of the board for two periods I couldn’t be reelected for another period as chairman of the board. Otherwise I’m sure I would have been elected for all the hard work that I have done and because I was just. There are people that want to reach the leader positions in their own interests. But these aren’t elected because a leader has to work for the benefit of everyone.

The co-operative form of organization is good because the different positions among the members all imply responsibilities and specific functions. The co-operatives meet all their member’s needs. We practice democracy because the rights and obligations are the same for everybody. The benefits in the co-operative are equal for all.

The members participate equally in the organisational parts, but the in the economic activities the participation vary; people do different things, some of them don’t do anything. There are people who are more active and creative that wants their co-operative to grow; there are others that are more passive. It’s difficult to change people old way of thinking, in order to work in new forms.

Gender
In my co-operative the incorporation of women was hard to achieve in the beginning. The men wanted us to do the hardest work in the co-operatives, otherwise we couldn’t affiliate. Today we participate in the harvest of coffee, but not in the harvest of sugar cane because it means a lot of risks. The women have to pay the day of work instead. Otherwise we the same capacities as them, we can make part of the board and the committees. Still a lot of associates don’t like the strengthening of women in the organisations, because they see it as a threat. But we only search for equality. Before only men participated in the projects and in the board women were only suppliants. Now we have several women in the boards of directors, as in the work in the projects. In my co-operative we are 50 associates, and 14 are women. Fewer women participate because they have more work at home and with the children. Women and men have the same capacities, but women have a double work load. If couples come to workshops, the women don’t speak because the men can hit her afterwards.
Co-operatives are more open to men than to women, because they say that women are more conflictive. Women fight more for their rights now and they don’t like it.

We have made work-shops about gender with couples participating. We work for the integration of women and men, because they need each other. Progresses have been made, because women are more visible in different positions. In the women committee we try to achieve that all women will be members of a co-operative to, in order to take part of the benefits. At a national level a lot have been changed.

We don’t apply quotes, but we promote that if to representatives from a co-operative come to the assembly, it should be a women and a man. We will see the same number of women and men in the assembly. But from some co-operatives they send only women, in some only men. In this way women also participate in decision-making.

One progress made is that the assembly of the women committee was constituted by only women the last year, before men were participating in the elections. More then 150 women came and elected their board of directors. I was in the hospital at the time, but I was elected as chairman of the board. We have also received financial funds for our activities. A gender policy has also been adopted in FEDECOOPADES. Work-shops are given in the issue, were documents are given that are distributed to more women members women that didn’t participate. Women participate more in discussions in the co-operatives, and their opinions are given attention. Their self-esteem has grown. Women have in these ways been empowered.

The leaders didn’t give attention to women in the beginning. But trough gender work we have changed this, because we are an important part in the development, at the level of co-operatives and at the national level. Now the male leaders also accept this. When women go to meetings, the men has to take care of the house and the children. Some men didn’t want to let their women to go on work-shops were they had to spent the night in another location, because they thought that they will search for another men. But today more women participate.

Women have special skills that are needed in co-operatives; they are creativity, good at administration and have a vision of the future. They have a capacity of making propositions and motivate others, maybe because they have suffered more. They are more concerned for the community to.

Relation to the surroundings
There is more autonomy in the co-operatives, because the federations depend on them. What one looks for is to make the base, which is the co-operatives, strong. The federation has very little autonomy, because it works mostly with projects. The federation isn’t sustainable by its own. The federation is trying to find ways to make more incomes in order to be able to support its co-operatives, without cooperation aid. We are trying to teach people to cultivate with diversification. The federation has to make a contribution in the projects that they adopt with cooperation organizations. There are more requirements within the cooperation now. The projects are developed in accordance with the wills of the co-operatives. The organisations are reunited to make analyses, discuss and make propositions.

It is more difficult to gain resources for co-operatives then for traditional enterprises, because of the mentality of the members that aren’t active. Sometimes the associates can’t have earnings from the work that they have done either. Sometimes
the costs are too high. The federation provides the co-operatives with professional skills, through technicians and other employees.

The government doesn’t support the co-operatives, every co-operative survive because they search for recourses from banks for example. The government doesn’t see our sector as a mean to reach development.

5.4. Housing co-operatives

5.4.1. FUNDASAL

The Salvadoran Foundation for Development and Basic Housing (FUNDASAL) is a private, non-profit institution founded in 1968. Its fundamental objective is “the promotion of the individual, the family and the community in the poorest and neediest sectors of the Salvadoran people”, and “the participation of these sectors in an active, responsible and aware form in the processes of development locally and in the more extensive transformations at a national level” and “the creation of alternative development models that can benefit as many as possible of the families with a rational use of a minimum of resources”. 48

5.4.1.1. Interview with Julio Cesar Caledonio

Julio Cesar Caledonio is coordinating the section of fundamental development in the department of social promotion, and the project of housing co-operatives in FUNDASAL. Below are presented the answers from the interview:

*Meaning and benefits of co-operatives and federations*

FUNDASAL is a foundation and the name stands for Foundation for Development and Basic Housing. It’s a private NGO. The organisation arose to meet the problems caused by the inundations and hurricanes in the end of the 60-ties. We are an institution for human promotion, not a construction firm; we see the housing as a medium for a human development. This implies to work with families and communities, to ameliorate their living conditions. Two years ago we incorporated the program of working with housing co-operatives. We are working in different ways within five programs; one of them is the strengthening of housing co-operatives. Now we are facilitating their work while they are consolidating their organisations, and the goal for the next year is to create a federation or at least an organism that will unite all the housing co-operatives in this country. When this happens they will continue this work, while we will only facilitate it with what we call the team of technical support. For the moment we are their formal representative. The team of technical support consists of the social promoter, the architect, the layer, the financer, the administrator etc, and we are all supporting the work of the co-operatives. The co-operatives can administrate themselves, but they also need support in specific professional areas. Especially when new co-operatives are formed they will need this support.

Sometimes the initiative of founding a housing co-operative comes from the associates themselves, sometimes it comes from us. There are four co-operatives; two of them were already formed before starting to work with us. But they aren’t only housing co-operatives; they are also working with credit and savings, production, consumption etc. This is because the law of co-operatives doesn’t apply to housing co-operatives only. The formation of these two co-operatives where encouraged by

---

48 Internal document, FUNDASAL (2005)
the government after the earthquakes, in order for to obtain territory. And after this, they contacted us. In the two other cases, we gathered the people to a meeting and explained the proposition of forming the co-operatives. With the ones that got interested we started a closer relationship. One of them is in the historical center of the capital city. This co-operative was the first one formed as a housing co-operative. With the help of a layer they succeeded making the law of co-operatives include housing co-operatives.

The process starts with teaching about what working in the co-operative form means, in order to get the people to fall in love with this. We talk about the national situation and where the housing problem comes from. Then the organisation and legalisation part begins, with the persons still interested in participating in the project and working in the form of a co-operative. After the legalisation process with INSAFOCOOP, we start the process of acquiring territory. Then the construction phase follows. When people are ready to move in, we continue to work with cohabit issues. This concerns rules of respecting the well-being and space of everybody. The financing of housing co-operatives is supposed to come from the government, like it does in for example Uruguay. Here there is neither financing nor interest for the co-operatives. Therefore FUNDASAL has to support them. The projects conducted with the co-operatives are financed to about 95-98% by FUNDASAL. The other part is contributed by the members. The contribution of every member is based on the relative incomes of every one of them. FUNDASAL is financed by international cooperation, by it’s own activities, by other national sources and by loans.

One of the big advantages of being a member of a co-operative is to have access to loans. The families that we work with can’t get loans from banks. The problem isn’t that it doesn’t exist houses, there are much houses that are empty. The problem is that people don’t have economical resources to by a house. Even if you have more resources, you can’t get a loan, because loans come with other requirements. The co-operative gives security to its members by giving them an opportunity to have access to housing, and to keep it. If a person is given housing, he remains being poor. If he then has any financial difficulty, for example that he can’t pay back a bank loan, he can loose his property of the house. Therefore, to have a property of a house, can give you access to it, but doesn’t secure that you will be able to keep it. In a co-operative, the property is collective and easier to sustain.

Another advantage of co-operatives is that you can reach another level of cohabiting, which is better then in other forms. In other parts you don’t get to know you neighbours, and you continue with the individualism. If burglars break in to your house, your neighbours won’t care. But the co-operatives can create links of solidarity and security.

There is a struggle in the housing co-operatives, because people don’t see it as an enterprise. They continue to see it as a project that will resolve their housing problem. Our task is then to convince people to manage their co-operative as an enterprise, and not only as an enterprise of housing, but as a life project. They are all owners and have to make the enterprise efficient. People need to see the opportunity to organise themselves and change attitudes of living. Little by little the people realize that they have to manage and administrate their collective enterprise, and after the houses are constructed other tasks arrive. The whole families are incorporated in the work.

