

University of the Witwatersrand

Faculty of Humanities

Department of Sociology/ Global Labour University

Research Report:

*“Deepening Democracy?” Democratic Practices and Values in
co-operatives operating within a Solidarity Economy framework:
a case study of the Tswelanelane Bakery in Gauteng*

Student: Saulo de Tarso Vale Bentes, Student Number 932050

(Masters degree done by Coursework and Research Report in the
programme Global Labour University)

Supervisor: Professor Jacklyn Cock

Table of Contents

Abstract.....	4
Chapter I - Introduction	5
1.0 Introduction	5
1.1 What is a Co-operative?	7
1.2 Why Study Co-op's and the SE?	9
1.3 Research Context.....	11
1.4 Research Objectives	12
1.5 Research Questions	13
1.6 Report Structure.....	13
Chapter Two - Methodology	15
2.0 Research Method	15
2.1 Population, Sampling and Size.....	15
2.2 Techniques used for Data Collection.....	15
2.2.1 Interviews	15
2.2.2 Participant Observation	16
2.2.3 Documentary Analysis	17
2.3 Data Analysis.....	17
2.4 Limitations of the Study	18
2.5 Access.....	18
Chapter III – Conceptual Framework and Literature Review	20
3.0 Introduction	20
3.1 Food Sovereignty and Food security	20
3.2 Social Economy and Solidarity Economy	22
3.3 Worker control and Worker Participation	29
3.4 Power, Participatory and Representative Democracy	32
3.5 Conventional Co-operatives and Solidarity Co-cooperatives	37

3.6 Historical progression of cooperatives in SA	40
Chapter IV – The Experience of Solidarity Economy in Brasil	44
4.0 Introduction and Rationale	44
4.1 History of SE in Brasil	44
4.2 Today’s scene of Solidarity Economy in Brasil	48
4.3 Solidarity Economy, Food Sovereignty and Development	51
Chapter V –Case Study: the social dynamics in Tswelelane Bakery.	55
5.0 Introduction and Structure	55
5.1 Brief history of Solidarity Economy characteristics in SA	55
5.2 The Tswelelane Bakery	57
5.2.1 The members	57
5.2.2 History of the Bakery	59
5.2.3 Production.....	62
5.2.4 Internal Dynamics.....	67
5.2.5 External Dynamics	70
Chapter VI Conclusion, recommendations and the need for further Research	75
References	79
List of Interviews.....	87

Abstract

This research report analyses the relationship between the Solidarity Economy framework and democratic values and practices. The research involved a literature review of the principles informing the Solidarity Economy (SE) framework, the experience of the SE in Brazil compared to South Africa, and the differences compared to conventional co-operatives. The field work involved semi structured interviews and participant observation in a worker co-operative located in Ivory Park, Gauteng. The co-operative is a bakery with approximately seven years of history with struggles and changes. The observation focused on the organization of power relations within the co-operative, the social relations between members themselves, with the community and with another institutions. The research found that, despite facing challenges and being a small size cooperative, the social relationships are marked by democratic decision making, a flat, horizontal form of internal organisation and harmonious, collegial social relationships with an overall emphasis on solidarity. It suggests that co-operatives organised in terms of the Solidarity Economy framework have the potential to deepen sustainable democracy.

Keywords: Solidarity Economy, Worker Co-operative, South Africa, Brazil, Qualitative method, Leadership, Social Relations, Democracy.

Chapter I - Introduction

1.0 Introduction

The aim of the research is to investigate the practices of democracy through a case study in Gauteng. The research report is grounded in the widespread acknowledgement that we have to explore alternatives to the current forms of neoliberal development. It is premised on the belief that the solidarity economy, as an alternative, is a significant research topic. The solidarity economy is more than a sector or a part of a sector between market and state but “a concept identifying all those struggles and initiatives that move beyond protest and beyond amelioration to demonstrate in practice – and in struggle – the possibility of a mode of production with human creativity and solidarity at its core” (Wainwright, 2014: 94) This research focuses on the potential of co-operatives operating in terms of the Solidarity Economy framework to deepen democracy.

The research focuses on interviews and observations in a worker co-operative in Gauteng. Interviews provide in-depth, coherent and dense information. (Weiss, 1995). Participant observation, where the researcher observes events and normal life within the setting of the research subjects was carried out. (Robson, 2002). The focus of the research was the Tswelelane Bakery Co-operative which has a history of 7 years of struggles and victories but still stands active and running with an impact on the surrounding community. It produces nutritious food and provides some employment to local women. Given that almost half (43%) of the South African population is food insecure and about a third (25%) are unemployed (Satgar 2014), the importance of this attempt to meet human needs cannot be overemphasized.

The research is grounded in the discipline of Sociology. In that field, the focus is on the exploration of the social relations, values and practices in the co-operative using participant observation and interviews while drawing on primary and secondary literature. An additional original aspect of the report is the attempt to draw on the Solidarity Economy (SE) experience in Brazil both academic and from fieldworks. We believe that South to South sharing of knowledge, especially when the language barrier exists, is valuable on its own.

This research explores and analyzes the struggles and practices of the SE worker co-operative in the Province of Gauteng in relation to participation, power relations and democratic control by members of the co-operative. The latter depends very much on how decisions are made which reflects how power is distributed and exercised within the co-operative.

The importance of the SE approach is that the world today faces a crisis mainly caused by the neoliberal views and practices worldwide (Satgar 2014, Cock 2013). The massive number of protests all over the world in the last five years had many different motives and claims but one notion is clear: neither state nor the market can respond effectively to the citizens' needs. For example, in Brazil the protest of June 2013 were started because of a rise in the prices of bus tickets while the service was not improved. The rise was applied in many provinces in the country and these price rises increased the hardships of the Brazilian working class. Struggles against Neoliberalism such as these have an influence not only on the economic sphere of society creating unemployment, poverty and social inequality but also on the political arena with basic human needs and rights not being addressed such as food, housing and education (Satgar 2014).

Many of these protests have involved the question of democracy. According to Vanda Shiva the organising style of the Occupy Movement in the US was "based on the deepest and most direct democracy. Everyone was a leader, respecting the leadership of everyone else. This is self organisation. This is how life works. This is how democracy works. This is what Gandhi calls Swaraj. Those used to hierarchy and domination do not understand the horizontal organising and decision making" (Shiva, 2013: 260).

In this context of crisis and struggle, the Solidarity Economy (SE) movement emerges as an alternative to the global, social, economic and political relations today. With the central concept being Solidarity with an emphasis on democracy, collective work and cooperation, the SE brings a new form of vision and practice for the left wing worldwide to overcome the binary understanding of revolution versus reformation (Satgar 2014). The emphasis within the movement is on new social relations who involve mutual trust, reciprocity and support instead of individualism and competition. While the SE movement is based on very broad conceptions of Solidarity, Collectivism and Cooperation, the real shape and form of the movement is built in practice through

grass roots initiatives, worker co-operatives, social movements and other types of associative organizations.

Not only being a form of economic response to the civilization crisis nowadays, SE has a broader range in order to achieve its objectives. The political sphere of society is also affected by the SE notions of Participatory Democracy and new forms of social relations especially at the local level with citizens engaging in decisions that affect them. In the practice of SE, the relationship between these two spheres (Political and Economic) finds ground in organizations such as worker co-operatives. This type of cooperative can assume a broader role in the communities and at the same time can achieve success through community participation.

South Africa is not different from other parts of the world in the struggle for achieving a suitable form of SE. While a number of conventional cooperatives in South Africa have been created, many of them are not able to self-sustain and end up collapsing (DTI 2009). The initiatives that are able to sustain these cooperatives are in different forms but generally these cooperatives usually involve the community and pursue internal democratic control (Williams and Satgar 2008). The two characteristics have been identified as the major cooperative principles used by the International Cooperative Alliance (ICA).

1.1 What is a Co-operative?

Cooperatives have been defined differently by different groups. According to the International Cooperative Alliance (ICA) guidelines (2012), the diversity in opinion is influenced by political and legal factors worldwide. However, the most used definition is based on the ILO R 193 which states that “cooperatives are autonomous associations of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through jointly owned and democratically controlled enterprises” (ILO R 193 paragraph 2 section I). Similarly, the ICA website defines a co-operative as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.” Both definitions recognize some important characteristics of cooperatives such as voluntary admission, collective ownership, democratic control, autonomy and variety of purposes (economic, social, and cultural). However, some cooperatives are also used simply as a form of economic society, for example the

agricultural cooperatives in South Africa in the nineteenth century (Satgar 2002). The Cooperatives Act of SA was promulgated in 2005 and takes the international guidelines into account.

In order to guide the cooperatives, a variety of values and principles exist. The values are self-help, self-responsibility, equality, equity and solidarity. These values must be assured in order to make the cooperative movement different from other types of socio-economic groups and also not to induce cooperative into becoming capitalist societies with pure economic goals. In this regard, new types of management and social relations are encouraged between members, co-operatives and with employees if they exist. Equality, equity and solidarity are values deeply related to the SE purpose and vision of society. These values among other characteristics are the biggest reason for the use of cooperatives in the Solidarity Economy movement.

Another central point is the existence of seven cooperatives principles which are used as guidelines for co-operatives around the world. While the values are abstract, the principles are more oriented to form policies and internal laws (such as the co-operative statute). The first principle is that of Voluntary and Open membership which means that cooperatives must be open to those who want to join and take part in the duties and rights of members without discrimination based on race, gender, religion or any other type. The second principle is that of Democratic member control in which cooperatives must be controlled by their members both in the making of policies and decision making. In line with this principle, the representatives are elected and are accorded equal voting rights (one member, one vote). The third principle is that of economic participation by the members whereby each member has to contribute financially to the cooperative and has the right and the duty to have knowledge about accountability matters even if there are specialized roles for that matter. This principle also requires that the surpluses to be democratically controlled such that the members have to decide in a democratic manner what to do with them. The other principle is that of autonomy and independence. This principle ensures that the cooperative is controlled by the membership control themselves even if partnerships with other organizations such as governments, external donors and others exist. Then there is the principle of member education whereby the cooperative is expected to provide training and education to its members and employees in both cooperative theory and management, and the source of income for the cooperative. The other one is Inter-cooperation. By this principle,

members of the cooperative are encouraged to aim at collective development among each other in order to strength the cooperative movement as a whole. Lastly, there is the principle of Concern for the Community whereby cooperatives are urged to take an active role in the development of the surrounding communities and societies.

This research focuses on the aspect of management and social relations inside the co-operatives thus, whether they are democratic or not, and how this democracy (if existent) is practiced inside the co-operatives under the SE framework.

According to the Cooperatives Act of SA, there are nine types of cooperatives and these are: housing co-operatives, worker co-operatives, social co-operatives, agricultural co-operatives, co-operative burial societies, financial services co-operatives, and consumer co-operatives. The focus of the research is on worker co-operatives which are characterized as “a primary co-operative whose main objectives are to provide employment to its members or secondary co-operatives providing services to primary worker co-operatives” (Cooperatives Act 2005: line 28). Worker co-operatives are the ones in which employees are also employers. This brings some contradictions between the ownership of the means of production and the work force to a lesser extent and also has the possibility of ceasing the contradiction. With this potential, many activists look up to this type of cooperative to champion the SE movement and also as a new perspective to the actual economic system.

1.2 Why Study Co-op's and the SE?

The Solidarity Economy movement emerged in an environment of crisis. Despite having ancient roots in values of *Ubuntu* in South Africa, the formal movement and concept was only given space in the post apartheid period. (Satgar 2014). In this environment of crisis characterized by unemployment, hunger and poverty, the SE movement and the co-operative form of work rose as an alternative to the neo-liberal ordering of society. Being a movement with the aim of bottom-up building and participation and with a new vision of the economy, it is felt that SE can bring solutions to some problems in SA.

There are social challenges in SA to which SE movement can effectively contribute such as unemployment, hunger and poverty reduction. The number of unemployed people in the South African society is high with 24 per cent of the

population without a job (Statistics South Africa 2013). Food insecurity also has high numbers with only 46.4 per cent of the households being food-secure, while 26 per cent of the population is experiencing hunger and other 28.6 is at risk of being food-insecure (Polity 2013). Along with the increase of food prices in recent years (Payne 2011 cited in Cock 2013), the food issue can be one of the reasons that harm the effectiveness of democracy, social relations and citizen participation in the institutional system in South Africa. It is less likely that a citizen without proper daily food will engage in participatory democracy. In Johannesburg, one of the largest cities on the African continent, food crisis is not a minor issue with 42 percent of the households suffering from food insecurity (Spencer et al. 2010 cited in Satgar 2014).

Lastly the social inequality levels are very high in South Africa. The Gini coefficient of around 7 (OECD 2013) is one of the highest in the world along with 60 per cent of the population classified as poor (Satgar 2014). While inequality and democracy can coexist (Landman 2003), this economic issue can easily erode the gains of democracy while massive amounts of wealth create social instability.

With these problems, Solidarity Economy emerges and presents itself as an alternative with different values and principles than the traditional capitalist values such as individualism and competition. Three factors are highlighted to be explored and analyzed in the report.

Internal democratic control, participation from the members and concern for the community are all highly valued in the SE movement being guidelines for the management of co-operatives (ICA principles). However, in a capitalist society, it is difficult to achieve these principles due to pressures and culture of the capitalist society that drive us towards greed and intense competitiveness. Also relevant is the historical heritages both in SA and in Brazil such as the apartheid regime in SA and dictatorships in Brazil. These regimes increased social problems in the countries and further developed the capitalist form of thinking in the citizens. Therefore these challenges continue to contribute to the mortality of many cooperatives worldwide (Singer 2008) (Morais 2011) (Andion 2008) either making the cooperatives die or transforming the organizations into capitalist organizations either in form or in practice. Successful cases of such a transformation have been cited across SA (Satgar and Williams, 2008) and in Brazil (Morais 2011).

During my experience in the project IRES (Incubadora de Redes de Economia Solidária do Distrito Federal) (Incubator of network of Solidarity Economy in the Distrito Federal) in the period of 2010 to 2012, I noticed that two issues were vital for the maintenance of the cooperative as a SE organization: Internal democracy with collective decision making and of course production capable of sustaining the members.

1.3 Research Context

In order to better understand the purpose and intentions of this research, it is fundamental to know more about the social and economic context of the co-operative which is the focus of this study. With 16548 square kilometres (STATs SA 2006), Gauteng is one of the smallest provinces of South Africa and has two of the biggest cities of the country, Pretoria and Johannesburg. Although being the smallest province in size, Gauteng has 20 per cent of the population of South Africa (Census 2011). It has the highest income per capita with 20,925 thousand Rand per month and a share of 33 per cent of the national GDP (Pauw 2005). However, the resources flowing into the province do not assure a growth in the living standards of its population. As shown by STATSA in 2005, the difference in the income distribution and the population is very high in Gauteng with a 0.64 Gini coefficient (the Gini coefficient is a measure that indicates economic inequality in a given population, going from 0 to 1, with 1 being highly concentrated and 0 as being fully shared). With a total of 11 million citizens, the black population constitutes almost 80 per cent of the total population of Gauteng. Although the black population only has a share of 41, 2 per cent of the total income from work while at the same time being only 9, 2 per cent of the population, the whites hold 45, 1 of the income (STATSA 2005). Gauteng has a high rate of poverty with 42 per cent of the population living under 1290 Rand per month (HRSC 2004). The poverty and lack of basic services and infrastructure in the Gauteng province is located in the regions that black people live, a total of 2.4 million people live in informal settlements which means they have no access to adequate housing and basic services.

The research site where most of the time was spent and is a clear example of the conditions of many townships in the country is Ivory Park. This area is located in the district of Johannesburg with 184,383 people. In terms of the composition of the population, 98 per cent of the inhabitants are black (Census 2011). A survey named

Building the Solidarity Economy and Movement in Ivory Park, Gauteng - Mapping Research Report 1 (Satgar 2011) was done with 429 households within Ivory Park and came up with social indicators as follows: The household income is very low with 60% of the households living with 1000 Rand per month or less showing high levels of poverty in the township. This factor aligned with the high rates of unemployment, (26 per cent of the households do not have formal jobs and 27 per cent have only one person working) lead to high levels of food stress. On average, one household spends 704.97 Rand per month on food (Satgar 2011). This aligned with the household income shows that most of the income is spent on food. Possibly with others expenses, these statistics indicate that often, vital elements such as energy, transport and others are missing in the average household in Ivory Park. Lastly, the levels of education are very low with approximately 85 per cent of the people stopped studying in Grade 12. All these measures show us that the levels of poverty are very high in this township which is inside one the richest cities on the African continent.

Under these social conditions it is possible that the levels of understanding of formal democracy can be low although the levels of solidarity can be high. With low income, sharing food is a possible option even in the capitalist societies. Food producing worker co-operatives can have an important presence within the community since they may provide work, food and possibly more income.

1.4 Research Objectives

The elements which constitute a SE framework are a constellation of values including: democracy, co-operation, solidarity, sharing, mutual respect, tolerance and diversity. Thus the purpose of this study is to analyze the values and practices used by the worker cooperative drawing on the SE framework for the promotion of internal democracy and the participation of members both in the co-operative and in the community.

1.5 Specific Objectives

- a) To explore the relations between democratic principles and practices in the social relations and practices in co-operatives within the province of Gauteng.
- b) To describe the relations between worker co-operatives and participation, internally.

- c) To explore the coordination, responsibility and leadership style inside the co-operatives.
- d) To explore different practices of the constituent elements of the SE framework such as ‘solidarity’.

1.5 Research Questions

The main research question is “Do Solidarity Economy worker co-operatives deepen democracy, through their internal organisational practices and their social relations?”

