

# Doctoral Thesis



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## **Indigenous Peoples and Self-Determined Development: the Case of Community Enterprises in Chiapas**

A dissertation submitted to the doctoral school of local development  
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# Abstract

Most exogenous developmental models have not provided satisfactory results in indigenous settings. The resulting development policies have contributed to the expropriation of indigenous territories and to the indiscriminate exploitation of natural resources, that have led to a generalized worsening of indigenous peoples' living conditions. The expression "development aggression" has been coined to describe the violation of indigenous individual and collective rights during development processes that have been imposed top-down rather than shared and implemented with the communities involved.

Against this background, several studies have pinpointed the role of indigenous entrepreneurship in sustaining endogenous development processes. Due to the low number of empirical studies supporting this proposition, this research aims at contributing to the debate, claiming that community enterprises are an effective vehicle for an indigenous self-determined process of development. More specifically, these grassroots entrepreneurial initiatives appear able to sustain an indigenous conception of well-being that has recently entered the Latin American debate on development. This conception, named *buen vivir*, emphasizes the importance of indigenous culture, the natural environment, and collective well-being.

Based on a multidisciplinary approach that draws on entrepreneurship, economic sociology, anthropology, and development studies, the research combines theoretical and empirical approaches. An ethnographic study has been carried out in the first half of 2012 and has investigated

sixteen self-managed community enterprises that have been founded by indigenous Mayan communities in the Mexican state of Chiapas. The fieldwork has been based on in-depth semi-structured interviews, as well as direct observation and analysis of secondary sources. The focus is on identifying the enabling factors that have supported the emergence of these enterprises and the impact they have had on improving indigenous peoples' well-being.

The main findings pinpoint the existence of some enabling factors for the emergence of community enterprises in the indigenous context, that have to be found in the indigenous cultural resources on which they are based, in the linkages they hold with social movements, and in the situation of social and economic stress of the context in which they are embedded. The research has also highlighted that in the context analyzed community enterprises maintain some specific characteristics: they have a civic origin, thus they are not externally driven; they pursue a plurality of goals, which are not only social and economic, but also political, cultural and environmental; they have a participatory governance, based on equality among members and on democratic principles; and an entrepreneurial dimension that is explicitly aimed at pursuing social objectives through the continuous production of goods or services. These four characteristics explain the contribution that community enterprises can offer in supporting alternative approaches to development, where local communities are actors of their own development processes.

**Keywords:** ethnic groups, *buen vivir*, community enterprise, local development, solidarity economy

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# Introduction

The mainstream development model based essentially on market fundamentalism and translated into a “GDP fetishism” (Stiglitz, 2009) has had a paramount role in causing undesirable social and environmental consequences (Jackson, 2009). Not only development intended exclusively as economic growth has proven to be ineffective in tackling social issues, in supplying food, and in reducing inequalities, but this model, based essentially on overconsumption, is also challenging the preservation of the natural environment.

In this respect, indigenous peoples are among the most vulnerable societies, since they often live in territories that are very rich in terms of natural resources, and consequently attract the economic interest of multinational corporations and national governments. However, they usually do not benefit from the wealth generated by their territories, and they are among the poorest and most marginalized groups of society. Indeed, many studies have shown that indigenous people experience harsh living conditions and socio-economic marginalization with respect to the non-indigenous population living within the same country (Hall and Patrinos, 2006; UNPFII, 2006; Patrinos and Skoufias, 2007; Tauli-Corpuz, 2012).

Mainstream development programs have failed to address indigenous peoples’ needs, and neoliberal policies have sacked their territories and natural resources without a significant positive impact on their well-being. This development model has caused the destruction of entire ecosystems, an increase in deforestation and extraction of minerals, oil,

gas, as well as the construction of high-impact infrastructures, such as large-scale mining or hydroelectric dams, in what has been defined as “development aggression” (Tauli-Corpuz, 2008). Furthermore, this model has led to the displacement of several communities, and to a generalized worsening of indigenous peoples’ life conditions (Gudynas, 2009). This approach to development deliberately violates the “right to free, prior and informed consent” and the “right to decide priorities for development,” stated by the legally binding ILO Convention No. 169 on Indigenous and Tribal Peoples in Independent Countries (1989).

Against this background, several development theories and policies have started to take into account the role of indigenous culture and institutions, which have been considered as hurdles to progress and modernity by some mainstream theories, such as for instance modernization theory. Alternative conceptions of development have been proposed, mainly focusing on endogenous models that are believed as capable to effectively satisfy the necessities of indigenous peoples. Indeed, approaches such as “ethnodevelopment” or “development with identity” imply the local determination of the objectives and strategies of development, the control of the development process by the indigenous communities, and the exploitation of local human, cultural, natural, and economic resources. These development processes are intended to produce benefits at the local level while respecting the natural environment, given the traditional attachment of indigenous peoples to their ancestral territories (Bonfil, 1982; Stavenhagen, 1986; Tauli-Corpuz, 2008).