The members collect their social capital in the co-operatives, which is constituted by a monthly economical contribution to pay the territory and the construction costs, and the work that everyone does. If somebody doesn’t pay, the co-
operative has to pay anyway. The day somebody wants to leave the co-operative, his social capital is returned to him. The house stays in the property of the co-operative; you can’t sell or rent it. The next member that comes, pay the equivalent social capital for the house. In the end it’s the members themselves that pay the collective property, but it turns out considerably cheaper then if everybody would do it individually.

The co-operative can also have other expenses like employment of a gardener, or reparation costs of common utilities. If a member lose his job or has other economical difficulties, the co-operative will pay his part of these expenses. This is an advantage of security in a co-operative, where everybody helps each other. The co-operative also opens its benefits for the community. In the co-operative 13 de Enero for example, a medical clinic will be installed, that will serve the whole surrounding community. In this way more people are incorporated in the process of organisation and cohabitation.

The co-operatives can influence the national politics, like when the law of co-operatives changed to include housing co-operatives. The most interesting change is that collective property is now accepted with this law. Federations in this country work together with forming plans on how to have a bigger influence at the political level, as an integrated sector. Trough this way people are put in contact with influential institutions.

The model of co-operatives affects the housing market to. The market sees housing as a commercial product. The housing co-operatives see it as a right. They promote auto administration, they become constructers. The development of housing co-operatives is therefore not convenient for the construction sector. But the market isn’t very interested in the new sector of social housing, because we are working with people with low incomes. This form is not profitable for private enterprises. But there has been created a philosophical contradiction. Our co-operative is for example owned by professionals, who normally would search a house that is already constructed. If the middle class starts to develop co-operatives, then there will be an invasion of the private market. If co-operatives enter in the market of bigger incomes, they will have more influence.

Membership
There is a group that founds the co-operative. But the co-operatives are voluntary and open. The co-operative form is conditioned by the form it’s financed, which implies that the economical situation of the associates has to be somehow similar. Practically members have been incorporated after the foundation. To make this happen, there has to be access to territory, provided either by the interested himself or by the co-operative. But in co-operatives where a shared territory already has been bought, one must wait until one of the members leaves in order to enter. If the co-operative can buy more territory and there are more members that can construct the houses, it is possible to enter. A new project is then created for the new associates.

Relationships
The process of working with mutual help creates a strong unity among people. In 13 de Enero for example, they told us yesterday that they are already a consolidated group, people will not exit. There are personal conflicts, but practically the groups achieve a high level of trust and companionship. They become like a family, because very strong links are created. Rules are created, but they are only letters. Behind them one has to find life and a sense of solidarity. Problems are shared and resolved
collectively. People also often cook and eat together. These are steps towards a good cohabiting.

Management
The most of the decisions are taken in the board of directors, which is elected in a general assembly. In 13 de Enero, the chairman and the vice chairman are men. But during this year there have been women who have developed themselves, and I think that they will be more present in the next assembly. The co-operatives are democratic even though they are new. We are trying to promote the development of more leaders and participation through work-shops. There isn’t much interest in the part of members to be leaders because it is seen as a burden. There are some that see the advantages in it, but generally the most of them don’t.

During the construction, the co-operatives form a committee of purchase, a committee of construction, and a committee of work. These have all an area of responsibility and coordinate the whole project together. There are differences in participation among members. We are trying to motivate democratic discussions. In 13 de Enero things are discussed lively between the members. But in other cases often the persons that have the best capacity to speak out are controlling and manipulating the conversations, instead of working for more participation among the others. Before it was even seen as something bad if somebody didn’t agree on something discussed. But today more and more differences in opinions are considered positive. People develop through discussions. We haven’t achieved a perfect democracy because it’s more complicated than that, but to be able to discuss instead of fighting is a progress.

For the moment we don’t have problems of coordination, because the discussions are at a level of co-operatives. When second-level and third-level organisations are formed these problems are more visible.

Gender
The participation of women is small when it comes to leadership. They have lower self-esteem and often give the space to the men, who also have more access to education and are better prepared. It is also caused by the daily burden house work that women have. Sometimes they have jealous husband that doesn’t want to let them participate. There are also single mothers that can’t leave their children to come to a reunion. The fact that they don’t want to participate, has to do with the obligations that they have. For men it’s easier to participate, because for them all the matters of the home sphere are already arranged by their wives.

We see the need of strengthening women’s capacities so that a bigger participation among women will be achieved. In the co-operative Los Heroes de las Piedras Rojas the majority of the members are women. Out of the three to five male members that they have, one is the chairman. And if they would have a new election tomorrow, they would elect another man. The problem lays in bad self-esteem and lack of capacities. The work-shops are mixed for women and men, because at least me I’m against the committees of women. But there has to be spaces where women can organise themselves. When we worked with the designs of the houses, the women were the ones who participated the most with fruitful ideas that where grounded in their concern for the whole community. If women never got the attention before, in the homes for example, they don’t want to speak about what they think when they arrive to the co-operative. But if you propose something specific, and give attention to theirs opinions, they get a better self-esteem and participate. This is the level at which
we have to work with women. The women have to meet alone, but not only work in areas where men don’t participate. We work with the gender issue in activities that are common. This is because also men have to understand the necessity of the participation of women. The gender issue is also included in work-shops. I think that we have to do more, because so far our efforts have been moderate. When it comes to housing, it’s the women that show more concern for this problem, probably because of their children.

In 13 de Enero groups of work where created, and some said that it was unjust if there were more women in a group. The physical capacities are a limitation for the participation of women. There were five women that were pregnant, and you can’t ask them to work. But they can work with assistance, control of the use of materials etc. The most of the leaders express the need of women participating.

The women make more initiatives in going to reunions and showing interest for the projects. They make the first contact and search for the information, but when it comes to becoming a member, most frequently it is their husbands that take over. But even afterwards, it’s the women who are more active. Sometimes the men are even against the projects. But there are many cases to when the whole families participate. In the end the house is a benefice of the whole family, because it’s not a property of the member, it’s a property of the co-operative. Complications can occur if the man would leave or die, and the women don’t have the ability to sustain the obligations in the co-operative. But she can apply to be member and take over the house to.

Relation to the surroundings
The co-operatives are autonomous because they administrate their activities themselves. The assistance poses some conditions, but it doesn’t eliminate the practice of democracy in the organizations. The assistance is motivating and strengthening collective development more then limiting it.

Not long ago a national politics of housing arose. It doesn’t show any concern for housing co-operatives. It doesn’t have any concern at all of solution to social housing. Individual solutions are promoted with the means of bank loans for example. The national politics in general aren’t directed to favour the sectors of low incomes. One of our long-term goals is to bring about a governmental financial aid to the co-operatives.

5.4.1.2. Visit to the co-operative 13 de Enero
One Sunday i visited the co-operative 13 de Enero, which is situated in La Libertad near the coast in the south of the country. On this day, two other co-operatives, one from Guatemala and one from Honduras, came on a visit to exchange experiences. After a round tour in the construction field and a meeting, we shared a festive meal together. I was told that this is something that the associates here do every Sunday. The co-operative 13 de Enero is in the beginning of the process of construction. Several men where digging up stones when we arrived. The territory was oblong leading to a river in the front. It was beautifully surrounded by trees full of leaves that gave some protection from the sun. This territory was collectively bought by the co-operative, and 34 identical houses will be constructed here, one for each of the affiliated families. A municipal hall where already constructed, as a first test of how the project will function.
5.4.1.3. Visit to the co-operative Los Heroes de las Piedras Rojas

One day I was invited to visit the co-operative Los Heroes de las Piedras Rojas in the village Santa Martha, situated between mountains in the department of Cabañas, in the northern part of the country. A meeting was going to take place, as it is every week to evaluate and plan the work. We were sitting in the municipal hall of the co-operative, which was the first house constructed collectively by this co-operative. While waiting for the other associates to arrive, I had a dialog with Manuela Murales, Olivia Dubon, Maria Ester Hernandez; all associates in the co-operative. They told me that there are 39 associates in Los Heroes de las Piedras Rojas, of which 31 are women.

These are people that suffered severely during the war and had to refuge to Honduras. The name means “The heroes of the red stones”, and testifies of a massacre that occurred the 18 of Mars 1981 when 7000 persons from Santa Martha were about to cross the lake Río Lempa during their escape to Honduras. Some of them returned to El Salvador in 1987, and they were given a small territory each. The people have lived there for many years, but in poor living conditions. In 1999 they started to organise themselves, and in 2001 the co-operative became legally formed.

15 of them already have their houses and live in them. To achieve this they worked in teams of 5, helping each other constructing house by house, and this work took them four months. Wright now 8 other associates will enter in the same process, working in teams of 4.

5.4.1.4. Workshop “Housing co-operatives”

Fundasal is trying to foster a collaboration and integration between the new housing co-operatives in El Salvador through common activities like work-shops for example. Sometimes the co-operatives visit each other to help each other in the construction work. As they are in different phases, the ones that have been working longer together can share their experiences with the ones that are in their process of formation.