At the centre of this question is how power is distributed within the co-operative, and whether there are discrepancies between what people claim about participatory democracy and their actual practices. The specific questions to help explore this are:

- a) What are the values and principles to which the co-operatives are committed?
- b) Do the members share these values and principles?
- c) What are the social characteristics of the members?
- d) What is the organisational structure?
- e) Are the co-operatives/SE values and principles visible in the everyday life of the cooperatives even without the formal knowledge of them?
- f) How are decisions made within the co-operative?
- g) What are the structures for decision making?
- k) Does community participation bring benefits to the co-operative, and vice versa?
- m) How is conflict solved within the co-operatives?
- o) What activities do the co-operative engage in?

1.6 Report Structure

This report is divided into six chapters. The first chapter is an introduction of the elements that will be discussed in the report and brief discussions of the necessary definitions. The second chapter is focused on the methodology. It discusses and presents the research method and the research techniques used for the data collection, the limitations for fieldwork, how access to the co-operatives was obtained and the social

context of the respondents. The third chapter is centred around two perspectives present in current cooperative movements namely: the Social Economy and Solidarity Economy with focus on the question of power distribution within the co-ops and a perspective on how work relations are handled inside these frameworks. The Fourth chapter deals with the development of SE and food sovereignty in Brasil. Issues of power, management and democracy inside co-operatives will also be looked at drawing from Brazilian literature and experiences and discussing them in relation to South African experiences. The fifth chapter will contain two sections the first is a description of the South African experience with both cooperatives and the SE framework. The second will present and discuss the fieldwork done with an analysis on documents, social relations and power dynamics found in the cooperative which is the subject of the case study. This is the chapter where the findings will be presented and discussed. The Sixth chapter will be an attempt to draw conclusions from the research done and recommendations for the further development of the SE as a whole.

Chapter Two - Methodology

2.0 Research Method

This research used the qualitative method because it explored social understandings, the quality and characteristics of social relations and social practices (Babbie and Mouton, 2001). It involved soliciting views and experiences from the members of co-operatives to try to find a link between democratic participation and co-operative principles and practices in the context of the SE co-operatives. The enquiry used two field work techniques: participatory observation and interviews. In addition, there was a review of the relevant primary literature in form of unpublished documents such as the Solidarity Economy Activist Guide by COPAC and secondary literature such as the regularly published Solidarity Economy newsletters.

2.1 Population, Sampling and Size

The population researched was composed of members of the worker co-operative and key informants involved with the movement. The sampling method chosen was purposive (Neuman, 2000) since the participants must have the experience of being in the co-operative. Interviews were conducted comprising co-operative leaders, members of the cooperatives and key informants who have expert knowledge and experience in the area of Solidarity Economy practice in South Africa. The cooperative researched was a product of local struggles for food and work, and they have now 7 years of existence.

2.2 Techniques used for Data Collection

Techniques are the tools which were used in the research to collect the data. This section of chapter two will make a discussion of the techniques used to do the fieldwork research.

2.2.1 Interviews

A total of seven interviews were conducted as a method of collecting data along with participatory observation. Face-to-face interviews were conducted along with time spent in observation for the build up of interview partnership (Weiss, 1994). Informants were selected through a form of snowball sampling (Neuman, 2001). The focus of the interview was on the interactions between the leaders and members; how they see

member participation, levels and forms of participation, their practices towards democratic control and initiatives to improve interaction inside the co-operative. An interview guide will be provided in the Appendix I. The data was collected in approximately three months of fieldwork.

The interviews with the leaders were followed by interviews with the other members in the co-operative space. The focus of the interview was on interactions among the leaders, freedom to express opinions in any matters in the co-operative, how the members see the style of leadership used, how they analyze management inside the co-operative, both of personal and the budget and the principles that guide their daily work.

Lastly, interviews with experts in the field of solidarity economy and co-operative theory and practice were conducted. The reason for these interviews was to bring formal academic knowledge into the research side by side with the more informally structured knowledge of the co-operative members. The focus now was more theoretical towards the relationship between co-operatives and democracy meaning that the questions centred around the possibility of raising democratic participation in society through co-operatives in all state levels (regional, provincial, national); the vision of specialists on the relation between worker co-operatives as a new form of work relationship; the relations between solidarity economics and democracy.

2.2.2 Participant Observation

According to Burawoy, participant observation brings insight through proximity (1998:16). With this concept in mind, observation was fundamental in the research initially destined to be used just as complementary data to the interviews. During the process of collecting data, observation proved to be a fundamental technique. That is because during interviews, the participants often don't tell everything in detail neither do they answer the questions fully, not because of being insincere but many times due to failure to understand the implications of daily work routine, especially when dealing with different levels of education. Given this point, small conversations with the members and informal expressions between members proved to be important in conducting a proper analysis of the phenomenon. Nevertheless, participant observation was done simultaneously with interviews. The two were conducted on separate days to observe the daily work in the co-operatives.

As stated before, such observation was necessary because informants may not always disclose their tacit knowledge and understandings in interviews and analysis. This is when the observation becomes useful for the researcher. With casual interaction, it closes the gap between the researcher and the ones who are being interviewed (research subjects). It also enables the researcher to notice things that otherwise would be left unnoticed if only interviews were used. After the establishment of rapport with the informants, the researcher observed internal meetings and public events where the cooperative was involved and analysed the decision making processes (more details in the access section). The observation was directed towards practices related to the internal relations production/management and the power relations among the workers. The fieldwork was done in 3 months to observe the leadership and the other members, where the researcher was engaged in exploring the interactions involving power and decision making and the contacts within the co-operatives.

2.2.3 Documentary Analysis

This technique consists of analysis of co-operative documents such as co-operative official statements and the internal statute, unofficial forms of written guidelines in the organization, the Solidarity Economy COPAC newsletters and written guides, minutes and records of meetings and further reading of materials given by the members. Documentary analysis can bring new data for the research as it shows other forms of communication inside the organizations than can be obtained from interviews. Documents can show the history, the internal laws, guidelines for practice and even future plans of the co-operatives.

2.3 Data Analysis

Interviews were analysed in terms of decision making, power distribution, issues related to internal management and strategies regarding involvement with the community. Observations were focused on power dynamics and social relations, meetings (both with the community and internal), moments of decision making, dynamics of production and style of leadership were part of the observation and the analysis. The documentary review was directed towards the written issues of power and internal laws of power. The discourse and language used was looked closely.

Themes were developed for presentation in the analysis in chapter along with an analysis of the history of the cooperative and the description of the members. These

were: internal dynamics, external dynamics and relations in production, with a final contribution relating those to the research question. The focus was on the power distribution, issues of voice in the day-to-day interactions and commentaries observed during the hours of the participant observation.

2.4 Limitations of the Study

This study is a qualitative study made in the region of Gauteng, South Africa. Therefore, broader conclusions and applicability of the findings can be difficult. Nevertheless, the writer will try to discuss them. Issues of external validity are explained in the first chapter. Given the systemic characteristics of the current situation, alternatives were identified. This research is a foreign perspective on the South Africa culture and social relations so it might be possible that a different perspective can shed new light on the questions but at the same time can create lack of understanding on other points that South Africans would consider basic. Lastly, language limited observation and the scope of the interviews since there was no deep understanding of the common language by the two sides involved thus both the researcher and the informants. Despite these challenges, the research was carried out in the best way possible.

2.5 Access

First of all, contact with COPAC was made in order to look for co-operatives linked with a solidarity economic movement such as the organization itself. The COPAC members gladly helped the researcher and gave him a list of co-operatives to look at. The co-operatives were chosen and contacts started. This started early in March 2014 despite the fact that the researcher was still working on the research proposal. The researcher's orientation was on working with the grass-roots level.

After the defence of the proposal, visits started. The Hlanganani Co-operative members whom the researcher met at the University proved to be very helpful and open to the research but the choice was to go to the Tswelelane Bakery in Ivory Park which was the co-op that the researcher could draw most information for the research.

After some weeks trying to pay a visit to the Bakery (delayed by the co-operative members) the researcher finally managed to go to the co-op. The place is situated about an hour from the MTN taxi rank in downtown Johannesburg. In Ivory

Park, the bakery is situated near the Ivory Park Stadium, precisely at the Ivory Park 2 in a central location. During the first visit the researcher made he was taken more like an outsider that had to be given special treatment, the usual way in dealing with people who try to help these grass roots organizations. However, even in that first visit the researcher was able to make clear that he was just a student with the intention of studying how the cooperative was doing its work. With that established, the opening and immersion in their routine was made possible with subsequent visits. By the end of the research, the researcher felt he was no longer an outsider but more or less a friend to the co-operative. The workers got used of the researcher's visits that were referred to as "the white guy" hanging around Ivory Park. At first, not being African was considered a problem for the informants since there is the common perception that all non-blacks are rich but in that case being a foreigner therefore helped in having that misconception cleared. Despite the challenges to the co-operative, valuable information was collected from each visit.

Chapter III – Conceptual Framework and Literature Review

3.0 Introduction

The main focus of this chapter is on discussing the differences between different concepts and ideas for the same course of action where sometimes are mistaken. This chapter aims to describe and clear these concepts drawing some lines between them. There are two sections destined to discuss about power and democracy as abstract ideas and bit about the history of cooperatives in South Africa, which is very relevant to the thesis. The drawing lines are between: food security and food sovereignty, the different perspectives of the Social Economy and Solidarity Economy, Worker control and worker participation and finally between Solidarity Cooperatives and Conventional Cooperatives. Despite these perspectives sharing common points and perhaps (apparently) similar aims, it cannot be misguided into thinking that they are both the same since the two have different perspectives on how a cooperative society should run.

3.1 Food Sovereignty and Food security

The concept of food sovereignty is relevant to the cooperatives researched. This concept is a relatively new concept in the academia which discusses the issue of the right to food in the global scene of the world today. The concept relates to another concept used in the same area of action, that of food security. According to the WHO site (World Health Organization), Food Security is defined as “when all people at all times have access to sufficient, safe, nutritious food to maintain a healthy and active life”. In the website an explanation follows:

“Commonly, the concept of food security is defined as including both physical and economic access to food that meets people's dietary needs as well as their food preferences. In many countries, health problems related to dietary excess are an ever increasing threat; In fact, malnutrition and food borne diarrhoea are becoming a double burden”. Food security is also built upon three pillars: 1. Food availability: sufficient quantities of food available on a consistent basis; 2. Food access: having sufficient resources to obtain appropriate food for a nutritious diet and 3. Food use: appropriate use based on knowledge of basic nutrition and care, as well as adequate water and sanitation” (WHO website).

This is the basic concept of food security from a worldwide renowned organization. “Globalization may - or may not - lead to the persistence of food insecurity and poverty in rural communities.” So this concept acknowledges the possibility of economic struggle surrounding food production and consumption at a global level – or may not include them. It is also true that food security is widely used across nations and international institutions. However, as Jara states “Food Security is narrowly concerned with the supply and availability of basic food, and allows widespread hunger to coexist with vast food supplies at the national and international level. Thus food security approach ignores systemic inequalities built in the global agro-food system.” (Jara, 2014:241)

However food security does not challenge social conditions of producing and consuming food. La Via Campesina (The Peasants Way) created the concept of food sovereignty to challenge and think about food but at a different level embedded in society and taking into account trends and facts on the issue of hunger. “Food sovereignty is the right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods and their right to define their own food and agriculture systems. It puts the aspirations and needs of those who produce, distribute and consume food at the heart of food systems and policies rather than the demands of markets and corporations” (Angus cited in Cock 2009: 15). The word sovereignty is appropriate when taking into account that hunger, poverty and unemployment are deeply related issues and each one of them enhances the other. In order to effectively end world hunger or poverty, unemployment has to be dealt with. The sovereignty approach gives us an embedded view on hunger that is, that our world system has a part in the issue and gives us the answer by tackling the issue of control of food chains by a small number of companies who search for profit first. This becomes clear when we bring this quote in a chapter by Jacklyn Cock which states, “In their view, the current food crisis is the result of many years of deregulation of agricultural markets, the privatization of state regulatory bodies and the dumping of agricultural products on the markets of developing countries” (La Via Campesina, cited in Angus, 2009:50).

The difference in wording is essential when discussing these two concepts. When one solely talks about access to food (nutritious, healthy food), it does not include how individuals are going to access it; buying, growing or stealing are not specified in

the concept. That is why Jara (2014), Cock (2014) and many other academics challenge this concept as narrow and socially disembodied. Food in the supermarkets is enough to satisfy the concept of food security which means there is food available to citizens to buy it. Therefore the economic point reflected in the definition does not go deep enough when looking for the economical and social explanations for the existence of hunger. While food security does not challenge that, Food Sovereignty embraces the social causes of hunger and answers the questions after and before access to food. People are going to access food by producing it internally in organizations whose main purpose is actually to feed the people not the maximization of profit which is done nowadays. Here we argue that while not being agreed upon worldwide that food sovereignty is the way to end hunger, this is a broader and useful way of thinking and fighting hunger by associating it with the fight against unemployment and to actually feed people not give profits to big food chains.

3.2 Social Economy and Solidarity Economy

Here as we will define the field of Solidarity Economy, and bring clarity to another form of alternative economy which we identify as the Social Economy. There are differences on these two views of an alternative economy and we argue that they must be clarified and discussed in order to give a better understanding of the Solidarity Economy practice and purpose. It can be argued that they have a similar “beginning” when related to European context (França Filho 2002), with the Rochdale cooperative and the initial seven principles at the end of the nineteenth century but with further development in the twentieth century. These social economy cooperatives assumed a form and characteristics that had little difference from big public sectors or private companies (França Filho 2002:13).

The Social Economy can be defined as “economic activities undertaken by entities such as cooperatives, mutual societies, voluntary and community organisations, and union investment vehicles – within the government’s response to the current national and global economic crises.” (Satgar, 2014:1) In the orthodox view maximizing profits and minimizing debts is the goal of social human beings. This recognizes that humans are connected socially and think that way when performing economic actions. (Monzón in Caeiro 2008). Social Economy has a methodological position of standing between the conventional capitalism with the hunger for profits and the absolute control

of the state driven economies. However, it does not argue for the size or shape of the state to be dealt with and at the same time produces a light critique of the actual model and purpose of the so called capitalist companies and institutions. It argues that humans as social and economic beings should be free in order to associate and develop their own jobs to satisfy the needs of the members whether poor or rich. With that association, however, they do not touch on the political side of the social relations either with employees or the political sphere, local or national. The Social economy also utilizes the cooperative principles and values to guide action and thinking for the movements, institutions and cooperatives as the core organization for the development of an alternative economy.

The Social Economy has guides and purposes beyond the ones listed by ICA and defined by Caeiro (2008) as:

1. Mutual identification by associates in the organization and form in the company activity;
2. Equality between the associates (members) independently of their participation in the funding or activity inside the company;
3. Possibility of division of the economical surplus between the associates proportionally to their participation in the economic activity.
4. Collective property of the invested benefits in a permanent way.

As one can notice, the focus of the Social Economy could be a step further if compared with the Neoliberal view. With points 2 and 4, collective property and equality between members respectively are characteristics which the actual models of companies do not share. However, these characteristics do not discuss the divisions inside the co-operative when introducing the factor of employees. It is not assured if the relationship remains as owner of the means of production and the ones selling their workforce.

Caiero (2008) mentions the cooperation between employers and employees but is not specific to which extent this feature is present or is just another form of worker participation without real meaning in the decisions of the cooperative. Despite promoting advances to co-operatives in general through the last century, lack of

political deepening of the concept is troubling when compared with the Solidarity Economy framework. The concept assumes that market pressures and government misguidance cannot harm the structure of the cooperative. Williams states that “the social economy does not challenge existing power relations or attempt to re-embed the economy in society” (2014:49). With lack of challenge and insertion in power struggles the social economy does not achieve a transformative power with historical implications as observed by Satgar (2013:4) who writes, “The social economy approach separates politics from market-centred economies. As a result, the discourse on the social economy has been emptied of any meaningful conception of power relations and how politics works together with economy.”

Michelle Williams (in Satgar as editor, 2014) also develops a discussion about the Social Economy in the same lines as described here but with important contributions. First the idea of “social economy seeks to create a more humane capitalism in which the negative effects of the market are addressed by a range of social programmes administered by various organizations *but does not seek to fundamentally transform social relations*”. (Williams in ed. Satgar 2014: 49) reiterates that is the important boundary between Social Economy and Solidarity Economy where ones aims to fit itself in the capitalism system, willing to absorb conventional characteristics of companies. Solidarity Economy searches to enhance economic anti-capitalist characteristics found across human history (such as cooperation) and be mainstream in the long run, changing the social traits of the present economic mentality.

Another necessary point to make observance is the historic progression of many European cooperatives throughout the twentieth century as noted by França Filho in 2002:

“Understood as popular initiatives with origins on lower classes, combining two dimensions in their organizational practice; a social and economical with a background of political struggles these experiences slowly change their practice. In other words, they change their physiognomy with historical progress, from social movement out of socially excluded individuals to bureaucrats concerned much more with internal patterns and laws than external cooperation. This is precisely because of a strong process of specialization and professionalization of management which is based on

functional logics imposed by the state and governments or borrowed from the conventional private market strategies. This process leads towards absorption of these cooperatives towards integration with the dominant economic system (capitalism), where the capitalist intensity was weak before (Laville in França Filho 2002:12)”. (Free translation with adaptations)

In this report, we will challenge this form of economy which can also be observed in other countries and regions outside Europe. Precisely because of its historical progression from collective struggles to high bureaucratic institutions aligned with the current engines of capitalism, we argue the position of Social Economy is an associative type of society. Several academics make the point that these cooperatives switch to an associative type of conventional capitalist company in order to keep competitiveness still under the mindset of perpetual growth and intense development of bureaucracy (or hierarchical rigidity) with notable cases in France, South Africa and Brazil (França Filho 2002; Satgar 2011 and Singer 2007).