However, few approaches to development have taken into account the direct voice of indigenous peoples (Loomis, 2000). In this respect, *buen vivir* (translatable as “good-living”) is an original indigenous conception of well-being that has been considered as one of the most important Latin American conceptual contribution to the debate on development in recent years (Gudynas, 2011). *Buen vivir* conceives well-being not in its individualistic western sense, but rather in the context of a community. Moreover, it considers the natural environment as a subject of

rights (arts. 71-74, Constitution of Ecuador). *Buen vivir* describes a collective well being based on respectful exchanges between humans and the natural environment, on the promotion of collective rights, and on a community-based model of production. *Buen vivir* has been positioned in the post-development theory and it can be defined as an alternative to development, given that is radically opposed to the western idea of development and it overcomes its colonial implications (Escobar, 1992; Gudynas, 2011). A question that raises is how to make *buen vivir* concrete. Several scholars argue that the social and solidarity economy can constitute a driver of an alternative view of development capable to lead to *buen vivir* (Coraggio, 2011; Acosta, 2013).

The term social and solidarity economy identifies those initiatives that are created by people who freely join to develop economic activities and create jobs on the basis of solidarity, reciprocity, and cooperative interactions, in order to build new social and labor relations that do not reproduce the existing inequalities (Gaiger, 1999; Coraggio, 2011). This term, mainly employed in the Latin American literature, is part of a broader debate on economic initiatives with a social aim that have been emerging and spreading in different geographic contexts, maintaining some commonalities as well as some specific characteristics according to the context analyzed.

Some traits of the European definition and approach to social enterprise (Borzaga and Defourny, 2001; Nyssens, 2006; Defourny and Nyssens, 2012) appear useful in order to better classify and understand indigenous economic initiatives. However, a specificity of indigenous entrepreneurial activities is the stronger orientation towards the community. Consequently, this research considers indigenous economic initiatives in this context as community enterprises, given that their social foundations lie in the community, and they are meant to have positive impact on the community as a whole (Peredo and Chrisman, 2006; Somerville and McElwee, 2011). Community enterprises operating in this context are considered as specific types of indigenous enterprises:

this terminology allows to put an emphasis on the collective character of these indigenous initiatives, and to stress the fact that they promote self-management.

This research is devoted to investigate two main general research questions, which are directed to the understanding of the enabling factors that have facilitated the emergence and spread of community enterprises in the indigenous communities of Chiapas, and to the analysis of the main conditions under which community enterprises contributed to the pursuit of indigenous communities' well-being intended as *buen vivir*.

It seems important to understand the factors that facilitate or hamper the emergence of community enterprises in a specific context, in order to understand how these socio-economic initiatives can be further sustained by supportive actions and public policies. Furthermore, the understanding of the view of development and of the specific needs that indigenous people face, allows for a deeper assessment of the effectiveness of these initiatives. As a consequence, this research investigates the potential of community enterprises as suitable tools for sustaining a self-determined development process implemented by indigenous communities. These initiatives appear as capable to positively impact on the well-being of indigenous peoples, tackling a number of social, economic, environmental, cultural, and political concerns that affect these communities.

Given the scarcity of empirical support to this claim, an ethnographic study has been carried out in the Mexican state of Chiapas, with the aim of investigating a number of entrepreneurial initiatives created and managed by Mayan local communities. Chiapas offers fertile ground for research due to the presence of several indigenous ethnic groups, and to collective actions and grassroots initiatives that followed the 1994 Zapatista insurrection. The analysis of the history, organizational practices, and challenges faced by these grassroots enterprises has focused on the impact they have had on community well-being. This research is multidisciplinary, drawing on entrepreneurship, economic sociology, anthropology, and development studies, and combines theoretical and empirical

approaches.

The first chapter focuses on the rationale behind the endogenous model of development, with a specific regard to the factors that impact on the improvement of indigenous peoples' well-being. Against the limited results provided by exogenous development models, that have caused the expropriation of indigenous territories and natural resources without any improvement in their living conditions, endogenous models of development are explored as potentially more effective in addressing indigenous peoples' needs.

The second chapter explores the relations between development and entrepreneurial activities. Analyzing the main common streams of literature on indigenous entrepreneurship, the study focuses on some anthropologic and entrepreneurial factors that characterize indigenous economic initiatives. This analysis highlights the general collective character of indigenous entrepreneurship, as well as its social orientation. Consequently, the literature review focuses then on the ongoing conceptual debate on non conventional entrepreneurial initiatives with a social aim. The main approaches that have been developed in Europe, North America, and Latin America are illustrated and the specificities of each conceptualization are pinpointed with the aim of grasping the characteristics that are most relevant to the context under analysis. While the North American interpretation is quite antithetic to the indigenous Latin American context, mainly due to its emphasis on the individual entrepreneur as agent of societal change, some useful insights can be grasped from the European definition of social enterprise, as developed from the EMES European Research Network, and from the Latin American analyses of the social and solidarity economy.