One day a work-shop about housing co-operatives was given in La Palma, a small village in the mountains in the northern part of the country. The objective was to give a short history of the housing co-operatives in other countries, to discuss the advantages of collective ownership, and to explain how the work of mutual help should be planned, organised and practically implemented. During two days group-based activities were carried out, were the participants were given an opportunity to reflect over and share experiences and preoccupations, in a relaxing ambience in a hotel in the mountains.

In La Palma a housing co-operative was recently formed called La Cuna de la Paz. The members expressed an excitement towards the work that they had in front of them, by also many preoccupations about how it should be realised in practice. The co-operatives 13 de Enero and Los Heroes de las Piedras Rojas were also participating in the work-shop. Because these two co-operatives had come longer in their constructions, they could share problems and obstacles that they had met during their work, and explain how they had handled them.
5.5. Savings and credit co-operatives

5.5.1. FEDECACES
The Federation of Cooperative Savings and Credit Associations of El Salvador (FEDECACES) functions like an institutional structure of a second-level, which supports the cooperative’s development and integration. One of their activities is the financial intermediation of credits, savings, funds administration and family remittances. The operating entities in the FEDECACES Corporation are “ASESORES para el Desarrollo” (technical assistance and training), “SEGUROS FUTURO” (insurance services), “Caja Central de Liquidez” (liquidity office) and “Organismo Cooperativo de Supervisión” (supervises the financial situation of the co-operatives). The mission of FEDECACES is “to contribute to the success of the co-operatives bringing them the institutional support for efficiency and solidity, so that they integrate in the Cooperative Financial System, through the functions of support to liquidity, to the innovation of their intermediation processes, supervision, control, development and organization of co-operatives”.

5.5.1.1. Interview with Buenaventura Argueta
Buenaventura Argueta is the secretary in the board of directors in FEDECACES, and chairman of the board in the savings and credit co-operative ACECENTA. One day he sacrificed his time during a workshop, to give me an interview. The answers are presented below.

The credit co-operatives are based on a disciplined regime that keeps all the processes like accounting and administration in order. They have to prepare because soon they will enter a phase of regulation. In five years the whole system of credit co-operatives will be totally regulated. Then co-operatives that aren’t prepared at this moment have to disappear, or affiliate to a bigger co-operative. We have an organizational structure that permits us to promote marketing and the financial part. FEDECACES is a second level organization that tries to search for funds, in order to give loans to its members. Its resources come sometimes from international organisations, from the organisms of integration, the national bank and from the contributions from the members.

In the 80-ties the co-operative only gave loans, and the whole co-operative sector survived because there were donations. Then we started to work with developing the co-operatives and collect savings. Today, the money that the credit co-operatives lends out, are at least to 80% made up by its own recourses. There isn’t much necessity for funds anymore because the people are more trusting and save in the co-operatives.

The advantage to save in a co-operative is that we give a higher interest then the banks. For the co-operative it’s still cheaper to loan from its members than from the bank, and in this way we have more resources to lend out. The interests on the loans that we give are a bit higher then the banks, but we give other services then the bank. We give a personal attention to the associate. The loan in a co-operative is more secure to. It’s a security of access to loans, and of the associate’s life. All the profit we make is property of the members themselves. The objective of our organization is to develop the people living in poverty, because the sector of social economy is big in this country and it doesn’t have access to loans.

In the action plans of the co-operatives, the development of the community is included, especially within education. The 7th principle of co-operatives is the concern...
for the community, but this is an objective that isn’t yet well developed. We are trying to have more contact with the whole communities, but we have so far only worked with the members and their families.

Membership
The objective is to acquire more members and develop them. This is also done with education and productive projects. You can save in a co-operative without being a member, but after one year you have to affiliate in order to continue to save. But we are working for a faster affiliation, so that the person becomes a member within six months. In this way the savings are guaranteed in the co-operative.

Anyone that wants can affiliate to our co-operatives, as long as he is more than 16 years old. This is one of the principles of co-operatives. It’s of course better to be as many members as possible. We have a co-operative that has 12 000 members, and it has a lot of money. In El Salvador there are two other credit co-operatives that big, one with 8 000 and the other 9 000 members. There are others that are small, with about 500 members, and they have more limited fields of action. The majority of the co-operatives have between 1 500 and 2 000 associates. In the whole federation there are 31 co-operatives and a total of 85 000 members.

Management
The boards of directors in the co-operatives take decisions and manage the organisation. Together with the supervisory board, which supervises the work of the board of directors, they are elected in the general assembly. There are also three committees with different areas of activities, which are elected by the board of directors. We also have external audit.

All the co-operatives have a manager and different departments of for example administration and information. The manager carries out what the board of directors decides, with the help of the different departments.

The participation of the members of the co-operatives takes its form in workshops given by the committee of education at least once a month. Around 20-30 members usually participate, and the main objective is to give them information about the advancements and politics of the co-operative. But their biggest participation takes its form in the general assembly, which occurs once a year. The members that are active take part, which can be 1 600 out of 2 000. In the assembly they approve the plan of work, the financial status, the goals and eventual reforms of statutes elaborated by the board of directors. When there are issues that have to be consulted with the assembly, like a liquidation of a co-operative, an extraordinary assembly can be called for, but in our case it almost never happens. Otherwise the members almost only make their transactions, because they don’t have much necessity to participate more in the organization. If a member wants to make a proposition or share his opinions in something, he can send a letter to the board of directors.

If one wants to reach a leadership position in the co-operative or the federation, there are good possibilities. He can express that he wants to be proposed as a candidate for the election in the assembly. But now the law says that the person has to have leadership qualities in order to be chairman, and this limit the participation of members that hardly can read. Before nobody wanted reach leadership positions. Now there are groups of members that are very interested in being chairman for example. People are more motivated to get to know what the co-operative is about, even though it requires much voluntary work and time. When one is only a member, one doesn’t
know much about the co-operative, but being a chairman one learns a lot. The co-operative, with all its departments, is managed like a complete enterprise.

In the beginning the co-operatives were formed to meet the needs of the associates, and once they were met, many left, and the co-operatives didn’t grow. When we united in FEDECACES, the people started to realise that they have a different enterprise, with a different development and services and more opportunities. Therefore they are now more motivated.

We search for equilibrium between the economic and the social area. This makes us different from other financial institutions. We share money equally between all members. The majority of the earnings go to the service part. We try to give the members as much service as possible, so that they are satisfied with their co-operative. There are co-operatives that loose this discipline, they only search for resources, and forget that it really belongs to the members that also needs certain services. The service and satisfaction of the member is our strength compared with other financial institutions. There is also a spirit of joy and friendship in the co-operatives.

One has to remember that the money that one has to return to the co-operative belongs to all the members. Therefore we all have the responsibility to each other to pay. If a member puts his house as a guarantee for his loan, we can take it away from him if he doesn’t pay back his loans. What is different from other financial institutions is that it’s possible to negotiate; we can make up a plan of repayment adapted to his economical situation. Almost every day we have cases like this. Sometimes there has been made propositions in the assembly about actions that can affect the national politics.

The co-operatives are democratic and egalitarian, because in the assembly everyone has a vote. Everybody can participate and get to know more about the enterprise.

There are co-operative principles that aren’t applied, for example the third one about economical participation. There isn’t much participative work because some things have to be kept confidential, as the account of another member for example. But other principles like the fifth about education are practiced. The sixth is practiced through the alliances among the co-operatives, and the seventh is started to be implemented in the strategic plan.

The co-operative form of organization is good because it permits a development. There are no problems of co-ordination, because the members elect their leaders that rest and manage the enterprise.

The benefits are equal for all members, and they can all participate in workshops. The participation depends on the will of the member. Sometimes we invite 100 and 20 show up, but these can afterwards bring the knowledge to their co-operatives. People lack an interest to acquire knowledge. We have to work more in order to motivate and keep them in the co-operative.

The majority see the co-operative as a help, not as their enterprise, especially the new ones. The original associates see the co-operative as their enterprise, and care for its development.

**Relationships**

The majority of the members know each other. But today many members enter that don’t have knowledge about co-operatives. The people that started the co-operative did it because of support, but know people from the market are entering, and they are
at another level. This makes communication difficult. The original members know each other. Between them there is trust.

**Gender**

In our co-operative 46% of the members are women. In the board of directors it’s as many women as men. In the supervisory board there aren’t any women, because they say that they don’t want to be there. In the committees the majority are women. We have been promoted the increased participation of women the last couple of years, therefore the situation has changed and there are more women in leadership positions. The importance of the participation of women has been explained in the assembly.