The other form of associative economy is called the Solidarity Economy (SE). The solidarity economy is defined as “a counter-hegemonic alternative, driven from below, synthesizing emancipator utopian possibilities while gaining definition through dynamic grassroots practices.” (Satgar, 2014: 12) Some academics (such as Singer 2007) assert that modern SE started with the Rochdale cooperative but other academics identify SE as a new open ended form of social and economic relations in the society. Although some intellectuals view this concept as a utopian form of thinking, the Solidarity Economy can also be seen as an already existent form of organization in society within the capitalist economy and even before the name SE was coined, relating it to social relations with solidarity, reciprocity and co-operation instead of competition. For example, Satgar (2014) cites the historical solidarity characteristics of the communal use of land and the sharing community of African culture. The chapter of Mance in Satgar’s book brings the phenomenon of *quilombos* which were communities “which runaway slaves developed fortresses of resistance and economic cooperation in remote areas in the interior of the country” (2014:151).

Some intellectuals from Brazil view as it as a new mode of production in Marxist terms, comparable to Capitalism, Feudalism and Communism, with Equality being the centre of this mode of production aligned with self-management, democratic

principles and collective ownership of the enterprises and organizations. They also associate it with the control of the means of production, with one vote for each member (independent of investments or role at the organization). If the cooperative gets bigger some specific roles are carried out in order to achieve better organization but still following the collective guidelines. If those are not followed the collective replaces them the inverse of current conventional management (Oliveira Salles, 2007). For some international organizations such as ILO, the meaning of the Solidarity Economy is institutions that have non-monetised focus in social relations and localisation involving more participatory and innovative measures (Cited in Satgar 2014). But this view from the ILO takes lightly the potential and social perspective of SE judging it as simply a form of alternative social organization, ignoring its radical potential

Brazilian national institutions bring different interpretations. The Brazilian National Forum of Solidarity Economy (FBES) bring the philosophical idea that the Solidarity Economy is divided into three dimensions: First the economic dimension where self management is the core; where there are no employers and employees (especially in the organizational culture of the institution) and everything is based on cooperation. Outside the workplace, trade should be based not only on surplus but if both parts have enough of the objects being traded. Secondly, there is the cultural dimension where consumption is based on environmental consciousness and community improvement. The basic paradigm is solidarity instead of competition (the usual distinction with the capitalist society) and lastly there is the Political dimension from whom the movement was born in Brazil with all the values above fighting in the political sphere of society to spread to the world (FBES site).

The Cooperative and Policy Alternative Centre (COPAC) describe the Solidarity Economy as a “collective humanist response and democratic alternative from below to the crisis we face. More concretely, the solidarity economy is a voluntary process organised through collective struggle and conscious choice to establish a new pattern of democratic production, consumption and living that promotes the realisation of human needs and environmental justice’ (COPAC 2010a:2). This is a broader view and has a vital addition to it in form of the reference to environmental justice. Despite having support from solidarity economy writers and activists, the COPAC concept does not clarify the extent of “conscious choice” since, as written before, SE itself has ancient roots in history with the formal acknowledge that “modern” SEs date back to the early

1900s. So we argue that tacit knowledge can come into play when formal knowledge about SE is not present. The choice of following the path of SE is not always conscious since its characteristics can already exist within the culture, but nevertheless the Solidarity Economy social movement can still provide the link between local solidarity practices and the broader impact of Solidarity Economy.

Solidarity Economy (in the same way as Social Economy) presents itself between the boundaries of state and conventional private companies. With the state, it does share the collective principle (at least in theory) and the form of one vote for each member. At the same time we can identify the freedom to associate and run business with private companies. But the similarities stop here. The Solidarity Economy draws from both sides and tries to develop a form of socio-economic society based much more on a very old humanist idea: that we are all human beings such that to fully achieve existence one has to recognize humanity in others. The saying goes, “I am because you are.” This might sound simple as a new social perspective but arguably different conceptions are used nowadays in actions especially with the world’s workforce (from both state and companies). Under capitalism human beings are being identified as commodities or assets of a company and this is a basic characteristic of the today’s economy.

Singer briefly defines democracy inside the workplace as a fancy word for equal treatment and self management. The term implies that decision making in production, management and strategy is directed by general guideline and participated by all. We would like to discuss this point with the role of leadership. The leader is a role that exists worldwide either informally or formally and throughout history and cannot be forgotten in the actual process of solidarity economic enterprises.

We can distinguish at least three types of leadership inside associations, co-operatives and other types of alternatives organizations: Firstly there is a rigid, hierarchical type of management which is characteristic of social economy organizations. These kinds of enterprises find themselves tied with a bureaucratic type of leadership where rules are meant to always be strictly followed despite the context and issue to be dealt with. This transforms the perspective of the organization from humanity above all to a legalist type of organization where papers speak more than people.

The second type of leadership is one of the most common in our society despite representative democracy. It is the despotic type of leadership also seen in many conventional companies where the hierarchy holds tight the decision making process and relations are based on the role that one performs within the system, that of manager, boss or director. This form of leadership is detrimental to any kind of associative economy. It brings the company approach closer to the conventional styles of state approach.

The third type is the legitimate leader which is the one that should be present in Solidarity Economy organizations, either given by experience, age and competence to lead. The legitimate leader listens and discusses the cooperative strategies and usually mediates the political meetings. It is important to note that this type of leader is not derived from a concentration of power but is an initiator of decisions and discussions that will be political guidelines to the future. This leader is unlike a despotic leader for he takes leadership as a role that requires him to be always accountable to and controlled by the members in an inversion of power chains (first the members voice then the leadership role). To discuss leadership inside SE organizations is fundamental because we argue that: Firstly nowadays society has a very strong presence of the leader role in families, communities, villages, parties and a variety of other social organizations; second by accepting the existence of a leader, it is easier to define ways of controlling the excessiveness of power in case that happens.

The SE approach finds difficulties to get agreement in contemporary society where arguably competition is the fundamental form of development (from personal level to the national level) and social relations are marked by the individualism which characterises neo-liberalism. However, we can characterize Solidarity being an ongoing phenomenon in society where sharing and humanity are imbedded in the social relations (mostly at the local level) and the notion that survival is achieved through the community. With that view, SE has presence in nations around the world being an alternative system running alongside (or inside) capitalism (in a minor scale). Being inbreed with capitalism, especially in African and American societies, Solidarity economy is a marginal way of doing economy and has the potential of becoming the main form of trade and social relations if successfully translated from the places where the characteristics exist to a broader range.

One of the main ideas of SE approach is the bottom-up characteristic of the movement where the voice and development of the movement takes into account the actual practices that have been carried out by diverse social organizations rather than simply being a theoretical construction.

For the purpose of this research, Solidarity Economy will be defined as an ongoing form of economy in society based on the values of solidarity and co-operation rather than competition and individualism. It is ongoing because forms of solidarity in economical practice can be seen throughout history as mentioned before (ed:Satgar, Mance 2014), hence making Solidarity Economy part of a number of cultures and societies even before the term was created. Currently, a concrete form of SE is based on co-operative principles of social organization and economic system and the core are the worker co-operatives.

3.3 Worker control and Worker Participation

Important to the discussion is the differentiation of two forms of exercising power by workers inside the workplace or in the labour environment: worker control and worker participation. These forms can be encountered in any form of economy or society nowadays (meaning the three forms of state, capitalist private and other alternatives). However, fundamental to the SE IS a clear differentiation between the two and while an environment of control of the means of production by a small share of the population exists, both of them have to be promoted.

Worker control can be defined as a form of worker ownership of the decision process in a given enterprise where the workers can manage and guide the direction of the enterprise and at the same time the organization as a place where they work. Worker control is a characteristic of many forms of economic institutions regardless of size. They can be small like many worker co-operatives worldwide or big like recovered factories in Argentina (Satgoor 2014). Drawing information from Satgar's and Williams paper written in 2011 titled "The worker cooperative alternative in South Africa", worker control can have many degrees inside a given institution but the word 'control' implies that in each place they have the majority (if not total control) of the ways and paths for the organization to make. It can be decision making inside the management team, production, political decisions or the property rights of the company/co-operative, but it is good to stress that worker control implies that the workers has the final say in

decision or problem solving. The ownership can vary from one type to another. It can have individual or collective ownership of all property (individual meaning that one worker owns the organization). In the agricultural sector, we see individual ownership of the land. However, shared ownership of a common place such as a co-operative with mandate to sell and buys collectively is another alternative with shared land and individual selling of the products. The state can also play a role in worker control with the example of worker managed co-operatives where the state has the ownership of the means of production but the management, decision making and ownership of the cooperative property rests in the hands of the cooperative. Lastly we have worker supported organizations where the workers can control operational decisions but still accept members from outside the local labour environment to be engaged in some instances. Worker control in short means that a bottom-up form of power (through ownership and democratic decision making) has taken place in a given organization.

As far as worker control is concerned, putting a long subordinated class in the protagonist role of political decisions does requires education and thought to be effectively sublimated into a given place. It is definitely a possibility if a degenerative process in worker co-operatives falls into the same pattern that conventional companies follow, that of rigid hierarchy, and top down management. One has to think that workers who were under a strong and concentrated power regime can possibly follow the form of power structure that they were exposed to, especially the ones with the social position of leadership. However, in worker control enterprises where the ventures are jointly owned, the right to be informed and give opinion in the decision making process is always there and has to be enforced. Continuous education is a beneficial characteristic in the business world that has to be taken into consideration by other forms of social organization with the purpose and objectives aligned with the workers priorities. While big companies just use their capital to provide workers with education, worker controlled enterprises usually do not share the same financial muscles to do so. It is important to notice the already existent role of the academics that joined the cause of worker control and are able to give education to these organizations. Such academicians exist worldwide, sometimes attached to local universities such as the solidarity incubators in Brasil or independent organizations such as the South African COPAC and despite being sometimes small, their contribution to the worker control cause is essential. Kate Phillip argues throughout her articles that worker management

and control heavily rely on external factors to succeed in today's environment in South Africa. She gives the rationale that worker co-operatives are limited in terms of formal education especially management wise. Therefore, worker co-operatives are more suitable to highly educated workers where the market share is more easily obtained and management is not a problem (2003). Here we do recognize the difficulty of producing worker controlled enterprises but as any form of alternative organization, it is possible to detect its roots in society as a form of response to the harsh realities of the socio-economic conditions present in our society where neither the state nor companies are fully functional due to small profit margins and other causes ranging from lack of competence to external political interference.

As part of the Polanyi's double-movement (on a smaller scale), examples of worker controlled responses are notable within society. The growing number of informal vendors associations in Mozambique (Alberto, 2013) or even the mini-bus owners associations spread across the Sub-Saharan countries is a good example. While Phillip is right in the argument that it is difficult to effectively implement worker control organizations, we argue that when backed up with waves of the double movement process (a bottom-up force); worker control is likely to be effective. The possibility can go from local to national range.

On the other hand, we have the concept of worker participation which can also be described as democratic to a limited extent in the worldwide company owner environment. Worker participation as the name suggests is about worker participation in the given work place or company's political decisions. Complete majority control is not guaranteed neither is the extent of the real power that the participation has, with the possibility of being just to "create an illusion that workers have some influence and control over a given enterprise" (Satgoor 2014:284). Satgoor also exemplifies two methods: worker participation in decision making via elected representatives and collective bargaining such as unions aim to develop. He argues that this model of worker participation either through collective bargaining or through participation in decision making in companies is not enough given the social statistics of South Africa today such as unemployment, capital-intensive production and low wages. Here we argue that despite being a co-opted form of acquiring progress for the working class, worker participation has its validity although not at the level of worker control. Worker participation give a voice to workers within the workplace even if many times it is just

an illusion and the possibility of collective bargaining has to be there while worker control is not possible in a given time and space. In this research, worker participation is defined as a process of acquiring voice inside the system which historically has been weakened by many structural factors (such as Neoliberalism itself). Therefore, worker participation does not provide a bottom-up form of decision making neither does it share the power in a given enterprise with workers because they are just guests in the discussions about the direction of a given company or institution and do not have a final say on decisions more like an “advisor” (that we can say with little influence in the current economic systems).

3.4 Power, Participatory and Representative Democracy

While the social economy approach is associated with representative democracy, the solidarity economy framework is grounded in the notion of participatory democracy. Democracy is a very broad and antique concept which can have the meaning of collective decision-making and equal treatment among a group of individuals in different social institutions. The term ‘Democracy’ has its roots in Greek, meaning government of the people but the characteristics of Democracy itself can be seen prior and outside the European scope. Throughout history, many social organizations and social institutions used collective decision making, equal treatment, debating and voting (combined or not) as a form of dealing with power relations in a society such as Ancient Greece, The Roman Republic, South African pre-colonial societies (Dong’aroga and Kamga, 1999) and indigenous societies in Brazil (Picanço and Maldos 2007) and the modern states of the twentieth and twenty first centuries. Democracy has also been used for theory and practice in powerful regimes outside the state such as co-operatives, local-level civil society relations (Williams 2008) and educational institutions (Marques 2008) among others.

Being such a wide concept, the central discussion in this research report will be the elements of practice and understanding in participation and representation in a supposed democratic environment, the workers co-operative. Participatory Democracy and Representative Democracy have structural differences. The first reflects a long-term process that involves the civil society in a deeper level where a range of organizations and institutions give education, knowledge and political sense to achieve ongoing participation and interaction between a group of individuals and the power structures

that concerns them in many spheres of society such as the political and the economic spheres. Participatory Democracy also represents a structural form of active citizenship where participation (or at least to be informed) is also a duty of the individuals involved in the institution. Therefore, making this form of power distribution more complex and difficult is to be properly addressed. For some theorists, it is not enough to elect representatives in a certain period of time and simply delegate the institutionalized power to them (Williams 2008). It is easier to develop this form of power distribution and make it endure especially when lacking other forms of democracy such as racial democracy or economic democracy.

Representative democracy is the hegemonic type of democracy nowadays embedded in a legal infrastructure in most countries and organizations. However, as Heller (2012:646) observes, “Despite a high degree of consolidated representative democracy as we find in democracies of the global south, such as Brasil, India and South Africa, democracy should not be confused with a high degree of effective citizenship”, a phrase which South citizens can relate with. Representative democracy is understood as “a regime in which those who govern are selected through contested elections” (Przeworski et al. 2000: 15 in Williams 2008: 132). At any level (local, provincial or national), representative democracy is centred on the ruling institution when the participants of this regime are given power only in a certain period of time (elections) and the decisions are delegated to the elected ones (Williams 2008). The implications of this form of power distribution are discussed among members of the academia worldwide, but one argument is valid (but debatable), that representative democracy is easier to manage if compared to Participatory Democracy and at the same time it is more easily twisted by strong economical powers in capitalist societies. In such societies politicians often receive money from wealthy supporters thereby compromising the government plans to legislate in the interests of the wealthier classes.

Being very different forms of democracy, both of them, in practice, are seen related and can coexist within an organization and a society with complex and mixed dynamics. Participation is a vital component in any form of democracy but the main difference between Participatory Democracy and Representative Democracy is the range of action that the citizens can and should exercise. It is interesting to note that participation can be effective independent of the levels of “capacity” (formal education or prior knowledge of political processes). Patrick Heller (2012:662) in his study argues

that “ The cases that we have examined (Brasil, South Africa, India) leave little doubt that even citizens with little more capacity than their own commitment to democratic engagement can effectively participate in local government”. Where participatory democracy requires more micro management and more frequent meetings, representative democracy is usually involved around big moments of participation and constant (supposedly) watch on the elected groups that are taking care of the power.

These two forms of Democracy are seen in the Co-operative environment and have different consequences in the development of a co-operative. Having their shares in the organizations under the South African law (2005), a board has to be periodically elected to represent the cooperative matters which indicates a degree of Representative Democracy within and here is it believed that a certain degree of *defined representatives* (elected or by consensus) can be beneficial to an organization or institution, at least in dealing with external matters. For example, one can speak with outsiders on behalf of the organization, mediate conflicts, organize decision making and carry out other functions. However, where representation is present, participation is necessary, and that is how the representatives keep their guidelines in check. As written before, when the representative’s role is taken above the participant’s role that is where Representative Democracy goes wrong either by a fierce hierarchy protection or a rule that is not compromised with the voters. Representative Democracy is largely used by organizations inside the Social Economy where the position in hierarchy is very important to define social relations within the institution. However, as argued here, social economy gave more emphasis to bureaucratic processes than to the organic aspects of the co-operatives following the pattern of national representative democracies worldwide, which do not include active citizenship (Heller 2012).

The second part of the topic is a discussion on power, a very broad concept related to Democracy. For the purpose of this research, the definition given by Giddens is used. It describes power as “the ability of individuals, or the members of a group, to achieve aims or further the interests they hold. Power is a pervasive aspect of all human relationships. Many conflicts in society are struggles over power because how much power an individual or a group is able to achieve governs how far they are able to realize their own wishes at the expense and wishes of others.” (2001: 696). Power, in this research, will be treated as an element of daily life outside the sphere of the state

being present in decision making, hierarchy (rigid or not) and conflict. Power can be concentrated or not even in a democratic environment.

We would like to discuss power in the organizational management perspective. We can distinguish two types of power relations inside the workplace and we are going to call them self management and hetero management (Motta in Singer 2007). Self management is a form of power relations inside the workplace strongly related to worker control but it is important to discuss this concept's relation to power a little further. Self management is the kind of management needed for an organization to acquire worker control and be able to operate fully without losing the guiding values mentioned in one of the topics above. From the power perspective, self management indicates that the distribution in the cooperative is done with legitimacy in case of existence of leaderships and high democratic levels since the voting relies on membership not money or quantity of work inside the cooperative.

The first question that comes to mind is whether management skills are there. Can decision making be done in a way that is fast and democratic at the same time? We will discuss these points in the findings, but in the theoretical point, we would like to add two not-so-new points that are important to discuss these questions. First is the possibility of legitimate representation. In small enterprises, there is often a distinct existence of legitimate history and if this leadership that has a good style of acting. This role enhances the democracy inside the enterprise by understanding collective needs and gives fast responses towards conflicts and decisions by knowing the other members at a personal level. These might seem intricate especially when talking about finances but we argue that humanitarian-driven relationships are very much possible in such environments. Second is the level of skill that finance and organizational management requires. Kate Phillip (2003:22) makes a good argument when she states, "In many co-ops, members have only a rather hazy understanding of the distinction between total revenue, net monthly income, profit, or the net funds available for distribution as wages or allowances as this highly variable amount is often called, and the situation is rife for conflict. Many times a co-op has found itself having to choose between paying wages, and setting the money aside to pay for inputs for the next production cycle. And in the context of recurrent cash flow crises, many co-op members sacrifice their own incomes to keep the enterprise alive. But there are only so many times this can happen without it eroding cohesion and fuelling dissatisfaction and conflict. While this can be truth in

some contexts of self management, in conventional companies and hetero-management enterprises this history of erosion and dissatisfaction is not different both from the point of view of owners, who declare bankruptcy in their companies and still manage to stay rich. As regards workers, dismissing and firing them are common policies in these companies where sacrificing the income of workers is not a priority as compared to maintaining accumulation. So the challenges of self management related to crisis and rough times can be the same in conventional companies - that of socializing of losses but the outcome can be also wildly different with the socializing of gains which are not common in the structure of accumulation and competition today.

This brings us to an important point of intersection, where democracy and power relate themselves with economy. The representative democracy at the national levels today does not relate itself with the chase of democracy in other spheres (it is recommended by almost all sectors of society though) while it runs in most societies in the world. We take a position that political democracy on its own cannot be fully achieved without minimal standards of economic democracy. Economic democracy, for the purpose of this research, means the lack of big disparities in eco-social conditions (one cannot have food insecurity when the other eats 6 meals per day) and the historical power system that colonized countries had brought to semi-peripheral and peripheral countries in the world conjuncture. It is argued by many activists that without economic democracy representative democracy cannot run smoothly in the society where basic rights can be used as a coin of political intentions. Therefore there is need for a more economically equal society for the full expression of any type of democracy.

Economic democracy is a vital issue that can be dealt with by governments and states (see the cases of Brasil and China in Lee (2014) and Schutte (2014)). Another important point yet to be discussed is the aspect of democracy inside the workplace which can also be characterized as economic democracy. The basic question is: are the social relations and chains of power inside the workplace democratic or not in the world today? Most certainly under the perspective of hetero management that is not possible. However, under the perspective of Solidarity Economy and Participatory democracy, the social relations inside the micro space of the workplace can be dealt with by a more equal distribution of power which can ultimately influence the democracy as a whole since most citizens spend between 8 to 10 hours of the day working. We do want to argue that since it is a vital part of society for a long time, work and labour can have a

big influence on the health of democratic institutions today and that is when the perspective of hetero management can hurt the conduction of healthy democracies in many countries. Where people are used to work under bosses, they might think that the president is a boss not a representative. “The importance of economic democracy goes beyond the workplace as it has positive implications for political democracy by inculcating democratic skills [...]. In other words, economic democracy enhances citizen participation in practising democracy in the political sphere. [...]. This stands in contrast to the capital-managed firm in which the labour process is based on hierarchy, control, subordination, ecological destruction and lack of transparency.” (Satgar 2011:209).

Democracy and Power are deeply related since democracy is a form of power within a social group or organization which is oriented towards the collective. In this scenario, worker co-operatives are a different form of labour organization as power is supposed (Singer 2007, Phillip 2003) to be horizontally distributed among members. Aligned with the SE ideas, power is based much more on a cooperative form of interaction than a competitive form (characteristic of Neoliberalism).

3.5 Conventional Co-operatives and Solidarity Co-cooperatives

In this research we distinguish two main types of cooperatives: conventional Co-operatives and solidarity Co-operatives. Being ideals types in the Weberian perspective, in practice both types can have a broad range of characteristics and social relations.

Conventional Cooperative is by no means a new concept and many names can be given to this type of cooperative such as business co-operative (Satgar 2011) or “*coopergatos*” as named by Singer (2007). The general characteristics that can be drawn from literature to identify the conventional cooperatives are as follows. First of all they are called conventional not because the cooperative model induces cooperatives to behave in a particular way. Rather ‘conventional’ is used because these cooperatives follow the patterns and strategies commonly used in the business world today like generating proximity with the capitalist aims of profit and competitiveness. Two points are important to note: Firstly, the conventionalism that is found in these co-operatives is related to how they produce and manage their cooperatives and secondly they are called conventional because they do not have the aim of producing an alternative form of society but to find *economical space* for a specific type of *economic society*.

The concept of business cooperative that Vishwas Satgar writes throughout his articles defined this type of cooperative as a counter point to worker cooperatives and its traits. Business co-ops are co-operatives utilize the cooperative label to develop a market oriented, conventional company model of organization and are identified by many points written here before such as rigid hierarchy and hetero management. Business cooperatives have tight relations similar to normal companies as it is the case with many farming cooperatives in South Africa with a top-down wealth focused type of government investment and incentive. Satgar (2012:207) writes that “in the 1990s many large white farming cooperatives converted into companies [...]. At the same time, “white cooperatives” that have remained so are in fact only nominally cooperatives but behave in practice as any other capitalist business. In other words, they are ‘business cooperatives’, and are not concerned with grounding their economic activities within cooperative identity and practice.” The concept of business cooperative falls within the model of implementation that the government pursued in South Africa, being relatively successful in economic terms but brings little to the socio-political environment of the country. Being therefore recognizable as conventional co-ops, the ones who follow the conventional pattern at its full capacity do not contribute to new perspectives.

The second concept widely used in Brasil’s academic area and has some synonym with business cooperative is “cooperfraude” (cooperfraud) or “facade cooperative”. This type of cooperative has similarities with the business cooperative in the sense that it allows conventional capitalist behaviour to run inside a cooperative many times utilizing legal support and the use of the label cooperative to run a conventional business, with the boss and employees expecting profit in the strict sense of the word (profit for a minor group of people). The detail that Paul singer brings us is that coopergatos are conventional enterprises that benefit from the legal position of an economic society that cooperatives have. Many entrepreneurs utilize that and outsource labour, giving them wages with no rights and circumventing the labour legislation. These cooperatives do not have the characteristics of worker control, participatory democracy and sometimes do not posses even a proper representative democracy running inside them (Singer, 2007). The UNISOL (Centre of Solidarity Ventures and Cooperatives) describes “coopergatos” as “fake cooperatives that work as conventional companies. They possess a hierarchical structure where some have power and others only obey under the threat of being fired or dismissed. They utilize the legal frame of

cooperatives to exploit even more the workers, making their work even more precarious and disrespecting the worker rights guaranteed by Law. The workers (who are members) are never consulted about the society's political matters such as decision making and the directions of the organization.” (Free translation done from the UNISOL website).

Conventional Co-operatives can be identified with those terms described above. Despite the little differences, there are common characteristics as follows: conventional cooperatives tend to follow the actual capitalist pattern of power distribution inside the cooperative and to use the organization as an economic alternative to either develop further the process of traditional capital accumulation or to strictly acquire wealth without care of how it is distributed or managed among the cooperatives participants. Looking at these traits, we can deduce that the possibility of wealth production and general economic success can be more easily achieved with these cooperatives which are the case of the ‘white cooperative’ movement in South Africa (Satgar 2011).

The counter point to Conventional Cooperatives is the Solidarity Cooperative alternative about which much has been written here. We can identify them whether inside or outside the Solidarity Economy movement. Their characteristics can be seen in different places. Much of the Solidarity cooperatives can be worker co-operatives but they are not limited to it. However, the values are shared where worker cooperatives can also be seen as locally driven processes of creativity to create jobs. Being Solidarity co-operatives, the main characteristic of default is the communal way of dealing with internal matters and the drive to first meet member's and community needs (food, jobs, a monthly income) and only then to acquire surplus (not necessarily to expand and overcome). The basic characteristics of solidarity cooperatives can be described as: cooperatives rising out of oppressed people's struggles (factory occupations, townships movements, unemployed movements, landless people's movements, small farmers or local producers) directed towards two objectives namely to deliver a basic necessity to the community (i.e. food) and at the same time create a sustainable monthly income that would enable them to meet others needs (such as transportation) embedded in the mutual knowledge (possibly tacit) that the community needs help, opening space to creativity (as mentioned before) and relationships that put humanity first in the centre of the social relations.

Despite seemingly abstract, the concept that describes solidarity cooperatives is in fact guided by micro perspectives of the real world especially in the outcast side of capitalism (the poor side) where money or wealth is not usually available and can bring both violence (in the form of crime) and solidarity (in the form of mutual assistance) and also competitiveness (scams to draw money from government, companies and/or others individuals). Having a legal and written frame, Solidarity cooperatives can be seen as a form of good outcome of guidance of these social waves of survival behaviour. We believe that they are indeed harder to produce wealth but it can be noticed that the kind of development they bring is accompanied by other good points for the community as we will see in the discussion of findings. Management wise, Solidarity cooperatives can have the role of the leader as they might be a product of group struggles where generally one individual believes in the cooperative and keeps fighting for it. Nevertheless, democracy and equality levels remain high with discussions and collective decision making along with autonomous decisions no matter who supports them.

Once more, these two types of cooperatives are ideal types, and in reality, they can share traits and shapes but always checking the levels of proximity to one type or another, we can identify both cooperatives coexisting nowadays and support (both private and public) goes either way. The level of autonomy is important to distinguish these two types and also the social relations within, mostly directed toward power dynamics. We will use these discussions and definitions in Chapter 5 where the findings will be discussed.

3.6 Historical progression of cooperatives in SA

In colonial times, the discovery of gold deposits in SA led to a growth in the urban population and this created a big market for agricultural products. This encouraged the first known registration of a cooperative in the country known as the Pietermaritzburg Consumers Cooperative which came into existence in 1892. Prior to its registration as a cooperative body/organisation, it was treated under the Companies Act (COPAC, 2008).

In the early 1900, many white South African agricultural cooperatives were created due to the availability of government support. Several laws and institutions were created such as the Land Settlement Act, Co-operatives Society Act, the Natives

Administration Act and the Land Bank which included tax exemptions and enforced support to cooperatives. However, these cooperatives did not take into their regimes the seven co-operative principles (DTI 2009). There are seven cooperative principles dating back to the first known co-operative, the Rochdale Society, and there are guidelines for the co-operative system. The principles are: voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among co-operatives and concern for the community. By contrast, the established cooperatives in South Africa had strong hierarchies and authoritarian political structures that did not allow the idea of democratic member control. Eventually, with great economic success, these co-operatives turned into big companies due to their company cooperative hybrid nature in which the collective ownership was existent but the management, decision making and approach to the market were still conducted in the traditional capitalist way (COPAC 2009). This shows the importance of state support for the development of cooperatives in South Africa.

In the 1940s, other consumer cooperatives emerged and were largely associated with the “*Economiese Volkkongress*” of the Afrikaner nationalist movement which sought to improve the purchasing power of Afrikaner consumers. However, consumer co-operatives were not as successful as agricultural ones. The number of small traders began to dwindle as consolidation and market power of big chain stores increased (DTI 2009).

In 1981 the Cooperatives Act still did not follow the international cooperatives principles but now allowed the registration of black owned cooperatives. Between the 1970s and the 80s, more agricultural co-operatives were formed by the black people but these co-operatives did not receive support from the government and remained weak and underdeveloped, with most eventually collapsing (DTI 2009)

In the 1980s there was an increase in the number of worker cooperatives because of the mass dismissal of workers in the mining companies. The National Union of Mineworkers (NUM) and the Union of Metalworkers of South Africa (NUMSA) tried to establish and develop workers cooperatives to fight unemployment and poverty among laid-off workers. However, even with the help of the unions, the Church and numerous NGOs, most of these cooperatives failed to succeed and were closed a few

years later because of little knowledge in co-operative governance and management and an actual income given to the members being low due to a range of challenges including machinery, financial investment, business viability and dependency on technical support (Phillip. 2003).

By the end of and in the next years after Apartheid, once again cooperatives were promoted as an alternative to unemployment and poverty. The lobby for cooperatives grew and the state started to develop cooperative policies and pay more attention to this form of development. Firstly the state moved the cooperative matters from the Department of Agriculture to the Department of Trade and Industry (DTI). In this period, cooperatives started to be seen as an important form of economy outside the established agricultural environment. The number of cooperatives grew from 1444 to 4210 and at the same time the number of farm cooperatives diminished due to the merging or transformation of these cooperatives into companies (DTI 2009)

The year 2005 was an important year towards state and society recognition. The Cooperative Act was promulgated and with that came a great increase in the number of cooperatives in South Africa. The number of registrations quadrupled according to DTI with 19 550 new co-operatives registered. Most of them were women, black owned cooperatives. The cooperatives were also set up in a great variety of economic sectors such as arts and craft, mining, construction and worker cooperatives. But in the later years (2005- 2013), despite the boom in the registration numbers, the mortality rate of the cooperative has been almost as high. The DTI baseline study (2009) showed that out of 22030 cooperatives eighty-eight (88%) per cent failed. That points to problems within the cooperative sector, both political and economic.

Nowadays more than half (CPIC Register) of the cooperatives in the country are located in KwaZulu-Natal, Gauteng and Eastern Cape, with KwaZulu Natal being the province with the highest percentage of cooperatives. The DTI document explains that governmental support was one of the biggest reasons for the co-operatives to remain as an option for citizens. Through with non financial support, mostly in the form of developing the business infrastructure, the local government was decisive in the sustainability of the cooperatives. The cooperatives there still face problems such as the maintenance of the cooperative principles and a democratic environment, hostility from some parts of the market, both competitors and buyers. (DTI 2009)

In 2009, Gauteng was the second province with most cooperatives with 266 officially registered cooperatives. The link between poverty and the creation of cooperatives is high, with most of them located in townships (COPAC 2005). The majority of the cooperatives were created with government initiatives. However, the support is limited to the creation of the cooperatives resulting in loss of members in almost all cooperatives located in the province.

Almost all the cooperatives have a board elected by the members with 6-10 members. The members of the board are the ones who manage and make decisions for the cooperative. Accordingly to the studies from COPAC (2005), 55% of the registered cooperatives have only the board as the decision making and problem solving body. It is not clear if the members outside the board treat them as bosses or equals in the work place. Also the complaints of lack of accountability or commitment from the members are often echoed within the cooperatives of Gauteng showing that support and training in cooperative knowledge is necessary with the risk of many cooperatives turning into traditional companies. (COPAC 2005)

Throughout the years there has been state support through laws, financial and non-financial support in the form of education and knowledge (Satgar 2007). This is an important factor for cooperative success. Many white cooperatives received support (especially in the early 1900s) and because of that had great financial stability, but due to failure to follow the Co-operative principles they became companies years later (COPAC 2005). By contrast, many black owned cooperatives did not have that support resulting in a very high mortality rate even into the post-apartheid era.

Chapter IV – The Experience of Solidarity Economy in Brasil

4.0 Introduction and Rationale

This research report attempts to analyse the relationship between democracy and the SE framework. This chapter draws on the experience of Brasil to illustrate the potential of the relationship. With the idea that Solidarity Economy is a new concept based on a series of characteristics such as worker control, solidarity and democracy, sharing the Brazilian experience with the Solidarity Economy framework and these characteristics would be useful for the purpose of this research. A south-to-south perspective is important to build up viable alternatives to the socio-economic system of neo-liberal capitalism that we have today. Shared knowledge between countries with similar history and social traits such as Brasil and South Africa will go a long way in this direction.

Both Brasil and South Africa experienced colonialism, with strong economic dependency. They had highly harmful governments (for a percentage of the population) in the 1900s (Brazilians dictatorships and the Apartheid Regime) and high levels of national inequality, (with Brazil showing decreasing inequality levels in the past 10 years). Brasil has a good record in the past ten years of fighting two important human issues: poverty and hunger.

In this historical progression Brasil's Solidarity Economy movement and its characteristics has played a part in the fight against poverty and food issues while South Africa seems to still be looking for a path to address these problems. Solidarity Economy can be seen both as a movement that can contribute to improvements in citizens lives and as a framework (in the conceptual level) to build up a sustainable answer to some of the causes of poverty and hunger.

4.1 History of SE in Brasil

Under the perspective of the Solidarity Economy concept that we try to follow here, practices based on solidarity are very ancient in Brasil, with the already mentioned examples of the “quilombos” and indigenous people's social systems. However, many attempts can be noted in the 1900s and many of them directly related to urban workers'

attempts to develop a new economic rationality. Here we will try to bring some of them to a better understanding of the diversity of Solidarity Economy in Brasil. First of all, the name Solidarity Economy was known for decades under different names and terms only to be recognizable as such in the late 90s, but as argued, its characteristics were existent prior to the creation of the name.

Self-management and worker control as characteristics of the Solidarity Economy were present many times during Brazilian history. Throughout the years of 1850-1950, different kinds of worker based institutions were developed such as workers assemblies to offer training and protect workers from the ongoing unemployment, church related worker organizations (mostly related to the catholic church) and workers agreements to facilitate problem solving (even inside the work place) (Faria 2005).