The employees in the co-operatives are almost all women. Out of 20 employees only two are men in our co-operative. I feel that there is gender equality now. The issue has been worked with within FEDECACES, not individually in the co-operatives. The directors know about gender, and transmit this to the co-operatives. The members of the co-operatives aren’t interested in working with the subject. There have been work-shops in FEDECACES, but more for the leadership teams. Men have also participated. Generally there are more men in leadership positions in credit co-operatives. It’s because it’s said that men know accounting better and because he has more time, while women work more at home. More men are members to, because traditionally it was the man who had to think of the security of the family. It’s also because initially the majority of the members in the co-operatives were farmers, and the farmers were men. But now when more people from the market enter, the majority are women. It’s equally easy for women and men to affiliate to a co-operative. The history is changing and soon the majority will be woman.

I think that the most important is that women participate more in decision-making, because they are good in administration. They have to participate in all parts. The leaders don’t express much interest in the subject, but I think that the most important is that the women themselves recognise the importance of them participating.

The culture of El Salvador has been caracterised by the machismo, and co-operatives can contribute to a change. In Bajo Lempa for examples women have always organised themselves. It’s better to work when women also participate. The relationships between women and men a good and women are more visible at meetings now.

**Relation to the surroundings**

The national politics don’t accept us as a productive sector. The government prefers that the bank sector develop, and they don’t want us to exist. The national law says that the government is obligated to develop the co-operative sector, but this is not done. We have to bring forward our development trough the federations and confederations instead, and by motivating people.

The support from other organizations is more technical then financial. The co-operation can help us to develop, and be more recognised as a sector. There is little professional competence in the co-operatives, we have to pay for it or acquire it trough FEDECACES. We have the right to this support from the federations because we are members.

It’s more difficult for co-operatives to gain resources then traditional firms, because there is no trust in our competence. The state doesn’t trust us because we aren’t regulated. But in El Salvador there have never been a co-operative that has failed.
6. ANALYSIS

In this chapter the empirical findings will be analyzed by being connected to, structured by and compared with the previously selected theories in the theoretical framework.

6.1 The co-operative organization

6.1.1. Values and principles

The co-operative organization is based on 7 principles, adopted by ICA, which are intended to articulate a guideline for cooperatives. These principles are often talked about in the co-operatives, as an ideology important to adapt. Few of them are actually applied, and this is seen as a weakness by the members themselves, because it hinders the development of their organisation and the achievement of its goals.

1st Principle: Voluntary and Open Membership

The first principle about voluntary and open membership is the least applied of all the principles. There exists a confusion about the openness of co-operatives for new members. According to the statutes of the co-operatives, new members can enter as long as they fulfil a number of requisites which aren’t very complicated, but in practice new members are sometimes but very rarely incorporated. There is no vision of that more members could create a stronger organisation and collective production.

In the agricultural co-operatives, the requisites for membership that were mentioned were a common interest and willingness to work, payment of the contribution to the co-operative and a course about the co-operative principles and way of work. If these were fulfilled, the board of directors in the co-operative would take the decision to involucrate the new member. But in practice, there is a fear among the existing members that if more members would be taken in, they would have to share their right to the earth that they were given after the war when the co-operatives were created. Also the support coming in from external organisations is believed to become smaller for each member if more persons would be affiliated. What the members don’t accept is that somebody that has been working in the organisation for several years would have the same rights as a new member. Another problem is the disinterest among young people to affiliate to the co-operatives.

In the housing co-operatives, which make up a new sector in the country, membership is quite open but there are other obstacles that hinder it. To accept a new member either the interested himself or the co-operative that he wants to affiliate to have to have access to territory for a new house. If the person has access to territory and there are other members in the co-operative that still want to co-work in a mutual-help construction of houses he can enter. But in co-operatives where a shared territory already has been bought, one must wait until one of the members leaves in order to take over the house. If the co-operative have the possibility to buy more territory and there are more members that can co-work in construction it is possible to enter.

In the savings and credit co-operatives the situation is different, because these types of co-operatives are in comparison with the two previous types very big and their financial status and action field depends on a big membership. These co-operatives adapt an active promotion to incorporate more members and to keep the existing ones.
2nd Principle: Democratic Member Control
The co-operatives are all democratically managed through general assemblies where boards of directors are elected, and through supervisory boards that control that democracy is being adapted. Co-operatives are owned by their members, and every one of them has the same right to affect decisions in a democratic way through equal voting rights.

The problem is the motivation among the members to exercise this right. First of all there is no interest to achieve leadership roles, which is seen as an additional work burden. With 40% of illiteracy and the generally low educational levels in rural parts of the country, people have small capacities and low self-esteem to take a leadership role. Especially women don’t believe in their leadership capacities, because of the suppressing cultural beliefs that surround them. In order to achieve a true democracy, an active participation is required which can come into place only if the people feel empowered. People need to feel in control of their life situation and their capacities, which is hindered by poverty and low access to education.

3rd Principle: Member Economic Participation
Every member of a co-operative have to pay a monthly fee for the sustenance of the organisation, and this is in all the cases studied being adapted. In this sense the economic participation is equal among the members. But the members are not all equally and actively participating in economical activities. The most of the time the members don’t see their co-operative as an enterprise to work in, but stay affiliated merely for the benefits.

In the agricultural co-operatives the majority of the members stay affiliated merely to keep their right to the earth that they received through the co-operative. They have no interest in a collective production. In FECANM there are productive projects of individual or collective work that the co-operative members can participate in if they fulfil certain requisites. Apart from these projects, generally elaborated in collaboration with external support, collective economical activities don’t exist in the co-operatives. In FEDECOOPADES there is more collective work in the fields of the co-operatives, but still there is a big part of the members that don’t participate.

In the housing co-operatives, people participate in the collective work because of their common need of housing and mutual help in the construction work. But the members don’t see their co-operatives as enterprises and long-life undertakings; they see them more as means to achieve housing.

In the credit co-operatives there isn’t much participative work, because the majority of the members don’t see their co-operative as an enterprise but rather as a help to acquire loans.

4th Principle: Autonomy and Independence
The majority of the interviewed in this study think that their organisation is autonomous and independent. Even when international financial help is received, the projects are decided together with the members of the organisations and in accordance with their needs.

According to the chairman of the board in FECANM, there is a part of the members that feel that the projects financed by international co-operation are imposed and not in accordance with the needs expressed by the members of the co-operatives. The access to participate in the projects is also considered to be unequal because not every member can meet the requisites for participation.
5th Principle: Education, Training and Information
Trough the federations of the agricultural and housing co-operatives and the projects that they provide, the principle of education, training and information is strongly adopted. Many co-operative members have expressed a personal development and satisfaction of participating in the various work-shops provided, which have helped them to achieve benefits. In the savings and credit co-operatives work-shops are promoted by the federation, but there is little interest among the members to participate in them, because they see their co-operatives only as a financial service.

6th Principle: Co-operation among Co-operatives
Within the federations there is a co-operation between co-operatives when they participate in common projects. But in the work-shop “Advocacy and Public Politics”, where all the concerned federations in this study participated, the core problem that was discussed was the disintegration of the co-operative sector. This problem was seen as being caused by an individualist attitude among the co-operative members and by competition instead of collaboration between the co-operative organisations of second or third level.

7th Principle: Concern for Community
A concern for the community has been stressed as being important in all the organisations in this study, but it has also been stressed that a development that extend the co-operatives have not been achieved to a big extent. In FECANM there have been productive projects where producers outside the co-operatives have participated, and there have been projects of repairing roads in a co-operative. But generally the members of co-operatives are dispersed and have difficulties to meet the needs of one common community, especially the ones that don’t even adapt collective work within their organisation. In FEDECOOPADES there have been housing projects that have benefited the community. In the housing co-operatives there have been plans for services that will benefit the surrounding community, like health clinics for example, but these are still in the initial planning stage. In the savings and credit co-operatives, a development of the community is also only a strategic goal on a planning stage.

6.1.2. Federations of co-operatives
According to Stryjan, what cannot be achieved by a single co-operative, may well be within reach of co-operatives acting as a group in a federation. This fact has been stressed by all the persons participating in this study. The majority of the possibilities that federative strategies can provide according to Stryjan, have also been stressed as the benefits provided by the federations in this study.

A lobbying group for new legislation or modification of existing ones
When asked if political advocacy existed among the co-operatives, the federations and the confederations were always mentioned as a mean to achieve it. Single co-operatives don’t have much power in exercising issues on a national political level, but trough the federations and confederations the co-operative sector is more politically visible. But the majority of the co-operative members still feel that the government isn’t making attention to this sector and its development, even if its advocacy is said to be increased trough federative strategies.
A source of “committed financing”
The federations of the agricultural co-operatives provide several productive projects to their members with the support of international co-operation. The members that are interested in participating in these projects have to make a contribution of about 20% of the cost of the project, and the rest is financed through the federations. This financial support has been expressed as an important help for the members to initiate a productive activity that can generate incomes.

The housing co-operatives are so far only a small number in El Salvador and haven’t yet formed a federation. FUNDASAL is now functioning as their common entity that finances the technical assistance that the members are in need of in the house construction. The territory and the construction costs are paid by the co-operative itself, by loans that the members pay back in monthly fees. In the credit co-operatives, the money that they lend out is today at least to 80% made up by its own recourses. The credit co-operatives don’t have much necessity for funds anymore because the people are more trusting and save in the co-operatives.

A forum for exchange of organisational know-how
The agricultural federations were formed to facilitate the co-operative’s productive and organisational development. They serve as an information provider through their contact with other national and international institutions, and by employing professionals within different areas like agricultural diversification and commercialisation. The employees can motivate the co-operative members to work in new innovative and more profitable ways. This is by the federations expressed as a difficult process because a big part of the co-operatives are characterised by short-term thinking and resistance to change because the members are in need of assuring the alimentation of every day. The federation also serves as a forum for the co-operatives to exchange experiences and know how. The housing co-operatives can administrate themselves, but they also need support in specific professional areas. Therefore a team of technical support consisting by a social promoter, an architect, a layer, a financer and an administrator is provided by FUNDASAL during the working process, until that the co-operatives can manage their organisation by themselves. This professional support serves the co-operatives when purchasing territory and materials and planning the work. FEDECACES provides the credit co-operatives with work-shops in different areas that can serve their development, but there is little interest for these activities.

A recruiting organ
No one in this study have mentioned recruitment as a service provided by the federations. In FECANM the board of directors decided that the promoters that would be employed in the federation should be members from the co-operatives. At least two employees that are very visible in the organisation are women from the co-operatives. Apart from this the federations haven’t been described as a recruiting organ by the other organisations.

Provider of infrastructure for communal and social services
FUNDASAL is trying to promote projects like health clinics in one of the housing co-operatives, apart from this infrastructure for communal and social services hasn’t been in the action field of the federations in this study, even though the productive projects often are stressed to have multiplying effects on the surrounding community.
6.1.3. Co-operatives and gender

The actions suggested by ICA to co-operatives in order to reach gender equality are to a certain and considerable extent adapted by the organisations.

- **Genuine and clear statement of commitment from top leadership**
The majority of the leaders of the organisations participating in this study still don’t express enough interest in gender issues, and some of the ones that do aren’t really fulfilling what they say.

- **Capacity building for understanding about gender**
All organisations have in some way integrated gender in their capacity building activities. FEDECOOPADES and FEDECACES have had work-shops about gender that both men and women participated in, while in FECANM only women receive these kinds of work-shops. FUNDASAL has integrated the issue of gender in work-shops on other topics, which have made that men also participate in them. The subject is still mostly directed towards women. Women have to have organizational activities for themselves, like the women committees in FECANM for example. These women organizations have in many aspects been more productive then the co-operatives. But working in women groups can also increase the disintegration between women and men, and women’s empowerment needs to be visible also in relation to men.

- **Gender balance of elected officials and staff**
Trough gender capacity building provided by the federations, women have become more visible in elected posts and they take more part in decision-making. This is a considerable positive development expressed by the co-operative members. In FEDECACES almost all the employees are women, and in FECANM there are several employees that are women. In the co-operatives of FUNDASAL women are still underrepresented both as members and elected officials. In most of the cases it’s the man that affiliates to the housing co-operatives, and this can lead to complications for women if their husbands past away or leave them. If the women can’t fulfil the obligations to pay the monthly fee to the co-operatives they can loose their right to their house.

- **Accountability and Monitoring, with Human and financial resources**
Trough the projects supported by the SCC a gender focus have been integrated in all the productive activities of the federations. In some cases there are individuals in the organisations that are responsible of the issue of gender equality. Information is spread trough educative and methodological folders that are provided to the members. The results are mostly measured by the development that one can see in the active participation of women and their visibility in leadership positions. The housing co-operatives haven’t yet formed a federation, but the subject of gender equality is integrated in the work-shops provided by FUNDASAL.

In spite of these efforts within the organisational sphere, there are harder structural problems that hinder gender equality to be reached. These are problems based in the Salvadoran culture, by many of the respondents described as “machismo”, which refers to a prevailing male dominance in all spheres of the society. When the organisations work with gender, these discriminating norms and beliefs are difficult to overcome, because they prevail not only among male members but are also in many cases deeply rooted among female members. Men often mean that they have the right
to hinder their female partners to organize themselves and go to reunions, pointing on that time will be wasted from other activities that could give incomes, or because they fear that their wife will find herself another husband. Women are often expected to take care of the children and all the work in the house, in which few men participate, and this also hinders women from participating in organisational work. Men often have more access to education, which enables them to participate in organisational work. To affiliate to the agricultural co-operatives one has to have a title of farmer in the identification document, and this title is mostly given to men. Women without a profession are given the title housewife. This makes women’s process of affiliation more complicated, and they feel that this rule is unjustified because women work as much as men both in the fields and today also in organisations.

Despite the progresses that have been done through the federations in making women more aware of their capacities and rights and making them more present in board of directors and other responsible positions, there is still a feeling of inferiority and low belief in one's own capacities among women. When men are present, it’s common that women don’t speak because of the consequences it can lead to with their husbands, and because of their lack of self-esteem. Women are more present in leadership positions today, but in many cases they lack “managerial control”. This is something that has been worked with through work-shops about gender, where women have developed themselves in reflecting over gender roles and unjustified discriminations. The work-shops have inspired women to exercise their rights and participate more in the organisations’ activities. But it’s a difficult task for the women to explain gender inequality and its causes for their husbands, why men also should be incorporated in the work-shops about gender. Women are now more aware and active in the work against gender inequality, but this awareness and active work should start at the very top of the organisation, and above all among men. Men need to help women in their traditional work burdens with the children and the home, and understand that the participation of women in economical and organisational activities is as important as the participation of men. Many times women have better capacities to make initiatives, following up their undertakings and working with an objective to benefit their community. These capacities need to be combined with the men’s capacities in joint work characterized by equality of participation and decision-making, in order to reach the maximum of efficiency and development in achieving the goals of the co-operative organisations.

6.2. Self-management – is it possible?
According to Stryjan’s theory, in order to reach self-management a reproduction has to take place in a loop, in which members continuously shape and reshape their organisation and are, in turn, also being shaped by it. What needs to be assumed is that all participants are members, all members take part and that the organisation is self-designing and decisional. There needs to be a shared frame of reference and a repertoire of options for action. Members also need to adapt three assumptions which are permanence, mutual dependence and the collective endeavour’s intrinsic worth.

In the co-operative organisations studied in this work, not all members participate in organisational work and not all members feel that they have decided all the activities undertaken by their organisation. Therefore there isn’t always a shared frame of reference for action either.

In FECANM, some persons mean that the productive projects are developed in accordance with the interests and needs of the members, while other persons mean that the projects are imposed and not in accordance with the will of the majority of the
members and that not everyone has access to these projects because of unequal basic preconditions. The current situation in the organisation is that a part of the members participate in productive activities and decisions, while another part rest passive and unsatisfied with their organisation and don’t participate, because they feel that they don’t have the same frame of actions as the ones that are participating. This has led to central conflict in FECANM, caused by weak communication and barriers between the manager and the employees on the one side and the board of directors and a part of the co-operative members on the other side.

There are shifting and conflictive assumptions among the members of the agricultural co-operatives in both FECANM and FEDECOOPADES. Some members rest affiliated to their co-operatives only to keep the right to the earth that was provided to them when the co-operatives were formed, and in this sense they are interested in the organisation’s permanence. This group doesn’t share the assumptions of mutual dependence and the collective endeavours intrinsic worth with the other group that want to participate in projects and foster development through collective work. This can be partly explained with the fact that the initial formation of the co-operatives wasn’t based on the members’ initiative.

In the savings and credit co-operatives, the members have a shared frame of reference for action which entails financial transactions, and not much more. People do not participate in the designing of their organisation, but they do feel an intrinsic worth and mutual dependence because of the services provided. However not all members believe in the importance of the organisations permanence, because the day they won’t need the services anymore they are able to leave.

In the housing co-operatives, there is a strong assumption of intrinsic worth of collective endeavour and mutual dependence, because the organisations are formed from a common need of the members. They form a common repertoire of action and decide their work during the construction. They also feel a need of permanence because their house will always be collectively owned by the co-operative and the members will cohabit for a long time, even though they haven’t reached an assumption of a jointly owned enterprise in which more activities then housing could be realized.

**Loyalty or involvement**

Lack of active and creative involvement and motivation is in all the organisations referred to as the biggest obstacle to development. In the agricultural co-operatives, the part of the members that doesn’t participate in collective work stay in their co-operative out of a non-creative loyalty based in the formation of the co-operatives in the 80-ties or the 90-ties, out of “an imposed necessity, not will”, as stressed by manager of FECANM. This loyalty is also based in the socialist movement that was behind the formation of the co-operatives in the 90-ties, which has preserved a conservative way of thinking and resistance to change and productive innovation. In the housing co-operatives, an involvement has been expressed in the collective work of house construction even though not much involvement is taken place in decision-making and leadership because the members continue to see their co-operative as a project that merely will resolve their housing problem.