In the late 80s, with the economical crisis in the American countries, many companies collapsed and fled from Brasil leaving massive unemployment in the country. Under this threat, cooperatives originated from recovered factories were a response of the workers (mostly in the South and Southeast of the Country), following an intense period of strikes and labour movement organizations in the country (Faria 2005). In these struggles, the need for Self management and co-operatives had a strong presence in the union movement generating growth towards worker control in the 90s. Firstly, these attempts were only seen as a response to the ongoing crisis and unstable period for the Latin American countries but in the middle of the decade, the name Solidarity Economy was introduced in the movement to give a framework for the organizations that were being created with similar values and frameworks (worker control, solidarity etc.). In 1994 one of the first great organizations for the worker-controlled enterprises was created called The National Association of worker and enterprises based on worker control (ANTEAG). The creation of the central office also influenced debates around the self management inside unions. Following the creation of ANTEAG in the late 90s, the biggest union in Brasil, CUT (in free translation Workers Central Union) realized the potential and possibilities of the Solidarity Economy and created the ADS (Agency for solidarity development) which up to this day contribute towards the consolidation of much solidarity based organizations in Brasil. Another centre developed was UNISOL (Centre of Cooperatives and Solidarity organizations) with its base in the ABC Paulista, a historical hotspot of the union movement in the country in the 90s. These south initiatives had intellectuals present in this history of

struggles for worker control. We can give the example of the case of Tratenberg in the case of the miners unions of Criciúma (Rio Grande do Sul, south of Brasil) where the sociologist presented self-management as a possible option for solving internal power struggles in both the union and in the recently recovered mines (Faria 2005).

While in the province of São Paulo the Solidarity Economy ties were strongly related to industry and factories, in other regions of Brasil's Solidarity Economy developed itself as a response to the lack of basic quality of life and social infrastructure (Pochmann 2014). In the Northeast, associations and cooperatives were created to approach other needs that neither the state nor the private market could provide. The associations were many and with varied functions. Housing cooperatives, neighbourhood associations, rural solidarity economy organizations mostly represented by associations and cooperatives (SENAES 2005) were created to contribute in double movement against the downsides of Brazil's history. It is important to note here that the North and Northeast regions of Brazil are historically recognized as the poorest and more affected by hunger issues in the country (Monteiro 1995) and it is where most of the SE organizations found place to thrive. Despite the low levels of education if compared to the central regions today, half of the solidarity economy enterprises are located in these regions (SENAES 2014).

By the end of the 90s, the country went through a change in state alignment with a government more open to social movements. In 2002 the Solidarity economy gained state support bringing it to a new level with almost 11000 new organizations created between the years of 2001 to 2007. In the same period, first Plenary of Solidarity Economy was held and a number of propositions were given to the federal government which consequently created the SENAES (National Secretariat of the Solidarity Economy), a section in the Ministry of Labour in Brasil. The SENAES have been involved in a number of projects since then, one of them being the Information System on the Solidarity Economy which is contributing to improvements in the Solidarity Economy in the country. This takes into account that the development of a better society has to have state participation especially in the fight against three serious historical problems in Brasil, hunger, poverty and unemployment.

In order to discuss and give education in the SE framework, a range of conferences (such as CONAES, CNES and SE forums), institutions at the municipal

and province level, and social incubators were created. These incubators usually are institutions inside universities that provide conventional enterprise training to recently established, small companies. The incubators help them to grow, eventually giving the autonomy to move on their own. However, the idea of incubating an organization by utilizing the SE framework was introduced in a number of incubators in Brasil describing the SE framework as a “social technology”, including the Solidarity Economy framework in their projects and work. These incubators work with state funding in order to develop these enterprises both in the SE framework and in management.

All this increased in state support was important to the development of Solidarity Economy as a whole and eventually be a force to be recognized in the fight against capitalist society issues. It is also important to note the proximity with the labour movement and the pursuit of self management of the movement even when related to the state. Here it is important to note once more that also during the 90s, a number of cooperatives were created to outsource the workers in many different types of economical activities. They are usually called “coopergatos”. These cooperatives were used as a tool by companies to trespass the lines of the labour rights in the country. With that threat, the movement reacted by changing the co-operative law to guarantee workers rights inside the organizations.

We recognize that Solidarity Economy in Brasil has been used as a tool to fight market negativities, but it is also important to note that with the Solidarity Economy’s values of autonomy, solidarity and equality and, the perspective of neither revolution nor reform, the most suited path towards a SE society lies in a long term and continuous change from inside the system such as working with the ongoing forces of solidarity already found in society (grass roots pulses of strength or spontaneous community surges). The Solidarity economy movement was recognized by the state and the civil society as an important tool to avoid high rates of mortality in these organizations.

What we wanted to show with this historic information is that in Brasil, SE has found a scope of support in universities, in the state and in labour movements (rural or urban) for it to grow. This support was vital to the growth and further development of the framework as a whole. And we can say that the SE framework was an important part

in the sustainability level of grassroots organizations in the country bringing a set of values that aim for collectivism.

4.2 Today's scene of Solidarity Economy in Brasil

In this section, we will give details about the Solidarity Economy scene in Brasil focusing on statistical aspects given by the SIES (National System of Information of Solidarity Economy) finalized in the late 2013. The information is accessible in the website of SENAES (links in the references) in the Portuguese language. For purposes of shared knowledge, we will translate and discuss some of the results. The system is called Atlas as in a nation map of the solidarity economy. The database is composed by 19.708 registered Solidarity Economy Enterprises (SEE) and it is the second database made by the government organization, the first one was done in 2007 with counting 22.000 SEE, indicating a little decrease in the numbers. But it is important to note that the database is formed by voluntary participation and that this decrease from the 2007 map can be a natural movement from the boom seen in the years of 2001-2007 with the already mentioned 11.000 new SEE.

We will start with the demographic analysis by region. Brasil is commonly defined by 5 regions in the country North, Northeast, Middle-West, Southeast and South, with the Northern regions of the country being the poorest ones and the South regions being richer. The northeast region has a big number of SEEs with approximately 50% of them. The majority of the SEE (approximately 60%) is also in the rural areas showing that the Solidarity Economy framework has effectively settled itself in poor rural areas. This further indicates that the Solidarity framework is seen as an option in the struggle for food in the region where an important value is to satisfy community needs. The form of organization is distributed as associations with the biggest number of 60% followed by informal groups and co-operatives in third with about 2,000 members. All these organizations follow the pattern of worker control (Santos, Oliveira e Pelosi 2012) and it might indicate that indeed cooperatives are possibly the most difficult form of organization to be run by workers. However, country issues regarding cooperatives in Brasil are pretty high if compared to other countries. Also important to note here is the fact that most of these organizations are destined to production of goods and consumption. Being run by the workers themselves (mostly poor and without university degrees), a characteristic raised by Kate Phillip (2007) is

noticeable that worker control organizations are difficult to run based on low education levels. The framework is intrinsically democratic and can be utilized outside of co-operatives but is always impaired by worker control and self management.

The number of members varies in the country going from 5 members up to 2000 members in some associations. It is important to note that Brasil is a country with a population of approximately 200 million people, so big SEEs are a part of the national structure and it shows the possibility that SE framework can be used in both big infrastructure enterprises (recovered factories) and big in numbers or high member SEEs. Another important point to note is the social distribution of the members. Following the historical patterns of Brasil where half of the population is classified as non-white (black, mixed, indigenous, Asiatic), most of the SEEs are composed by non-whites predominantly enterprises, followed by “does not apply” suggesting that the SEEs would not recognize race as a defining characteristic inside of itself. Perhaps the position of non-assuming a racial majority goes along with the value of equality in the framework where one is not defined by the skin of his colour. The main purpose of the SEEs are familiar agriculture with 60%, which will be further developed in the next section, artisans are about 20% and lastly autonomy enterprises which can be described as street vendors. It is interesting to note that approximately a thousand (8%) of the SEEs described themselves as settlements of agrarian reform indicating that the framework might contribute to making these settlements sustainable.

The reasons addressed to join or create a SEE are distributed in several categories but four come up as the main reasons: An alternative to unemployment; making more money in an associative enterprise; a complementary source of income to members and developing an activity where they can be the owners. From that, we can deduce that to function, SEEs have to be both economically viable and politically democratic since SEEs value both the economic opportunity and the political side of the condition of ownership. We also can stress democracy and self management as important parts of the motives because when asked for the main achievements made, the SEEs answered: The integration within the group and the practice of self management and democracy. The most used instances for decision making are collective meetings and a board, democratic instances inside the workplace and a “sublimation” of the SE framework.

According to the ATLAS, the most common types of support given were in management and political matters, in order to guarantee an autonomous space of work and democratic management. We can relate that to the low mortality rate of the enterprises from one year to another concluding that a conventional market oriented approach to Solidarity Economy organizations can be harmful to the survival of the organization as it has happened in South Africa (COPAC 2005). When taking away the collective and bottom-up aspect of the organizations based on collective values, the organization itself can lose legitimacy among its own members and start fading away. Management skills are necessary to run any organization but the thin line between a SE organization and a “hetero managed” organization cannot be crossed. When asked if they are connected with civil society movements, 70% of them answered yes, and part of the support mentioned earlier also came from these movements. This shows that politics is not (and cannot be) made but is only oriented towards the state but also in the civil society.

The first achievement listed was income improvement, proving that in order to function, they have to be economically viable. Most of the investments (listed as both achievement and aims) made in the SEEs were directed towards infrastructure and equipment. Surprisingly, the majority of the SEEs did not receive external funding in the last 12 months (prior to 2013). This indicates that most of these enterprises are running on their own resources now. On the need for more investment, 75% of them answered “yes” when the question “Is there any need for external investment?” Operating with little to no economic surplus (almost 80% of them), the need for investment comes along with some grim numbers: only 60% of the SEEs members receive monthly payment (possibly because some SEEs are political grass-roots organizations) and only in about half (45%) of them, the SEEs are the main source of income, with another share of 30% being just a complementary source of income. This suggests that the economical development of Solidarity Economy currently is not strong enough to fight issues of low income on its own. Solidarity Economy has to be seen as part of a broader process in the fight against social inequalities but not the only solution right now. Being a long term process, the solidarity economy framework contributes to a range of values that maintain and give strength to the self managed organizations and enhance the values of democracy and solidarity in the society. We saw that among the main reasons listed to create and maintain a SEE was the factor of ownership,

democratic instances of control and collective integration making the organizations legitimate. Here we argue that these traits are vital in order to provide potentially long lasting organizations.

The main challenges that the Brazilian SEEs face right now are still in the economic sphere. When asked about the challenges, 70% of the SEEs answered that economic viability and income increase for the members. These SEEs do not operate in debt but they do have tight finances. Another point stressed is the maintenance and improvement of group cohesion. This indicates that a democratic environment is hard to achieve and sustain despite being highly valued by members.

From these statistics, we can conclude that the Brazilian scene of Solidarity Economy is big, full of hope and challenges especially economically. However, the political gains (when talking about democracy and self management) are highly valued by the members. The SEEs are seen as an alternative to the conventional economic and social system (inside the workplace). Economic sustainability is a never ending struggle since operating in a different framework from the conventional capitalist style does hinder the ability to produce wealth. However, we can argue that where the capitalist logic of profit fails, that is where Solidarity Economy is mostly seen as an opportunity to achieve better conditions more in social and political issues than economic spheres.

4.3 Solidarity Economy, Food Sovereignty and Development

In this section of Chapter Four, we would like to highlight two important discussions in South Africa currently: how to develop with social justice and how to address hunger issues effectively in the country. To contribute to this debate further, we would like to share the Brazilian experience with both rural development and food insecurity issues.

Being a historically agricultural country, one could expect that Brasil would not have hunger issues but the truth shows us a different perspective. Throughout the first half of the 1900s, hunger was a common issue in the country with 71% of the monthly income being destined just for food (insufficient and expensive food). When the national minimal wage was established, the monthly income was not sufficient to satisfy the needs of the population (Vasconcelos 2005). In the 70s, during dictatorships, with the so called “Brazilian Miracle” (a period when the country’s population was growing

at very high rates only to end up in crisis years later, it seemed that the country was going to finally match its geographical size in development and food security. However, upon further research it was verified that social injustice grew, with the national numbers of dysfunctional and declining caloric consumable value affecting 67% of the population. According to OMS standards, 30% of the population had malnutrition (National study of family expenses of 1974/1975 in Vasconcelos 2005). According to the FAO report of Brasil in 2014 in the 1990s hunger was still affecting 15% of the population. This tendency started to turn around in 2002 with state projects in the workers party (government, 2002 report). Things also changed when many economic and social programs were undertaken towards a structural change in the country thereby taking the country out of the world hunger map in 2014.

So we have a country that had strong economic periods in the past, several different governments, with an economy that is essentially dependant of the agricultural sector (30% of the GDP) and the issue of hunger remained strong in the country for many decades. This report comes to contribute that the form of development which was directed towards profit and economic growth did not feed the people. Also the so called agribusiness did not have an impact on the normal citizens' life in the matter of putting food on the table.

We have the argument that the answer for Brasil's hunger issue had two important contributions in the production chains concerning the rural environment. These contributions were always existent in the country but only in the last decades had they led to meaningful development. The factors are family farming and state support to small farms (such as SEEs).

According to the Ministry of Social Development in Brasil, family farming is defined as: "A form of production where management and work interact with each other, where small producers and enterprises usually run the business that puts emphasis on diversification of products and family work, with utilization of outside paid workers only when necessary. The control of the chain of production is done by these small businesses and since they do not engage in a broad scale of markets, they rely on local sells to sustain themselves, produce local food and employment. The numbers speak for themselves in this point, according to a study from 2013 by a state institution from Brasil (Embrapa) as follows:

- 85% of the registered farms with only 24% of the land used for agricultural purposes indicated massive disconnection between land possession and resource concentration in the country
- 73% of the rural jobs meant that most of the employed rural people were part of the familial agriculture, while producing fewer profits than the agribusiness
- With 83% of the production of cassava, 70% of the production of beans, 46% of corn production, only with 14% of soy production (when Brasil is a world seller of soy) and 60% of milk production, one can deduce that family farming is the one which feeds the country with the food listed here as part of the common Brazilian plate (with exception of soy).

These numbers are possible due to the historical importance of agriculture in Brasil since colonial times but it is important to stress that in the total share of agriculture in the national GDP (30%), familial agriculture holds only 10% of this share. This indicates that while feeding the country, they still are a smaller share of the national economy if compared to agribusiness (Rosetto 2003).

Another important point is state support for family farming. A research done in 2003 (never done before in the country), the Ministry of Agrarian Development discovered the size of family farming in the country at 10% of the GDP and the products made (Rosetto 2003). With this new information, the federal government developed a series of projects directed to support these small businesses such as credit with subsidised interests, special credit lines to women, the youth, cooperatives and agro ecology business; finance protection in case of losses of production due to climate changes and technical assistance towards a sustainable business in both the economical and environmental spheres. With these projects, the total of government investment in family farming rose from 1.9 billion dollars in 2002/2003 to 9.0 billion in 2012/2013. It can be argued that the government realized that development is also done with jobs and food instead of only wealth and profits.

Giving that scenario, we would like to contribute to the discussion of Food Sovereignty in SA. The concept is described here as “the right of people to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems. It puts the aspirations and needs of those who produce, distribute and consume food at the heart of

food systems and policies rather than the demands of markets and corporations” (Angus cited in Cock 2009: 15). The Brazilian scenario shows us clearly that despite not producing the biggest amount of wealth for country’s statistics, a localized production directed by small farms and businesses are clearly the ones with the aim (intentional or not) of feeding people, producing more jobs than their counterpart in the process, obeying cultural (and healthy) tendencies of food production (with the production of cassava and beans). The relationship between food production and food sovereignty is clear. While neither profitable nor broad as their counterpart (agribusiness), the families are the protagonists in the process of national food consumption and clearly contributed to the end of hunger in Brasil.

Having by definition an aspect of worker control, it is only natural that familial farming is mixed with the idea of Cooperatives and Solidarity Economy. One example is the UNICAFES (National centre of family farming and solidarity economy) which was created in 2005 and now has 1,100 SEEs. This centre’s objective is to support and assist small rural businesses in the country with the framework of Solidarity Economy as a value guideline. However, not only is this centre a link between the farmers and the markets. According to the 2013 census on the Solidarity Economy in Brasil, the majority of SEEs are rural (12, 000 out of 22, 000 members) and in the process of development.

As Andrew Bennie (2014) writes, “building new social relations and relations of production through the Solidarity Economy can help to create the conditions for achieving food sovereignty”. We argue that the reverse operation is also a possibility by showing the growth of solidarity economy in a country where food sovereignty is making progress. It is also important to note that with quality food on the tables individuals can learn better and practice their political life better.

Chapter V –Case Study: the social dynamics in Tswelelane Bakery.

5.0 Introduction and Structure

Firstly in this chapter we will present the history of Solidarity Economy development in South African context and how it represents an alternative development path. Then Second section is devoted to the analysis of the fieldwork. The first part is the history of the cooperative and secondly the membership. Then the social relations in production and social dynamics where power relationships were observed, the day-by-day of the cooperative production, who holds authority and who does not. The content will also be analyzed in light of daily quarrels, gender issues and problem solving. The fourth section is about internal dynamics regarding management, finance, meetings of the cooperative, voice regarding decision making, leadership style and gender. The discussion will be centred on the Solidarity Economy framework and current discussions in the field. The fifth section will be the presentation of the External Dynamics that involve the cooperative and the externals factors are the state, companies, NGOs (such as COPAC) and the perceptions of the researcher.