In the savings and credit-co-operatives there is a non-creative loyalty which consists of the members’ fulfilment of their financial obligations to their co-operative in order to assure their continuous receiving of financial services.
Self-management and the environment
According to the literature one of the reasons for the producer co-operatives’ failure is the deficiencies in recourses. The resources can be categorized in the recruitment of new members, access to material recourses (capital, capital equipment, market) and professional competence and skills.

The recruitment of new members is not a big interest in agricultural and housing co-operatives. Savings and credit co-operatives depend on having many members, and they manage this need by offering fair financial services to the low income sector that don’t have access to services in traditional financial institutions. In the agricultural co-operatives the access to capital and markets is mostly searched through federations which acquire their resources from different sources, mostly from international co-operation. The co-operatives affiliated to FEDECOOPADES have more collective production than the ones affiliated to FECANM, but sometimes the work in the co-operatives doesn’t generate any profits and the principal way to make earnings for the both groups of co-operatives are through participation in the productive and innovative projects provided by the federations. The housing co-operatives acquire their resources by taking loans, which is a possibility once they have formed a co-operative. The savings and credit co-operatives operate to 80% with their own means that come from savings from the members, and their need of funds and loans have become smaller. When it comes to professional skills the federations are the main source for the three groups.

Isomorphism
Isomorphism means that the environment operates with norms and general rules on populations and single organisation in order to create a uniformity that eliminate or limit the incidence of random or deviant outcomes as the SM-organisation.

The three types of isomorphism described by Stryjan are: coercive (political influence and the problem of legitimacy), mimetic (as standard responses to uncertainty organisations may mimic other more successful ones) and normative (norms associated with professionalism created by the organisations own members).

The coercive isomorphism is the one that is the most experienced by all the three types of organisations in this study. The government of El Salvador is said to put all its efforts on the development of the industrial sector and the high-income part of the population, and not the co-operative sector and the low-income part of the population. This has led to a general distrust towards the co-operatives’ capacities and possibilities of making benefits and foster a development of communities. There is little interest among young people in staying on the country side and working in co-operatives, instead they prefer to study or immigrate up north. External institutions like international cooperation organisations exercise a certain coercive isomorphism through the requirements that come with the projects that they develop with the organisations. A mimetic isomorphism can be seen in the co-operatives’ strive to become “enterprises”. This leaves a part of their members suspicious because they feel that the new ways of thinking aren’t in accordance with their needs. The normative isomorphism associated with professionalism is in these cases perceived as being operated by the technicians and coordinators who are promoting the new projects.

The dilemma of size
For organisations, size seems to be a basic precondition for achieving any degree of political and economical power. At the other hand there is a commonly shared belief that size is detrimental to democracy, participation, and immediate personal relations
between members. Stryjan writes that the dilemma facing the SM organisation is therefore power or identity.

The conflict of power versus identity is very visible in FECANM. The manager and the employees, together with a part of the members, want to involve more producers in the work of the co-operatives in order to strengthen the organisation and its position in the market. This proposition meets resistance from the board of directors and another part of the members of the co-operatives who fear a lost of control and a “capitalistic” development. The options are either to find possibilities to make incomes in a powerful way usually associated with big enterprises, or to keep the organisations’ identity and self-control. This fear exists in the co-operatives affiliated to FEDECOOPADES as well, where the existing members feel threatened by the affiliation of new members who possibly could bring new ideas to the organisations and profit from the same benefits as the members who have been affiliated to the co-operatives for years. In the housing co-operatives, big size is seen as positive but it is restricted by the limited access to territory. In the savings and credit co-operatives the conflict of size doesn’t exist, because the co-operatives’ are in need of more resources in order to serve their members, and this can be achieved trough savings that increases when more members affiliate.

Subunits and federalisation
According to Stryjan self-management can be maintained in a big organisation by creating subunits, for example trough the weaning of groups that have evolved in an entrepreneurial process within existing subunits. A process of this kind has been proposed by the manager, the employees and a group of producers in FECANM. They want a total reorganisation of the federation, with specified committees of producers, women, young people etc., which would have an administration easier to handle then the co-operatives and more possibilities of steering their efforts to the production. In the committee of honey producers for example, more producers from the zone could be affiliated, and a more effective position in the market could be achieved.

In the other types of co-operatives studied, the co-operative way of organisation haven’t been planned to be changed, because of its benefits of democratic member control and effective coordination within the federative structures.

I believe in the new proposition made in FECANM, because the members of their co-operatives aren’t currently participating in decision-making because of the heavy administrative responsibilities which are hard to motivate in a zone with a high level of illiteracy and low educational levels. The heavy administration is also time consuming and hinders the organisations to focus on fostering benefits. Therefore I believe that a new organisation structure, that would be easier to handle and permit more active participation from both existing and new members could be a good step towards the development of the life situation of the associates.

6.3. Co-operatives as networks
Messner Dirk describes networks as a phenomenon which emerges because of the limitations of the state and the market. This phenomenon combines market-based relationships which are flexible and innovative but lack long-term orientation, coherence and accumulated experience, with organisational capacities normally associated with institutionalized governance.

A co-operative can be compared with networks, because it searches to combine the innovativeness and efficiency of markets with the social services and organisational capacities normally provided by states. The members of co-operatives
in El Salvador express a lack of support from the government to the low-income population, and this support is therefore by this population searched in the co-operatives. People want an enterprise that can generate earnings with broader social concerns for the people involved. To foster this development is a daily struggle for the co-operatives, because of the lacking support to the sector from the government, and because of structural obstacles such as high debt levels and barriers to trade. To this is added the lacking capacities among the members of co-operatives caused by low access to education. These are crucial conditions that should be provided in order to create an environment that enables an increased development of the co-operatives.

6.4. Ties and social capital

Close relationships can yield trust, information, and joint problem solving, but they can also yield strong obligations in closed networks cut off from new sources of information and opportunities.

Social capital is created in the relations between people. It can have excluding functions and foster norms and conformity that imply restrictions for individual freedom and initiatives. Social capital can also be converted into economic capital, because the links that connect the persons in a network also connect the resources held by these persons.

The majority of the participants in this study have described the relations among the members of the co-operatives as close with a lot of trust. These relationships are seen as an important precondition in order for the organisations and the collective work to function. The groups are often described as families, where solidarity and the habit of helping each other are important values.

Other participants in this study have expressed that all kinds of relationships exist in the co-operative organisations. The concern for every one’s interests is promoted in work-shops given by the federations. The relationships should be characterized by a companionship of work instead of family ties, so that benefits of the whole community and trust aren’t lost, was stressed by one respondent. Some members feel that there are persons who try to pursue egoistic interests in the co-operatives, and that this generates corruption. In the savings and credit co-operatives there is trust among the members that founded the organisations, but their communication with new members is less developed because they come from other background conditions. In the work-shop “Advocacy and Public Politics”, one of the factors behind the disintegration of the co-operative sector was identified as the competition instead of collaboration between the co-operative organisations of second or third level.

One of the most important relationships in the co-operative organisations that should be based on trust and mutual understanding is the one between the board of directors and the manager with the employees. If this relationship functions, the resources held by the board of directors consisting of its close relationship with the members of the co-operatives, can be linked to the resources held by the manager and the employees, consisting of professional knowledge and contacts with external institutions. The social capital that is created in the link between these two groups can be converted into economical capital by mixing the resources held by them. In this way the main objective of the organisations can be met, which is to generate benefits for the associates of the co-operatives.

The relationship and mix of resources described above haven’t been developed in an optimal way in FECANM, where the goals of the board of directors aren’t coinciding with the ones of the manager and the employees. This problem has to be
resolved, so that the both central leading entities in the organisation agree upon the main objectives of the organization, otherwise one of these two groups will need to be exchanged. The manager and the employees need to work closer to the members of the co-operatives in order to reach a mutual understanding of needs and interests, which is a process that can’t be forced to fast. The board of directors needs to become more open to change, and take into account the opinions of the members that do have new initiatives for the development of the organisation.

In the agricultural co-operatives, a too strong social capital has in some cases been created between members who have been organized together for many years. This has created a collective conservatism and resistance towards new affiliations of members, new information and change. These links should become looser, by incorporating new members for example, in order to permit new innovative initiatives to be integrated in the future development of the co-operatives.

In the newly formed housing co-operatives, the ties between the members are starting to take form and become stronger. This is important in order to achieve an collective construction of housing and a functioning cohabiting.

In the savings and credit co-operatives, there aren’t any close relationships between the newly incorporated members and the ones that were affiliated when the co-operatives were formed. This isn’t absolutely necessary in order to achieve the purpose of these organisations.