5.1 Brief history of Solidarity Economy characteristics in SA

According to the book *The Solidarity Economy Alternative* (ed. Satgar 2014), Solidarity Economy (SE) has an ancient past in South African history based on the cultural tradition of Ubuntu (I am because you are) and the collective use of the land. However, under the apartheid regime, SE was marginalized through the focus on opposition to apartheid by the poor and the working class.

Some issues during the 1900s that caused the marginalization of the SE movement include: the racialised nature of proletarianisation and the imposed spatiality for African workers, the nature of the national liberation movement and the strategies adopted by the left wing in the country (Satgar 2014). The apartheid regime in SA proved to be detrimental to SE because of its own nature. The homeland enclaves used as reserves of cheap black labour caused the workers to be trapped under an urban and exploitative environment or in a rural economy based on subsistence agriculture. The spatial constriction that the workers suffered and the repression of the regime made it difficult for the development of associations based on Solidarity. The nature of the

liberation movement was guided towards the priority of destroying the apartheid movement through any form of resistance possible. Led by the ANC, mass protests and even the option of armed resistance were considered during those times. However, the thoughts behind most left wing thinkers were directed to the state and a state-centric form of social transformation.

The end of the Apartheid era gave room to the SE movement and other grass roots movements. The number of cooperatives saw a boom (as mentioned above, increasing in number but maintaining high mortality (DTI 2009) across the years. There was also an increase in grassroots movements since some rights were possible for the population. With the political room given by the end of Apartheid and the still little economic transformation trade unions, numerous NGOs, small scale urban and rural farmers, community based co-operatives, movements such as the Unemployed People's Movement and some academic institutions began to pay attention to the SE framework and the co-operative Alternative.

As for a COPAC member, some of the very ideas born in the traditional African society have been upheld. In an interview, when asked “Are there cultural traits in South Africa which can support the development of Solidarity Economy?” – The member answered: *“Yes. The idea of ‘Ubuntu’ is important. I am who I am through you. This is a deeply solidarity idea. It comes out of traditional African society and speaks to a relational humanism which fits squarely with the idea of the solidarity economy and society.”* (COPAC member interview held on 10/10/2014). We can deduce that having already an ancient cultural philosophy based on solidarity and humanized relationships (maybe “decommoditised”). The idea of Ubuntu should be part and recognized as the roots of the Solidarity Economy movement in South Africa in empowering relationships. Modernizing and using this idea as a guideline for projects and actions rather than simply acquiring conceptions from above is a vital part of if the solidarity economy intends to succeed in South Africa.

The members also identified four challenges for the development of the Solidarity Economy movement to develop. They are: *“There are four main challenges. First, we have to continue to intensify and deepen our popular education work. This means learning from practice, sharing experiences and building up an organic body of emancipatory knowledge. In this regard marrying activism to activist schools and*

learning spaces are crucial. Second, we have to think and act in terms of building a 'movement of movements'. The solidarity economy idea needs to be championed from below by various social forces. This includes unions, unemployed peoples organisations, youth organisations, waste pickers, environmental justice organisations, small scale farmers, the children's movements, mining networks, woman movements, the faith based organisations, communities etc.. Such a movement need not be formally institutionalised but needs to keep alive a common imagination, transformative practice, share common values and principles and constitute points of intersection for deepening solidarity. Third, we need to build institutional mechanisms to give solidarity economy enterprises control over capital. We need to start experimenting with share based worker cooperatives, solidarity economy funds, financial services cooperatives and cooperative banks as part of the solidarity economy. The fourth challenge is to build solidarity economy marketing networks that link cooperatives, communities, movements and the public. This can take the form of solidarity economy marketing cooperatives, consumer cooperatives, local farmers markets, e-commerce, among other things. That strengthens the backward and forward linkages between solidarity economy enterprises." (COPAC member Interview: 10/10/2014)

5.2 The Tswelelane Bakery

Here we will present, describe and analyse the cooperative where most of the fieldwork was focused. The cooperative is a Bakery in Ivory Park called Tswelelane. The presentation of this cooperative and analysis of the findings will be made together. This section contains five different sub-sections, containing the membership, the history, production (where the daily production of goods is analyzed), Social Dynamics (where the internal management, dynamics and power structures are shown) and External Dynamics (showing the relationships with companies, the state and NGOs).

5.2.1 The members

The bakery is located in a township in Ivory Park 2 (Midrand) about 1 hour drive from the centre of Johannesburg. The cooperative has about 15 years of history but due to shifts in the membership, the group today knows little of the previous groups. The current group is the third one according the oldest member. The members are now four fulltime and a range of sporadic helpers. These members who often work in the

cooperative join the daily work and “help” the cooperative because of either friendship or as an occupation. We will explain this further. The composition of the full time members is three women and one man all self identified as black and with low household monthly income. Here we will describe each member’s social characteristics and give them pseudonyms.

The first will be called Ma as it is of Mama, a title of respect given to mothers in the African culture. Ma has been dealing with business initiatives since 1999 when the first cooperative was created and failed. Ma is unemployed in the meantime and was also part of the founding group of the 2008 cooperative. She is about 45-50 years old, married, has up to first year of high school education, her household consists of eight people (six sons and her husband). The monthly income of the family is low especially given the size of the family but three children are now in the university on government bursaries. She also has a number of projects and activities with NGOs in the community supplying food to students in nearby schools and weekly meals to orphans in the cooperative space. Being a hard worker, she has done the baking for an impressive number of years now and was in several initiatives to improve the surrounding community of Ivory Park 2. During the research, we identified her as a leader in the cooperative. The leadership role is given to her by the other members due to her long service with cooperatives, age and management skills in dealing with the members with consideration and legitimacy. One of her role in the cooperatives is training new members in baking (she has trained almost all the people working there now with the exception of the other leader). She also does the daily accountability and checks missing materials for the production. It is interesting to note that she never worked in a formal job, being forbidden by the husband to do that.

The other leader identified in the observation is a senior lady, here called Gogo (grandmother in isiZulu) because of her age, being the oldest cooperative member. She is about 64 years old. She has a household size of four people now. She also lives in Ivory Park 2. She has an 8 grade qualification and has been in the cooperative since 2008. She was formally unemployed for six months before joining the cooperative, being retrenched because of outsourcing measures in the company that she worked for. We identified her role as leader because of her good English skills as she is usually the one that deals with external agents that come in contact with cooperative. She calls suppliers and talks with banks, NGOs and companies that provide technical support.

She has the legitimate authority to seal these deals and confirm if the cooperative will join a project or not (the decision process will be discussed later). She is also involved in the projects that are held in the cooperative with the external organizations. The daily accountability of the cooperative is done by her Ma and Gogo being the ones who usually share the profits with the remaining members.

The other two full time members are both younger in age. One is the daughter of Ma, named here Sina, also married with two kids. She is 27 seven years of age and has been in the cooperative since 2012 when some other members left due to infrastructure issues. Having finished high school, she did not pursue further education and joined the cooperative. She only joins in the daily accountability often and mostly takes care of the mixer and the selling especially making sells to small costumers. While still having a voice in the cooperative decisions, she often chooses to listen to the older members' opinions and to follow them. She takes charge of the activities when either Gogo or Ma is not present. The other one will be called here James. He is 21 years old and lives in his mother's house. He is a "slow-learner" (his own words) meaning that he has difficulties with studies (despite having gone as far as grade 9). He was not able so far to find an appropriate school for himself (even with the help of Ma) after being "chased away" from his previous school. He has been in the cooperative since the beginning of the year (2014) learning from the leaders how to bake. Now he takes care mostly of quick buying of supplies when needed and he is the one who best knows how to handle the ovens, the bake timings and how to deal with the one who repairs shenanigans whenever there is need for maintenance.

As we can see, the group is formed by black South Africans who live in Ivory Park, have low monthly income and different levels of education. But that did not stop them to share responsibilities, have diverse functions in the cooperative, enabling the organization to remain worker control. Most members have problems to join the conventional market and possibly would remain unemployed but the cooperative brought them the opportunity of both an income and an occupation with the dynamics that a democratic workplace can offer.

5.2.2 History of the Bakery

According with one of the leaders (here named Ma), in 1999 a Bakery (named now Tswelelane) was created by putting together local home bakers who used to sell

their products door to door. There was a donation of a small piece of land near the community centre in the township of Ivory Park 2 (located in Midrand), a container and some government funding. With that, the members moved old machinery to bake together but the cooperative baked for a short period of time and the members decided to split the money given by the government thereby ceasing the cooperative production. According to Ma, (the only member that is still with the bakery nowadays), it was a democratic decision. She says that only her voted to keep the cooperative running but agreed with the decision of the majority members. In her words *“That is how it should be in cooperatives, it is by voting”* (Interview 10/07/2014).

This was one of the many cooperatives that failed, falling into the high mortality statistics of the South African government. According to Ma, the members did a conscious choice of not ploughing back the money into the cooperative leading to an economical failure. She never mentioned if there was any technical support from any external organs in order to better run the business. She also adds: *“The co-operative started in a container in 1999 but not really worked all those years, just getting the money given by government and sharing the money instead of putting it in the cooperative. This group now is the third group in the co-operative and finally everyone agreed in ploughing back the money into the cooperative thereby making it grow bit by bit”* (interview 10/07/2014). She said she then went back to produce and sell her own bread door to door.

In 2008 the infrastructure was put back to business now with a different group, the one that remains today, with some changes. In 2009, a range of actions undertaken by the African Bank, the Johannesburg municipality and the community of Ivory Park gathered five home bakers and settled them in the old space of the 99 cooperative. The African Bank donated machinery and built an adequate space for the cooperative (the internal furniture was brought by the members). Technical support was provided by Johannesburg Municipality and civil organization partners. According to Ma and Gogo, the difference brought by this group was the option to reinvest the money acquired (both from external funding and internal production) in the cooperative thereby making the organization sustainable even with low monthly incomes. From that we can deduce the difficulty of both getting jobs in the region and the inherent difficulties to sustain a household in South Africa. But those characteristics do not completely hinder the will of poor citizens to enterprise.

From 2008 to 2011, the cooperative was a successful business and gave the members a good monthly income as reported by Gogo. The first years of running the cooperative was smooth with everything working and good amount money being realized. The cash flow grew in the group democratically agreed that first the money should be ploughed back to allow the cooperative to run and after that the profits could be divided among the members. By early 2012, sales were high but with the high flow of investment, the cooperative started owing the suppliers big amounts. However, due to poor management, the cooperative was not able to pay them in good time thereby decreasing business and payments but the cooperative was still able to run.

Ma explains in an interview that rough times were to come in 2013 when one oven broke down and the others were in bad condition (the ovens were Chinese and spare parts were very rare to find). This coupled with the decrease in business made the cooperative unable to produce the same amounts of products and the sells went down, reducing the variety of products and causing some member to leave. Ma says in an interview, *“We stopped making bread and other type of goods. We restricted ourselves to producing only the cheap products and when the stoves broke down, there was no money to repair them.”* The struggles did not lead to closure of the cooperative. With eventual payment of the debts the business carried on but problem of the ovens remained. The incomes to each member shrunk but the little money still went to keep the cooperative running. The members developed a turn based system whereby the salaries were paid in a weekly rotation between members to make both the cooperative run and the payments to creditors made. Even with these struggles, it is important to note that the cooperative did not stop to improve the surrounding community. Community activities were still being carried out by the cooperative. Gogo herself stated that she had health problems in early 2014 which forced her to stay for four months in the hospital and she was helped by the cooperative. There is also an ongoing assistance to young people there such as James who says, *“I was suffering, cause like I was twelve years old and was suffering with my mother and brothers and Ma came into my life, she helped us with food and brought me to school again. I came to work here because at my age school is harder and I’m a slow learner, but in other things I’m good. I was a learner and I’ve never worked before.”* (Interview 11/07/2014)

By the time the researcher left fieldwork (August 2014), there was a new development whereby a new oven had been donated to the cooperative by the African

Bank once again allowing them to work at a high production rate. It is interesting to note here that this group has more than just professional relations, with cases that show a good level of solidarity between members (maybe the reasons the group remained strong in struggles) and the relationship was built inside and outside the cooperative scope, indicating communitarian ties between the members, Ma is certainly the main actor in these histories but in this particular cooperative, the role that she played was not translated into an authoritarian rule in the cooperative. This cooperative had good and bad times and operated with autonomy throughout its history causing both its failures and successes, helped both by government and companies, in a space where we can say both usually do not reach to provide optimal services.

This cooperative, looking at its history, could be identified as a Solidarity Cooperative, being a state attempt to organize autonomous street vendors. From struggling in the local market where both food and employment is scarce to a place with appropriate space and machinery, enabling the soon to be cooperative members to get better infrastructure. Here we can conclude that without the state (in the form of social workers); this collective initiative would not have been formed. Neither could it have drawn the attention of the private banks for donations. However, just by looking at the historical perspective, one cannot give a life sentence to a cooperative under the danger of degenerating into something else, either a “coopergato” or a conventional cooperative.

5.2.3 Production

Every day, all members start baking at 5 am to start selling by 6 am when a big line is already forming. The cooperative only stops the activities by 17 hours after the daily flow of money was accounted for. Each member has a defined but flexible role in the process of production. During the research period, the cooperative was producing mostly scones and fat cakes because the existing ovens were only able to bake those kinds.

The line of work is divided between the members where each one has a distinctive role in the process. However, these distinctions are flexible with multiple swaps during the work day. The distribution of the tasks goes as follows: Gogo fries the fat cakes. After they are through with baking, Sina sells the products and uses the mixer when needed. James takes care of both ovens and Ma usually is the one who makes the

masses after the mixing. Usually there are other “occasional” members that help in one or the other activity. These members are generally related to the members either by family ties (extended or not) or friendship. They just come by the bakery and “help” in the production with close to no distinction between them and the members. Sometimes they get some payment, sometimes they do not.

In the production process is where the democratic levels were observed mostly with members who are not classified as leaders having voice and discussing about the production. James, the youngest member (by age and time in cooperative) was referred to by Gogo and Ma as the “oven master” for being able to know when every baking was done and changing configurations in the open tensions by the sides of the ovens. With the knob broken in one of the ovens, he had developed a way to close and open the ovens which he shared with everyone. The researcher witnessed about two minor quarrels about the proper timing to get the production faster or how to best use the machinery and James could speak freely and argue with both Gogo and Ma. The researcher stressed this characteristic to show that despite having low education and little time in the cooperative, James was able to define the times of the daily production and argue his position against the other members.

Often Ma would have to leave the cooperative production (usually in the afternoon where the movement is smaller) and her activities would be taken care of by the other members with quick distribution and no complaint observed since the group has already settled the organizational structure. Gogo had to leave sometimes due to hospital treatment. When either Ma or Gogo are absent, Sina takes care of the activities in management and James does the baking.

During the Mandela day (18 July), the researcher was present in the cooperative and everyone gathered to discuss what had to be done. The man (James) would do most of the lifting and carrying prior to the event (which would start at 11hours) and the women cleaned and got the place fixed for the receiving of the visitors. Up to that point, it was fine and the researcher was able to fulfil his tasks satisfactory. The problem started when James tried to teach researcher how to use the ovens. The researcher let it burned two batches of scones and the people asked James not to let the researcher take care of the oven anymore but he insisted that he should keep learning and his voice was

final in the matter. Of course after burning some scones, the researcher shifted from oven use to being a mere spectator to avoid creating tension between the members.

It is important to stress that it was in the production process that democratic dynamics were observed where multiple times the cooperative would rather discuss and resolve problems than a situation where one would give orders and everybody obeyed. Planning and working was mostly discussed by the members with organically fixed tasks but with quick swapping of tasks and high flexibility in problem solving. Selling the products and making the dough was where most rotating was done with little to no discussion of who should be doing these tasks or discussion about who is supposed to take charge of such activities. Authority was interchangeable and momentary according to necessities in the production, each member has a different expertise and step up when the matters in discussion are directed towards their area of knowledge, as James with the oven, Sina with the mixer and Ma with some charity projects. Of course there were heated moments of heated discussions as any workplace will always have but most of them were solved short after the discussion. During the Mandela's day this form of authority was most visible with Ma dealing with the visitors, and the rest of the group baking inside the workplace, despite multiple errors of the researcher (Me) James still kept me as his helper even facing some controversy from other helpers. Gogo also directed people to what was most needed at the time, and Sina was in charge of teaching the ones who do not know the processes of baking.

In the production process, the cooperative closely follows the ideals of Paul Singer (2007) where power distribution is highly flexible and momentary. Coupled with discussions and collective decision making, ownership of the material was never a problem and everyone agreed when asked whether the machinery belonged to the cooperative (even though being donated) to which there was not much disagreement. Leadership exists as observed when some of the members would delay work because of visitors as Ma or Gogo were the ones to call them back. The one who keeps the keys and opens the cooperative is Ma but the business is treated as a collective one where everyone is aware of his or her part in the process. Being a small cooperative, this flexibility does help and despite the fact that the need to grow exists, we can argue that growth in the Solidarity Economy has to be seen differently from the Capitalist perspective, approaching the views of steady growth and horizontal growth rather than accumulation of wealth and vertical expansion. The consumer market is available, both

because of the low prices (Bennie 2014) and because of little range that conventional markets can achieve in the region with prices defined by international flows (Cock 2011).

We identify this form of production as being related to the Solidarity Cooperative characteristics described in Chapter 3, and being related to participatory democracy since no representative was elected to define the tasks. It is important to add here that when asked what Democracy is, all interviewees declared that they didn't know what the concept was, indicating that this work regime was built out of tacit knowledge (or cultural traits) and due to external support in cooperative training. Ma was the only one who gives some contribution to the question: "What Democracy is for you? She answered: *"I don't like this word. This Gogo it has been more than 20 years of democracy. No one helped her, she votes but no one helped her. Democracy means nothing, democracy helps the people in the parliament, and things remain the same for her. I have a lot of troubled cases in charity and how does democracy help people? I don't see changes. The ones who are poor remain poor; the rich ones are getting richer."* (Interview10/07/2014). Possibly this indicates a mixing between the end of the Apartheid era, the economical and social policies done by the government and the crisis of legitimacy of the representative democracy of our days.