6.5. Empowerment

Empowerment refers to the expansion in people’s ability to make strategic life choices in a context where this ability was previously denied to them. The choices have three dimensions, which are resources, action and achievement. Empowerment can occur in the immediate levels, which are individual; in the intermediate levels, which are institutional rules and resources; and in the deeper levels of structural relations of class/caste/gender.

Empowerment can be achieved in the co-operatives only if they are formed in accordance with the members own will, and if the members feel in control of their organisation’s continuous undertakings. Some participants in this study mean that the agricultural co-operatives and some of their current operations were formed out of an initiative other then the member’s own. This has led to a situation where some of the associates don’t feel in control of their organisation’s work, and therefore they aren’t empowered. When empowerment is taking place, people participate in activities and decision-making and exercise their democratic rights. In the housing co-operatives, the people have the possibility to be empowered because they have chosen to pursue the goal of housing construction, and trough collective work they will achieve it. In the savings and credit co-operatives, the empowerment of the associates depends on their capacities to invert their loans to activities that will ameliorate their life conditions.

In order to reach a meaningful and sustainable process of empowerment, it must encompass both individual and structural levels. If structures of inequality and discrimination prevail, changes in the access to resources that individuals enjoy will not necessarily empower them. Empowerment should entail changes in cultural beliefs that are discriminating and in institutional rules and resources, as the government’s attention and support to its neediest part of the population, in order to also have an immediate effect on the individual level.
7. CONCLUSIONS

This section will present the conclusions drawn from this study by answering the research questions posed initially.

How shall a co-operative be organized and managed to bring about advantages for its members, in terms of profit, social capital and empowerment?

Only the co-operatives that were founded out of their member’s own initiative and interest, and where the members feel in control of the continuous decisions and endeavors of the organisation, can bring about aimed advantages to its members. First when people feel empowered and in control of their own choices, they will exercise democratic control in order to reach collective goals, and participate in activities that can have a significant change for their social and economic situation. To yield this empowerment and feeling of control, the governments need to provide an equal access to education, support and ability to political influence, at the same time as external structures like high debt levels and unfair trade conditions need to be removed. The NGOs need to continue their work of capacitating the people, but in a closer relationship with them and their reality, and in accordance with the needs that they express, in order to foster their feeling of control over their strategic life choices.  

The co-operative principles are difficult to be taught, this is a philosophy that needs to be held from the start by persons that engage in co-operatives, in order to actually be exercised.  

The most crucial relationship in a co-operative organisation, that needs to be based on trust and mutual understanding, is the one between the employees and the board of directors, more specifically between the manager and the chairman of the board. If this relationship is functioning, an ideal resource mix can be achieved that benefits the members, linking the manager’s resources of professional knowledge and contacts with important external institutions with the resources of the chairman of the board which consists of the close relationship and advocacy among the base of the organisation, which are the members. If social capital is fostered in this relationship, it can be converted into economical capital that will serve the members, by linking two crucial spheres of resources in the organisation.  

The relationships among co-operative members can’t be so embedded and based on collective conservatism, because this can yield closed networks of people where new information and initiatives don’t enter. Close relationships based on trust are crucial for co-operatives, but they have to be combined with more loose relationships with the environment and with new potential members and their ideas.  

A co-operative should embrace only such an administration that can be handled by its own members, so that they feel capable of, and therefore motivated to participate in the management of their organisation. Only with an adequate administration, possible for the members to coordinate, efforts in achieving the organisations’ actual objectives can be made.  

Open communication and documentation of decisions that can be followed up is crucial in organisations, in order to avoid loops of conflicts and misunderstandings that never can be resolved and foster a persistent collective anxiety.  

Loyalty to old structures and initial objectives of the co-operatives do not lead to progress, but to nostalgic and conservative thinking with resistance to change and innovation. In co-operatives where this structures prevail, effort needs to be put in converting conservative loyalty into creative involvement, where members actively analyse their organisation’s and its environment’s current situation, actively protest
against dysfunctions and injustices in it and search for the possibilities it can provide, in order to successfully act in it.

**How can a co-operative contribute to the empowerment of women, in terms of increasing their insertion into economic and political activities, and strengthening their position in the organizations in which they are members?**

To reach gender equality in co-operatives, women need not only to participate more in productive activities and become more visible in leadership positions. They need to be empowered and feel “managerial control”. To achieve this, psychological barriers based in a culture dominated by men need to be overcome. In a culture where women have been suppressed for years, they don’t speak in public spheres and sometimes still let men manipulate them, even if they have achieved more participation and leadership positions in organisations. What needs to be worked with is the transformation of discriminating cultural norms and beliefs that are extremely destructive to the development of a community, because half of its population’s potential efforts aren’t recognised and given space to develop.

Women need to be given the same access to education and support in developing their capacities as men. This can partly be achieved through women organisations, in which women find a common space to develop a better awareness of their rights and a better self-esteem. But gender equality should primarily be addressed in common spheres of women and men, so that also men achieve an understanding in the subject, and stop preventing women from participating in organisational activities. Only when norms and beliefs are changed among both women and men, women can break their own sense of inferiority, and exercise full managerial control.
8. CRITICAL REFLECTION

In this section a critical reflection on the study will be shared.

The population in this study was chosen among the organisations that are supported by the SCC, based on an assumption that these organisations are representative for the co-operative sector in El Salvador. A more independent study of the sector could have been made before choosing the cases. That I was initially put into contact with these organisations through the SCC, which facilitated the access to them, but it could also have affected the response that I was given from the organisations when conducting my investigation.

Being a woman from a different country conducting a university study could have had a significant affect on the material collected. Not being a native speaker in Spanish can have led to misinterpretations on both the participants’ side and mine, and can have led to a distortion in the data collection. The field work could also have been conducted during a longer time in order to achieve a more extensive empirical base for the analysis.

More time was spent on investigating one of the organisations then the other ones, therefore the comparison that was made between these organisations can be misleading.

The organisations which were participating in this study were operating in areas characterised by different histories and economical and social situations, which can have implied that an inadequate comparison was made.

The opinion of the members of the co-operatives concerning the unfavourable support to the sector from the part of the national government was included in the analysis. The study could have been ameliorated by combining this data with an external investigation where the perspective of the national government would have been included.
9. FURTHER RESEARCH

Last but not least, here are presented some suggestions to further research.

The housing co-operatives are new phenomena in El Salvador and a potential solution to the problem of lacking housing in the country; therefore it is important to conduct further research on the development of these organisations.

How co-operatives can enhance their chances and efficiency in the market, and the possible effects of the FTAA-agreement on this process, is an important issue to study.

Young people’s view on the co-operative’s activities is important to study in order to foresee the sectors possibilities to develop in the future.

A study on co-operatives from the perspective of the government could give more knowledge about the institutional conditions for the development of the sector.
REFERENCES

Litterature:


**Web-based sources:**

CIA World Fact Book:

Food and Agriculture Organization of the United Nations (FAO):
www.fao.org, 12/09/2005


http://lcweb2.loc.gov/frd/cs/svtoc.html#sv0039, 02/11/2005

International Co-operative Alliance (ICA):
http://www.ica.coop/, 27/05/2005

Kooperation Utan Gränser / SCC:
http://www.utangranser.se/, 27/05/2005

Landguiden – länder i fickformat:
http://www.landguiden.se/, 17/09/2005

Regeringskansliet: *Landöversikt – El Salvador – Centralamerika*:
http://www.regeringen.se/content/1/c6/01/94/41/5e3bc691.pdf, 18/09/2005

http://www.regeringen.se/content/1/c6/01/94/41/0ce91d9fe.pdf, 18/09/2005

Salvadoran Institute for Promotion of Co-operatives (INSAFOCOOP):

Swedish Embassy in Guatemala:
Swedish Trade Council:
http://www.swedishtrade.se/elsalvador/, 16/09/2005

The University of Texas at Austin:

World Bank Group, (2000), Millennium Development Goals:
http://ddp-ext.worldbank.org/ext/MDG/home.do, 27/05/2005

Internal documents:


FECANM: Somete a concideration del centro cooperativo sueco el proyecto: Desarrollo Empresarial y Productivo en Cooperativas del Norte de Morazán, El Salvador, Perquín, julio 2003


FUNDASAL: Proyecto ”Fortalicamiento y consolidación de cooperativas de vivienda por ayudua mutua de El Salvador”, Periodo de ejecución: años 2006-2008, Junio de 2005

KoopUG/SCC: Country Programme El Salvador, Application to SIDA 2004-2005

KoopUG/SCC: Policy Paper: Gender Equality and the Empowerment of Women

Interviews:

Argueta Buenaventura, Secretary in FEDECACES, Chairman of the Board in the co-operative ACECENTA, 02/11/2005, 9.30-11.30, Hotel Alamo, San Salvador, El Salvador

Argueta Julio, Manager, FECANM, 08/11/2005, 15.00-18.00, FECANM’s office, Perquín, Morazán, El Salvador