One of the academia's arguments is that capitalist work relies on the division between skilled and unskilled workers, but in a cooperative where internal training (such as Gogo and Ma did) is part of the process, this differentiation makes no sense as contributing towards a more democratic daily activity. From this scenario, it is possible to deduce that being involved daily (for 8 hours or so) with a democratic and dynamic activity can influence the society the same way as working under a boss for one's entire life can produce the idea that a boss is necessary for smooth functioning society.

This cooperative has three characteristics that might have contributed heavily to this democratic style of production. The first is possibly the lack of the "Chief" role (NUM training materials in Phillip, 2008:110). This is a cooperative which was formed mainly by women (even the sporadic contributors). Second is the size of the cooperative. Four people with sporadic contributors make relationship ties, decisions and meetings easier to be carried out. Third is the fact that only Gogo has prior experience in the market, with bosses and the dynamics of a conventional workplace

meaning that the other members have not gone through the socializing process of the conventional work place? Gogo compares both styles: *“In a cooperative, you need to work hard to make money whereas in a normal job you just go do your work and get paid at the end of the month, it does not matter if the company is making profit or not the good thing is with a cooperative that the money you make is yours.”* (Interview 26/06/2014) Perhaps these characteristics were defining factors when it comes to daily work’s relationship with money making (this direct relationship between salary and work) and the drive to work hard. This is a definitive characteristic of worker control, the knowledge that your production is destined to benefit you at the end of the day and your production has to remain sustainable to allow your own work to continue.

Kate Phillip (2008) argues that democracy in production is a real issue in the cooperative movement especially when involved with the figure of the manager. We found in this small cooperative perhaps a contribution to this discussion involving the manager’s position and the importance of legitimacy in worker controlled enterprises. Legitimacy is important when building a democratic work environment. As we described here, the positions in the production line were legitimately created and flexible where everyone knows the whole line of production and a similar process of baking. If trouble rises, it is the form and dynamics of the social relations inside the cooperative that will ensure an efficient production. The logic of the manager cannot be just to bring an external agent with no prior connection or a dedicated explanation or the reason. The logic that a CV will be sufficient to run a business without adjusting one’s approach to the social relations in the cooperative can be dangerous to the efficiency of the cooperative when the proposition is precisely to give and share power between workers.

Degeneration towards success in that area could mean an acceptance of lacking legitimacy or legitimacy built upon external factors such as CV or university degree. This logic can work in a northern society where arguably education levels are higher in the population and/or the social legitimacy of professionals is less related to social dominating relationships. But we argue here that in south countries where education levels are lower and due to a recent colonial past, university degrees are still a privilege and barrier between a skilled professional and a low education worker. The cooperation is high only being driven by the need to build social legitimacy through humanized relations. The recognition that both are humans before professionals has to be nurtured

to make the manager a successful position in production relating work with more than payment. It would be appropriate to say that the Ubuntu philosophy has to be present and taught to the manager if he or she does not know about it.

5.2.4 Internal Dynamics

Internal Dynamics is the section where we look at the social relations reflected in power distribution, meetings, treating of personnel and the organizational structures (formal or informal) that are present in the cooperative.

Management is the manner in which the cooperative is guided. In most cooperatives, management is described as highly informal with few documents and written rules existent. In a small cooperative like the bakery, formal procedure is perhaps less needed. Informal meetings are usually held and there is the formal space to check the necessities of the company. Formal management can be considered weak when the researcher asked if he could see the “papers of the cooperative” meaning formal documents about the admission of members and minutes of meetings, these were declared non-existent. The request made one day where the members were arranging the space of the bakery was viewed as rather strange and caused a search for these documents. The documents found were mostly old contracts with little validity, photos of the implementation of the bakery, old and current notebooks containing some details of the finances of the cooperative.

The accountability of the cooperative is documented in these notebooks mainly by Gogo and Ma. They contain information about daily sales, missing materials, purchases of inputs, sales either at the bakery or orders. Slips are in a separate portfolio with little organization. To fill the notebook and the portfolio there is a process that is done every day at the end of the day where both Gogo and Ma (Sina often helps) sit and do the accounting, check if there is any missing ingredient and call the clients to inform them that their product is ready. These results are shared by the leaders, so it is their claim. At the end of the week, the members who are the ones to receive in the determined week get the money after the accountability process has been done. During the observation, no fight was observed.

In fact during interviews, a question was asked to all members: “How do you people deal with quarrels/internal discussions?” James gives the answer: “*Sometimes we do, but you know, we are blacks we are trying to build one nation, one love, and one*

peace both outside and inside the bakery as well. When we come to the bakery we leave our problems outside. We just come here and work together and 4pm we go home.” (Interview 11/07/2014) Due to the researcher’s position as interviewer, he believes that he tried to develop an answer that would satisfy him. This answer was quoted because it shows two important things. The first is the acknowledgement that quarrels do exist (Ma for example said that since 2007 only a few happened) and the second is that all members declared that quarrels were few and that they were resolved quickly.

In order to check for past internal problems the researcher asked Ma about older members. Little was told about the members who left when business went down but a constant point was raised: *“We had a salary shared. In the cooperative when everything went well everyone got a share, but when things were bad everyone lost and some people left the cooperative. When things were good people got back saying we are share holders.”* (Interview 10/07/2014) Also the group foundations proportionate a shared purpose which can give harmony to the cooperative. The priority is to keep the cooperative running and that is an agreement between all the members. During bad times, incomes get lower and during good times they rise. This is Gogo’s critique about the difference between a formal job and a cooperative job.

The problem of member dynamic is a constant one to all cooperatives and surely hits the poor cooperatives hard where work is done to directly satisfy basic human needs. Here we would like to bring the discussion of Social ownership inside cooperatives as it is discussed in South Africa. As is written in the ICA site:

“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.”(ICA.coop what is a Cooperative? Member Economic participation)

In an environment where actual wealth is little the economic contribution might not be possible before working and much of the infrastructure could be donated. The rules of economic participation must be modified from the original. However, this issue

stands as a problem to be solved. We can only contribute towards a new form of thinking and analyzing other solutions.

The first is Cooperative Degeneration discussed by many authors worldwide. As Kate Phillip puts it, it is a dangerous act to put efforts in building democratic relationships where there is a risk of being denied since the social pattern is the division between the owner of the means of production and the workforce (we cannot forget the strength of this social representation in the workers minds worldwide).

The second contribution is a necessary adaptation of the rules of social ownership to the social context of worker cooperatives (maybe even solidarity ones) in the south as they are still a developing organization. Capital investment can be done by time working and the possibility of retrieving one's work (if they desire to leave the cooperative) has to exist. One cannot be restricted to remain in a cooperative forever and leave without anything. The perspective of ownership has to be present. In other words, worker control has to have social presence. In Kate Phillip PhD thesis, much of the discussions is to the social representation of the ownership of the property, some would feel is owned by NUM, other would feel that it belongs to the cooperatives. The point here is that this conflict about ownership can be powerful towards the collapsing of an internal harmony. The Bakery presented here has had all infrastructure donated to it but the "feeling" of ownership was that the materials belong to the members and that they have the power to decide what to do with them and how to use them. Social context and social representation can be powerful things especially when dealing with alternative forms of organization in society.

These alternative forms of organization also require the comprehension of different power structures. In the Bakery, lack of the "Chief" role was possibly one strong reason that leadership was easily shared. Perhaps we can identify the Chief role with gender power relationship. Both Gogo and Ma are local leaders in their churches and have long lasting relationships with NGOs and the local community. Still Ma and Sina are not allowed to work by their husbands but paradoxically they work in the cooperative and many other projects. Given the African culture where many wives are also forbidden from formally having a job, worker cooperatives can intervene in this struggle as seen in this cooperative and the presence of mostly women can be beneficial to the internal organization of the cooperative itself. Worker cooperative thus can be

seen as possible instruments in empowering women both with an income and a possibility of self development. We cannot forget the sporadic contributors who are also mostly women, either unemployed or in the same condition as Ma and Sina.

The internal dynamics of the cooperative are a mix of the shared leadership with power concentration in the two personas of Gogo and Ma. Little formal paperwork is a problem and also the issue of ownership. The cooperative runs on trust and kind of amateur status. However, the social relations present are fulfilled with sharing of power and multiple stances of power swapping. This contributes towards women empowerment in the local space. It gives these women positions of management and opportunities for self improvement and participation in the household income as improvement of the surrounding community.

5.2.5 External Dynamics

This section is devoted to describing and analyzing the interactions of the bakery with external organizations. The organizations were classified in three groups: The state, private conventional companies, the civil society and the community. For each group, the relations will be described and analyzed in terms of power balance between the cooperative and the group.

We will start by looking at the relationship with the State. The cooperative, back in 1999, had government funding but with lack of support, the members chose to split the funding then disappeared thereby contributing to the already known high mortality of cooperatives in the country. Ma stated that the decision was a democratic one and against her will. This indicates that voting took place, however directed to short term reasons given the social context of Ivory Park. In that perspective, the government was possibly undermining the cooperative's progress by providing funding without technical support. The members could not see the benefits of working in the cooperative so they turned the cooperative into an illegitimate entity, that is, they looked at it as a means to acquire extra money with few drawbacks.

However, in the 2008 version of the cooperative, things were a bit different. This initiative was also started by the government in the form of a social worker doing a local project for the Johannesburg Municipality, gathering autonomous bread sellers in the container. These memories were in the photos shown by Sina in the search for the documents. Back then, five members were very optimistic about the cooperative. They

received training from the government on how to bake different products than the ones already known by the members. One can go to the cooperative and find a big number of job adverts pasted on the walls with the instructions: ‘today the ones who do the training of new members are the members themselves’. In 2013 the government provided funding to this cooperative despite coming from difficult times and helped the cooperative to stabilize its finances and even helped Gogo in the first months of 2014 when she was in hospital (proudly said by Ma). The social workers have a special relationship with Ma; they bring to her many people in need of help so she can give them what she can. She has so far helped many vulnerable people with food or school fees. James was one of the two working there during the research period having been helped at least two times in his life by Ma. In an interview, he said, *“I was suffering, cause like I was twelve years old and was suffering with my mother and brothers and Ma came into my life, she helped us with food and brought me to school again. I came to work here because at my age school is harder and i’m a slow learner, but in other things i’m good. I was a learner, I’ve never worked before.”* (Interview 11/07/2014).

The relationship with the state was (and is) a vital component to a cooperative as it can bring funding, staff and support and has its share in the success of the cooperative. The form of the approach given to the cooperative under study was different in the South African history. The Bakery had little to no management intervention after the technical support was given. The state (in the form of the social workers) does not aim at interfering directly in the daily activities of the cooperative, revealing a rather democratic approach to the cooperative. There is in fact a symbiosis between the state and the cooperative where the cooperative gets its market from the surrounding community while through its charity work the cooperative contributes to that market thereby making the bakery known to the families that are helped by the cooperative. Despite the charitable activities being mostly performed by Ma, the families are located within the cooperative’s space of engagement and the members are present most of the times.

Oliver Nathan (2012) argues that state support can undermine democratic management and worker cooperatives must be a bottom-up process “within the working class, for the working class” (2012:151). We argue in the lines of Vishwas Satgar (2007) that state support is vital to the cooperative, but the approach must be wildly different from the business oriented approach. In the business approach, rather than

making a good business, it contributes to the production of degenerate cooperatives and or makes them a failed initiative. Also intensive, top-down control by the government makes cooperatives act as government employees, making the development of a solid base of democratic control almost impossible as it is shown by Nathan (2012). We cannot expect that a grass roots activity to rise with management knowledge and wealth for that is where the government should act, but the way that the support is given is even more important under the risk of producing the dangerous top-down approach which would put the cooperative itself at risk. Nevertheless, we argue that “democratic” state support is fundamental to a successful worker cooperative movement.

With these “aid” activities (that run as old as the cooperatives), we can deduce that attention from the conventional companies such as the African Bank was drawn. With that, the money also comes in the form of big investments (counted as donations) in machinery and the building of the cooperative. The recent donation of new ovens was also made by the African Bank. Despite being donations, with little care for the maintenance, the problem with the ovens is that it made the cooperative go through grim times. The African Bank also benefits from this relationship in both marketing (social responsibility) and propaganda. The company would not bet in a failed cooperative, making it rather a virtuous circle where the community initiatives of the cooperative make the aid of the bank more prone to external help and thus making the cooperative unsustainable in the market without any kind of top-down approach by the bank.

The relationship with NGOs is also drawn by both causes, one of being a centre of community initiatives and the other, a worker cooperative. The COPAC has collaborated with the bakery for some time now and often comes with new workshops and opportunities to further develop the cooperative, always with the aim of food sovereignty in mind. The Amit-Zutshi foundation (a worldwide NGO) does give scholarships and food to locals through the cooperative and in the person of Ma. The researcher himself was in one the food giving exercise in a nearby school with Ma and one of the sporadic workers. There she revealed to him that both of her sons got a scholarship from the Amit-Zutshi foundation and that many other teenagers also received this help from the foundation. Some of the teenagers went through her to get help and did some form of “internship” in the cooperative learning to bake and helping the cooperative while pursuing their education.

During the Mandela Day this year, a local union decided to hold a luncheon for the families of the surrounding community and painted some rooms of the cooperative building which benefited the cooperative directly by improving the premises, infrastructure and marketing in the surrounding community as a way of enjoying the Mandela Day.

Lastly we have to talk about the cooperative's relationship with community. Both Ma and Gogo are community leaders as shown in the recent book, "*Empowered Women: Learning from women in Keiskammahoek, Ivory Park, and Mgababa*" by Bennie and Williams 2014. Ma and Gogo have multiple relationships with the local church, NGOs, the cooperative and other organizations. There is also lunch given to orphans on Saturdays held in the cooperative. This lunch was launched prior to the cooperative's formation in 2008 but when the cooperative was created, the members agreed to host it in the cooperative premises. The community is a direct beneficiary of these relationships and the cooperative is the centre to many of these charity and support actions of both ladies. The interaction with the community produces the sustainability and further development of the cooperative and the members understand that by doing so they are able to improve their household incomes. The community is also a need to the cooperative because of the limited range of selling and the actions that make the cooperative to receive donations and increased attention from other organization such as private banks, the state, the academia and NGOs.

However there is a viable option that might be shown by the Twselelane Bakery and its external dynamics. These ranges of complex actions involving the notion of integrated charity are vital to marketing, legitimacy and attention from "project partners". The cooperative itself needs the charity actions and with that, it also helps the surrounding community in a vicious circle that brings human development to the region. This range of activities produces much more human development than wealth per se, but that is the kind of development that a cooperative also aims for as it is a principle of the cooperative movement and a characteristic of the Solidarity Economy framework. External Communitarian actions from a local business initiative helped but not controlled by the government and other NGOs seems a pretty good example of Solidarity Cooperative.

In short the integrated charity is a range of linkages between state, private companies and NGOs that help to improve a community, more in the sense of human development (education, health, occupation) than in the economic sense (wealth and income). However, when linked with an economical initiative (legitimacy grass roots), it also produces income for the members bringing unintentional marketing and public acknowledgement of the business leading to economic opportunities (donations) and people to sell to. The relationship with the community is a principle and guideline of cooperatives and the solidarity economy framework. It can be seen as development by a range of solidarity actions since they do not bring instant, short term profit to any of those involved.

Chapter VI Conclusion, recommendations and the need for further Research

The main research question in this report is: “Do Solidarity Economy worker co-operatives deepen democracy through their internal organisational practices and their social relations?” This involves investigating “how is power distributed within the co-operative?; and; “there are discrepancies between what people claim about participatory democracy and their actual practices?” (Page 13). The report has tried to demonstrate that through dynamic grassroots practices in the Twselelane Bakery there is a potential for deepening democracy.

We argue that through their daily production, internal management and external dynamics, the Twselelane Bakery does indicate show us a path where both democratic social relations and income generation can co-exist. The Solidarity Economy Framework is grounded in alternative values and visions. These include equality, mutual respect, humanised relationships, co-operation, reciprocity and a concern for the collective good rather than for individual advancement. All of these values which amount to solidarity were present in the Twselelane Bakery.

The cooperative has been doing this for seven years now. A positive involvement with the surrounding community, legitimate leadership and respectful, co-operative relationships (rather than simply professional or economic interests) exists. The practices of members show an understanding built out of tacit knowledge (Ubuntu culture) and positive social horizontal relationships (no “chief” role). Maybe there is where it lays the foundation of the Tswelelane success and the key to success also to worker cooperatives in South Africa generally.

The analytical typology of cooperative done by COPAC in 2011 defines three types of cooperatives used to analyze the cases of cooperatives in Amathole District in Eastern Cape. They are: Commercially Viable, Self Developing and Marginal. They involve a gradation (the first being higher and the last being the smaller) of three variables: impact in local community, ability to meet members’ needs and commitment (both to members and to cooperative values). The Tswelelane cooperative can be defined as a Self-developing cooperative as it has an impact on the local community; its ability to meet members’ needs is limited but real and commitment from the members

to SE values is clear as involving more than simply professional relations between them. Also following our framework, we can identify this cooperative as informed by the values of the SE framework.

Democratic management is possible especially at the production levels where the knowledge of the process as a whole brings both specialization and flexibility to the process allowing fast responses and quick decision making. Power is shared in a co-operative. In conventional co-operatives management can be concentrated in a few people who have power. However distinct differences in the SE framework, sharing of information, internal legitimacy and transparency of the accounts prevent this concentration of power. Leadership as a social role is fundamental to society and has to be identified and guided if existent and if it does not, harmonious relationships have to be incentivized to avoid the risk of collapsing the cooperative. In short, the power distribution in the Solidarity Economy Framework has to be marked by flexibility and fluidity.

The difference that the Solidarity framework brings is a focus on the balance between radical participatory democracy and representative democracy to the workplace. In today's society, where an individual spends at least half of his day at work, we cannot expect that the workplace power distribution will have no influence in his thoughts and social relationships. The Solidarity Economy Framework acts as an empowering tool that makes positive human relationships more possible. This is vital for the success of any alternative to the present competition-based market culture that is promoted by neo-liberal capitalism.

Full participatory democracy, if conceived as completely horizontal, can only be achieved in the long term because of the importance of leadership. Leadership is a feature that can exist in any social group and it is either beneficial or harmful. In small organizations such as the bakery it is easier to obtain and sustain democratic relationships. However, any social system produces its own difficulties making human development a never-ending struggle. But we would rather promote a system where the values are based on solidarity and participation where workers can debate, argue and develop their own capacities. For that to happen in the long term, the Civil Society and the State have to support local and small attempts located at the grass roots level.

National democracies today are an international failure, mainly because of the economic despotism that is also present. However, the problem goes further to the micro perspective of the workplace where bosses and employees work daily in an even more anti democratic system. The Solidarity economy framework brings an alternative. It focuses on a micro perspective rather than on macro revolutions to develop a truly grass roots democratic framework where the grass roots successes are the ones who bring knowledge and initiatives rather than pure theory.

This research tried to demonstrate that it is possible for a worker co-operative to successfully exist and develop itself, giving its members a decent monthly income with prospects of improving their lives while having positive social relations within and with the community rather than simply growing in the capitalist pattern of ruthless competition.

However we argue that this might depend of a range of actions and support, from the government and the civil society. With a balanced approach letting the co-operative run by itself, if the approach assumes a top-down perspective the outcome most likely will be the failure of that co-operative because it creates a boss-employee format between supporters and supported. If the approach assumes a perspective of respect and dialogue instead of top-down imposition, the possibility of the sustainability of a democratic cooperative is high.

We do recommend that for that approach to exist, the solidarity economy framework must be observed and considered in government policies and civil society initiatives especially in communities where the African culture of Ubuntu (and the correlatives) is present. Solidarity economy not being an old style form of social system is rather an “umbrella” concept that assumes the form and shape of positive local initiatives and frameworks, such as Ubuntu in the South African context or “Viver Bem” in the Brazilian context. That approach being in tune with the local knowledge and culture can produce a much more valuable and legitimate form of political system built from one of the contemporary most important social sites, the workplace. The Tswelelane Bakery shows us that the possibility of addressing these problems come also grass-roots initiatives and tacit knowledge rather than formal, educated knowledge.

For purposes of further research we recommend that the diverse universe of the South African culture and local successes should be considered to the researched rather

than looking only for European models and framework of action in the South African scene. The answer to the South African problems, much like the Brazilian ones, is located in the villages, in ordinary workers, in traditional culture and in adapting foreign concepts to the appropriate cultural and social context of a society.

References

Andion, Carolina. (2005) A gestão no campo da economia solidária: particularidades e desafios in *Journal of Comtemporary Management*. vol.9 no. 1 Curitiba Brasil

At:

http://www.scielo.br/scielo.php?script=sci_arttext&pid=S1415-65552005000100005&lng=en&nrm=iso Accessed: 14/07/2014

Babbie, E. and J. Mouton (2001). *The Ethics and Politics of Social Research in The Practice of Social Research*, Cape Town: Oxford University Press.

Batista Santos, C. (2008). Cooperativas de trabalho no Brasil: estudo sobre a redescoberta do cooperativismo como via alternativa ao desemprego no país in *Journal of the V Encuentro of latin american researchers* At:

http://www.fundace.org.br/cooperativismo/arquivos_pesquisa_ica_la_2008/161-santos.pdf Accessed: 20/09/2014

Brazilian Ministry of Social Development site (2006). *What is family farming? In Law number 11.326* At:

<http://www.mds.gov.br/falemds/perguntas-frequentes/bolsa-familia/programas-complementares/beneficiario/agricultura-familiar> Accessed: 20/09/2014

Brazilian Ministry of Employment (2013). Second National Census of Solidarity Economy Enterprises. At:

<http://portal.mte.gov.br/ecosolidaria/sistema-nacional-de-informacoes-em-economia-solidaria/> Accessed: 20/09/2014

Burawoy, M. (1998) “The Extended Case Method”. *Sociological Theory*. Vol 16. No. 1

Caeiro, J. (2008). Economia social: conceitos, fundamentos e tipologia in *Journal Katálisis* vol.11 no.1 Florianópolis

At:

http://www.scielo.br/scielo.php?script=sci_arttext&pid=S1414-49802008000100006

Accessed: 21/09/2014

Cock, J. (2009). Declining food safety in South Africa: Monopolies on the bread market. Paper presented at the Rosa Luxemburg Stiftung conference.

Cooperative and Policy Alternative Centre (COPAC) (2005) Co-operatives in Gauteng: a quantitative study Broad Based BEE or Push Back into Poverty? At: <http://www.copac.org.za> Accessed: 22/09/2014

COPAC, (2013). Building a Solidarity Economy Movement. A guide for Grassroots activism. At: www.copac.org.za Accessed: 25/09/2014

Davis, P. (1995). Co-operative Purpose, Values and Management into the 21st Century At: <http://www.uwcc.wisc.edu/icic/orgs/ica/pubs/review/vol-88-2/7.html> Accessed: 26/09/2014

Davis, P. (1995). Cooperative Identity and Cooperative Management. In *Journal of cooperative studies* No 84 At: <http://co-opstudies.org/pdf/Journal%2084/S05-Davis-084.pdf>. Accessed: 26/09/2014

Department of Trade and Industry (DTI). (2009). The DTI Baseline Study on Cooperatives in South Africa. *The Growth Laboratory in Johannesburg* At: http://led.co.za/sites/default/files/baseline_study_of_co-operatives.pdf Accessed: 20/09/2014

Dong'aroga, M. Kanga (1999). The Idea of Democracy in African Tales. In *Research in African Literatures* Volume 30, Number 1 At:

http://muse.jhu.edu/login?auth=0&type=summary&url=/journals/research_in_african_literatures/v030/30.1aroga.html Accessed: 28/07/2014

Embrapa, (2013) Participation of Family Farming in Brasil.

Paper presented in Bioenergy week Brasília - DF At:

http://www.globalbioenergy.org/fileadmin/user_upload/gbep/docs/2013_events/GBEP_Bioenergy_Week_Brasilia_18-23_March_2013/3.8_MACHADO.pdf

Accessed: 28/07/2014

FAO studies (2014). The state of food security in Brazil, a multidimensional portrait 2014 report. At:

https://www.fao.org.br/download/SOFI_p.pdf Accessed: 25/09/2014

Faria M. (2005). Self Management, Cooperative and Solidarity Economy: Avatars of labour and Capital. Phd Thesis presented at the University of Santa Catarina At:

<https://pt.scribd.com/doc/58394648/AUTOGESTAO-COOPERATIVA-ECONOMIA-SOLIDARIA-avatars-do-trabalho-e-do-capital> Accessed: 28/09/2014

França Filho G. (2002). Terceiro Setor, Economia Social e Economia Solidária e Economia Popular: Traçando Fronteiras Conceituas. In *Journal Bahia Análise & Dados Salvador* v.,12 n.1 At:

<https://cirandas.net/cfes-regiao-sudeste/economia-solidaria-conceito/economiasolidria-fronteirasconceituais.pdf>. Accessed: 30/07/2014

Fórum Brasileiro de Economia Solidária, O que é Economia Solidária? At <http://cirandas.net/fbes/o-que-e-economia-solidaria> Accessed: 29/10/2014

Gaiger, L. (2013). Solidarity economy and the revitalization of the cooperative paradigm. In *Brazilian Journal of Social Sciences* vol.28 no.82 At:

http://www.scielo.br/scielo.php?pid=S0102-69092013000200013&script=sci_arttext
Accessed: 30/10/2014

Gauteng Provincial Government. (2007). *The Gauteng Provincial Co-ops Policy* Pretoria: Government publishers.

Government of the Republic of South Africa. (2005). The Cooperatives Act (no 14) of 2005.

Heller P. (2012). *Democracy, Participatory Politics and Development: Some Comparative Lessons From Brasil, India and South Africa*. New York:Polity.

HRSC, Fact Sheet Poverty in South Africa (2004) *In Fact Sheets No1* At:

http://www.sarpn.org/documents/d0000990/P1096-Fact_Sheet_No_1_Poverty.pdf
Accessed: 26/07/2014

International Cooperative Alliance. (2006). What is a co-operative? Website Material
At:

<http://www.ica.coop/coop/index.html> Accessed: 26/09/2014

International Cooperative Alliance. (2012) Guidelines for Cooperative Legislation *Third Edition*. At: www.ica.coop Accessed: 16/09/2014

Jara, M. Satgar, V. (2008) International Cooperative Experiences and Lessons for the Eastern Cape Cooperative Development Strategy: A Literature Review. At:

[Http://www.copac.org.za](http://www.copac.org.za). Accessed: 18/10/2014

Landman, (2003). Breaking the grip of Poverty and Inequality in South Africa.
Eletronic Copy

2004-2014. At: <http://www.sarpn.org/documents/d0000649/P661-Povertyreport3b.pdf>
Accessed: 02/09/2014

Lechat N. (2006) (editor) *Solidarity Economy Volume 1*. At:

<http://www.uff.br/incubadoraecosol/docs/ecosolv1.pdf> Accessed: 05/10/2014

Lima J. (2004). *Self-manageable work in production cooperatives: the revisited paradigm*. In Brazilian Journal of Social Sciences vol.19 no.56 At:

http://www.scielo.br/scielo.php?pid=S0102-69092004000300004&script=sci_arttext
Accessed: 03/06/2014

Morais, Edson Elias de; Lanza, Fabio; SANTOS, Luis Miguel Luzio dos Santos and Pelanda, Sílvia Schroeder. (2011) Propriedades coletivas, cooperativismo e economia solidária no Brasil. In Serv. Soc. Soc. no.105 São Paulo. At:

http://www.scielo.br/scielo.php?script=sci_arttext&pid=S0101-66282011000100005&lng=en&nrm=iso Accessed: 09/10/2014

National Agency of Solidarity Development, ADS website. At: <http://www.ads.org.br/>

Neuman, L.W. (2000). *Social Research Methods: Qualitative and Quantitative Approaches* (Fourth edition). Boston: Allyn and Bacon.

Oda, T. (2007) Union and Cooperatives. Metal workers of the ABC and the UNISOL centre. Presentation in the II seminar of the metal workers union of the ABC of São Paulo

At: <http://www.fafich.ufmg.br/nesth/IIIseminario/texto22.pdf> Accessed: 25/11/2014

OECD, Economic Surveys South Africa. (2013). At:

<http://www.oecd.org/eco/surveys/South%20Africa%202013%20Overview%20FINAL.pdf> Accessed: 15/07/2014

Oliver, Nathan 2012. What is the relationship between state sponsored worker co-operatives, local markets and the Ekurhuleni Metropolitan Municipality? Masters thesis at the Witswatersrand University in Johannesburg At:

<http://wiredspace.wits.ac.za/handle/10539/11893> Accessed: 15/11/2014

Picanço and Maldos, (2007). A democracia dos povos indígenas: Justiça e igualdade como desafios do cotidiano. Journal Poramento for the Latin american Agenda of 2007 At:

<http://www.servicioskoinonia.org/agenda/archivo/portugues/obra.php?ncodigo=57>

Accessed: 15/08/2014

Phillip, K. (2003) Co-operatives in South Africa: Their Role in Job Creation and Poverty Reduction. *South African foundation electronic copy* At:

http://waqfacademy.org/wp-content/uploads/2013/03/Kate-Philip-KP.-10_2003.-Co-operatives-in-South-Africa-Their-Role-in-Job-Creation-and-Poverty-Reduction.-South-Africa.-Kate-Philip.pdf Accessed: 28/08/2014

Philip, K. (2007). A Reality Check: Worker Co-operatives in South Africa. For the SA Labour Bulletin At: <http://www.led.co.za/sites/led.co.za/files/documents/252.pdf> Accessed: 26/08/2014

Phillip, K. (2008). Enterprise development on the margins: Making markets work for the poor. Phd Thesis for the University of Witswatersrand Johannesburg

At: <http://wiredspace.wits.ac.za/handle/10539/5690> Accessed: 23/09/2014

Pillay et.al (eds) (2011). *New South African Review* Johannesburg: Wits University Press.

Pochmann, M. 2014. Brasil, segunda grande transformação do trabalho? In the Journal of advanced studies vol.28 no.81 São Paulo

At:

http://www.scielo.br/scielo.php?pid=S0103-40142014000200003&script=sci_arttext

Accessed: 17/08/2014

A profile of Gauteng: Demographics, poverty, inequality and unemployment (2005) At:

<http://ageconsearch.umn.edu/bitstream/15615/1/bp050007.pdf> Accessed: 25/07/2014

Reutter T., McGraw-Hill, (1994).

The Crisis of Third World Debt – Is there a way out? Review of Radical Political Economics, Vol. 20, Nos. 2 & 3

Rosa Marques (2008). Democracia radical e democracia participativa: contribuições teóricas à análise da democracia na educação. *Journal of education and sociology* vol.29 no.102 At:

http://www.scielo.br/scielo.php?script=sci_arttext&pid=S0101-73302008000100004

Accessed: 25/08/2014

Rosetto M. (2003) Family Farming is responsible for 10% of the GDP. News from the Question Bulletin At:

http://www.fetecsp.org.br/index.php?option=com_content&view=article&id=8002&catid=51:renda&Itemid=125 Accessed: 24/10/2014

Santos, Oliveira e Pelosi 2012. A Brief Mapping of the Solidarity Enterprises in Brazil. *In Journal of Academic economy INSS: 16968362.*

At: <http://www.eumed.net/cursecon/ecolat/br/12/sop.html> Accessed: 13/11/2014

Satgar, V. (editor) (2011) Building the Solidarity Economy and Movement in Ivory Park, Gauteng – Mapping Research Report 1. At: <http://www.copac.org.za>. Accessed: 03/06/2014

Satgar, V. (editor) Cooperating for Transformation: Cooperative Case Studies from the Amathole District, Eastern Cape (2011). *Electronic Copy* At: <http://www.copac.org.za> Accessed: 25/07/2014

Satgar, V. and Williams M. (2008) Passion of the People: Successful Cooperative Experiences from Africa. *Electronic Copy* At: <http://www.copac.org.za> Accessed: 26/07/2014

Satgar V. And Jara M. (2008). International Cooperative Experiences and Lessons for the Eastern Cape Cooperative Development Strategy: A Literature Review. *Electronic Copy* At:

http://www.copac.org.za/files/ECSECC_workingpaper_5.pdf Accessed: 25/09/2014

Satgar V. (editor) (2014). *The Solidarity Economy Alternative, Emerging Theory and Practice*. University of KwaZulu-Natal Press.

Satgar, V. (2007) *The State of the South African Cooperative Sector*. *Electronic Copy* At:

<http://www.copac.org.za> Accessed: 12/08/2014

Schrerer and Saha (eds) *The Food Crisis: Implications for Labour*.

Kassel: University of Kassel Press, 2013.

Schutte, Giorgio Romano. 2014. *“Brasil: 10 Years of a Workers Party Government”*. Edited by Edward Webster and Karen Hurt. Johannesburg: Chris Hani Institute

Secretaria Nacional de Economia Solidária Brasil. O que é Economia Solidária? At <http://portal.mte.gov.br/ecosolidaria/o-que-e-economia-solidaria.htm> Accessed: 23/08/2014

Salles Oliveira, P. (2007) Economia Solidária, Entrevista com Paul Singer. *Electronic Copy* At: www.scielo.br 25/10/2014

Statistics South Africa, Income and Expenditure of households Analysis of results 2005/2006. At: <http://www.statssa.gov.za/Publications2/Report-01-00-01/Report-01-00-012005.pdf> Accessed: 14/07/2014

Statistics South Africa, Census 2011 At:

<http://www.statssa.gov.za/publications/P03014/P030142011.pdf> Accessed: 17/09/2014

Statistics South Africa (2013). At: http://beta2.statssa.gov.za/?page_id=737&id=1

UNISOL website presentation (2008) At: <http://www.unisolbrasil.org.br/>

UNIFACES Website. Who are we? (2006) At: <http://unicafes.org.br/quem-somos>

Vasconcelos F. (2005) 'Fighting hunger in Brazil: a historical analysis from Presidents Vargas to Lula'. In *Nutrition Journal* vol.18 no.4 At:

http://www.scielo.br/scielo.php?script=sci_arttext&pid=S1415-52732005000400001

Accessed: 18/08/2014

Williams, M. (2008). *The Roots of Participatory Democracy: Democratic communists in South Africa and Kerala, India*. London: Palgrave Macmillan

List of Interviews.

COPAC Member One: 27/07/2014

COPAC Member Two: 27/07/2014

COPAC Member Three: 10/10/2014

Bakery Leader 1 (Gogo): 26/06/2014

Bakery Leader 2 (Ma): 10/07/2014

Bakery member 1 (Sina): 17/07/2014

Bakery Member 2 (James): 11/07/2014