Martínez Reyes Francisco, Chairman of the Board in FECANM, Member of co-operative El Gigante, 17/11/2005, 16.00-18.00, FECANM’s office, Perquín, Morazán, El Salvador

Montesinos José Guillermo, Technician, FECANM, 15/11/2005, 15.30-17.30, FECANM’s office, Perquín, Morazán, El Salvador

79
Orellana Maria Lidia, Chairman of the Board in the Woman Committee and member of the Supervisory Board in FEDECOOPADES, member of the co-operative Ana Guerra de Jesus, 29/11/2005, 9.30-11.30, FEDECOOPADES’ office, San Salvador, El Salvador

Sáenz Vilma, Local Women Committee, Co-operative El Gigante, 10/11/2005, 14.00-15.00, FECANM’s office, Perquin, Morazán, El Salvador

Vásquez Nelly Antonia, Promoter of women’s economic initiatives, FECANM, Chairman of the Board in CNMC, Secretary in the co-operative Nueva Torola, 09/11/2005, 11.00-13.00, FECANM’s office, Perquin, Morazán, El Salvador

**Participant observations:**

Assembly of the CNMC, 14/11/2005, 10.00-12.45, Bibliotheca El rincón del Libro, Perquin, Morazán, El Salvador

Reunion of the team of coordination, SCC, UCRAPOBBEX, CONFRAS, FUNDASAL, FECANM, FEDECOOPADES and FEDECACES, 07/11/2005, 10.00-12.00, Reunion hall of FEDECACES, San Salvador, El Salvador

Excursion to agricultural fields, Co-operatives associated to FECANM, 08/11/2005, 08.00-12.00, Perquin, San Fernando and Torola in Morazán, El Salvador

Reunion of Local Women Committees of Morazán, 11/11/2005, 13.00-15.00, Bibliotheca El rincón del Libro, Perquin, Morazán, El Salvador

Reunion with the coordinators of projects, 14/11/2005, 08.30-10.00, FECANM’s office, Perquin, Morazán, El Salvador

Workshop “Gender”, Local Women Committee of the co-operative Nueva Torola, 12/11/2005, 12.00-15.15, Municipal house, Torola, Morazán, El Salvador


Visit to the co-operative 13 de Enero, 27/11/2005, 11.00-16.00, la Libertad, Libertad, El Salvador

Visit to the co-operative Los Heroes de las Piedras Rojas, dialogs with members: Manuela Murales, Olivia Dubon, Maria Ester Hernandez, 01/12/2005, 11.30-17.00, Santa Martha, Cabañas, El Salvador

Workshop “Housing co-operatives”, given by FUNDASAL, Co-operatives: Los Heroes de las Piedras Rojas, 3 de Enero, La Cuna de la Paz, 10/12/2005-11/12/2005, Hotel in La Palma, El Salvador

80
## APPENDIX 1

## BASE FACTS ABOUT EL SALVADOR

<table>
<thead>
<tr>
<th><strong>Population</strong></th>
<th>6.7 millions (2005)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td>Central America, bordering the North Pacific Ocean, between Guatemala and Honduras</td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td>San Salvador</td>
</tr>
<tr>
<td><strong>Area</strong></td>
<td>21 400 sq km</td>
</tr>
</tbody>
</table>
| **Land use**     | *arable land*: 31.85%  
|                  | *permanent crops*: 12.07%  
|                  | *other*: 56.08% (2001) |
| **Ethnic groups**| mestizo 90%, white 9%, Amerindian 1% |
| **Languages**    | Spanish (and Nahuatl among some Amerindians) |
| **Religions**    | Roman Catholic 83%, Protestantism and other 17% |
| **GNP**          | 15 802 millions USD (2004) |
| **GNP - real growth rate** | 1.5 % (2004) |
| **GNP – per capita** | 2 335 USD (2004) |
| **GNP - composition by sector** | *agriculture*: 9.2%  
|                  | *industry*: 31.1%  
|                  | *services*: 59.7% (2004) |
| **Government type** | republic |
| **Political party** | Alianza Republicana Nacionalista – ARENA |
| **President**    | Elias Antonio SACA Gonzalez (57.7% of the votes in 2004) – ARENA |
| **Vice President** | Ana Vilma de Escobar |
| **Elections**    | president and vice president elected on the same ticket by popular vote for five-year terms; election last held 21 March 2004 (next to be held March 2009) |
| **Political parties in the parliament** | Frente Farabundo Martí para la Liberación Nacional FMLN - 31 seats, Alianza Republicana Nacionalista - ARENA 27 seats, Partido de Conciliación Nacional – PCN - 16 seats, Partido Demócrata Cristiano - PDC 5 seats, Centro Democrático Unido - CDU 5 seats |
| **Composition of Congress** | Women 10.7 %, Men 89.3 % |

*Sources: Cia Worldfactbook, Landguiden, Swedish Trade Council: Landöversikt 2004 – El Salvador*
APPENDIX 2

INTERVIEW QUESTIONS

Meaning and benefits of co-operatives and federations
1. Why are you a member of (name of co-operative)?
2. What are the advantages of being a member in a co-operative?
3. What does a co-operative mean to you? (Do you see it as an enterprise, an association, a network, collaboration or something else?)
4. Where does the biggest exchange take place; in the economic area, in the social area or in knowledge?
5. Do you think that co-operatives contribute to a development of the community?
6. Are co-operatives and federations enhancing citizenship/ political voice and participation?
7. Have your co-operative put you in contact with any important persons or institutions?
8. How can co-operatives contribute to knowledge about, and effectiveness in, the market?
9. How can co-operatives ameliorate incomes and possibilities for members to earn their living?
10. What are the goals of your co-operative?
11. Are the goals achieved?

Membership
1. Who can join your co-operative?
2. What is required to join as a member?
3. Have the members in your co-operative also founded it, or have some of them joined the organization after its foundation?
4. What rights and duties do members of co-operatives have when joining them?

Relationships
1. How would you describe the relationships in your co-operative, between the members, and between members and decision-makers/leaders?
2. How important is trust between members of co-operatives? Can strongly trust-based relationships have any negative or positive implications for the performance of co-operatives?

Management
1. Who is leading your co-operative? How are leaders elected?
2. Which persons have the most power in decision-making?
3. What are the duties and authorities of leaders in your organisation?
4. Does being a large number of members cause coordination problems?
5. What possibilities do members have to change position / level in the organisation?
6. Does the degree of participation differ between members?
7. Are co-operatives democratic?
8. Would you describe your organization as egalitarian, hierarchical or in some other way?
9. Does everybody have the same gain of the membership in a co-operative? How are resources and profit distributed/shared?
10. Does everybody in your co-operative have access to FECANM (or other federative) and its activities?
11. Do members have possibilities to be creative and have opinions regarding activities, changes, new solutions and learning? Is this kind of involvement emphasized by decision-makers and among members?

**Gender**

1. How many women and men are there in your organisation?
2. Why do mostly men join co-operatives?
3. How many women and men are there in decision-making positions?
4. Are possibilities for gaining resources, participating in activities and making decisions different for women and men in your organisation?
5. How are gender-structures created and maintained? How can these be changed?
6. What is done to change gender-structures and emphasize gender equality in your co-operative?
7. Have you experienced any positive results from these actions?
8. Are these issues measured and documented?
9. Do the managers express clear statements of commitment to gender equality?
10. Did they receive any special training in this issue?
11. Do you think that it is necessary to conduct actions to emphasize gender equality?

**Questions for female interviewees:**

1. Is being a woman of any significance for participation in co-operatives?
2. In what kind of activities do you participate in your co-operative? Do you reach the results you aim when doing them?
3. Do you have the possibility to do the things that you would like to do in your organisation?
4. Do co-operatives ameliorate woman’s situation in the community? Can co-operatives in any way contribute to gender equality in the society?
5. Can co-operatives ameliorate incomes and possibilities for women to earn their living?
6. Can co-operatives ameliorate women’s self-confidence and make them more independent?
7. Are there any significant consequences for the families of women who participate in co-operatives?
8. Do you think that women have any special skills and experiences that can make a positive contribution to co-operatives?

**Relation to the surroundings**

1. How is your co-operative financed and does this have any significance for its autonomy or management?
2. How does your co-operative gain access to markets?
3. How do you attract professional competence and skills to your organisation?
4. Do co-operatives have more difficulties in gaining important resources than traditional enterprises?
5. Which impact does the national politics have on the development of co-operatives?
6. Why do co-operatives engage with other co-operatives in federations like FENCANM (or other federation)?
7. Would you describe the relationship with the SCC as a collaboration or aid?
APPENDIX 3

PHOTOS

House constructed by the housing co-operative Los Heroes de las Piedras Rojas, Santa Martha, Cabañas.

House construction in the co-operative 13 de Enero, La Libertad, La Libertad.
Cultivation of macadamia with the assistance of FECANM, Perquín, Morazán.

General Assembly of the CNMC, Perquín, Morazán.