The third chapter is devoted to the analysis of the historical and socio-economic factors that characterize the context in which indigenous peoples live in Chiapas. Moreover, the chapter focuses on the analysis of public authorities' role, both in addressing indigenous peoples' needs and in creating an adequate legal framework for the assertion of their

rights. The picture that emerges highlights the conditions of socioeconomic marginalization that indigenous peoples experience and the scarce effectiveness of the public development programs that have been implemented at the federal and at the state levels. These programs indeed are based on a paternalistic top-down approach, and they do not take into account indigenous culture and specific necessities.

The fourth chapter focuses on the fieldwork that was carried out in Chiapas in the first half of 2012. In depth-interviews and organizations' visits have been conducted with 16 indigenous organizations operating in four sectors of activity: handicraft, agriculture, services of social support and education, and ecotourism. The analysis has revealed some general characteristics of indigenous enterprises in this context: they are embedded in the indigenous community, they pursue explicit social goals rather than profit-maximization, they are collectively owned and managed through participatory governing bodies, and they have an entrepreneurial character since they produce goods or services to sustain themselves and their members. The findings show that the positive outcomes of these activities derive from community enterprises' capacities to mobilize a plurality of local resources in order to achieve community objectives. These outcomes are not solely social and economic, but also cultural, political, and environmental.

The final chapter summarizes the main findings with respect to the role of community enterprises in sustaining, coherently with *buen vivir*, a bottom-up development process self-determined by indigenous peoples. Some policy implications are also illustrated.

# Chapter 1

## What model of development for indigenous peoples?

### 1.1 Introduction

All over the world indigenous communities often live in areas that are very rich in terms of natural resources. In spite of this wealth, they are often among the poorest and most marginalized groups in society. The classical reasons that have been employed to explain the hurdles for indigenous communities in exploiting local resources to their own advantage, typically focus on the lack of capital, know-how, and access to markets. Consequently, natural resources located in territories inhabited by indigenous communities have been often exploited by external actors, such as national governments and multinational corporations. However, these interventions have not caused significant positive changes in the indigenous peoples' socio-economic conditions.

Neoliberal policies promoted by the IMF, the World Bank and some bilateral donors and based on the liberalization of investments, mining activities, and management of territories, allowed for the expropriation of indigenous territories and for the indiscriminate exploitation of their natural resources. This development model has rarely created an improve-

ment of the community well-being, while it has caused the destruction of entire ecosystems, an increase in deforestation and extraction of minerals, oil, gas, as well as the construction of high-impact infrastructures. Furthermore, this model has led to the displacement of several communities, and to a generalized impoverishment of indigenous peoples' living conditions. This approach deliberately violates the right to free, prior and informed consent in relation to development projects, stated, among other treaties, by the ILO Convention No. 169 on Indigenous and Tribal Peoples in Independent Countries. This legally binding convention has been ratified by 22 countries, including Mexico.

Against this exogenous development model, an alternative approach to development based on an endogenous model seems more suitable in order to improve socio-economic conditions of indigenous peoples. The importance of endogenous resources and of a bottom-up development approach are paramount in a theoretical contribution named *buen vivir*, that builds on original practices and world views of several Latin American indigenous populations, and that has been elaborated by indigenous and non-indigenous scholars. The most innovative aspects proposed by *buen vivir* are: firstly, well-being is intended as tightly linked to the community; and secondly, the natural environment is considered as a subject of rights.

The general objective of this chapter is to shed light on the rationale behind the endogenous model of development, with a specific regard to the factors that allow for the improvement of indigenous peoples' well-being. The chapter is organized as follows: it first analyzes some common exogenous and endogenous approaches to local development; it then analyzes socio-economic insights on the importance of embeddedness, institutions and social capital in endogenous development theories; this framework is employed to analyze some concrete examples of local development practices, namely the Italian industrial districts and the case of the Mondragón cooperatives; the analysis will then shift to the concept of sustainable development and some streams of literature that



focus on the role of enterprises in sustaining it; the following section focuses on the Latin American case of development, with a description of the neoliberal policies that have characterized the mainstream approach to development in this area: these policies have increased inequalities and consequently they had an impact in worsening indigenous peoples' living conditions; a definition and some main facts that describe the condition of marginalization that indigenous peoples suffer will be provided next; against the failure of mainstream top-down development policies, some bottom-up theoretical approaches are then described, leading to the original indigenous conception of well-being named *buen vivir*, that brings an alternative conception of development; finally, some concluding remarks close the chapter.

## **1.2 Exogenous and endogenous approaches to local development**

The increased complexity and economic interdependence among countries and regions that has been triggered by globalization, has posed a number of challenges to local and regional development theories, policies, and practices. The main approaches to local development can be divided into two main streams, according to their focus on exogenous or endogenous explanatory factors.

The first stream of development approaches focuses its attention on external elements, such as extra-regional investments, infrastructures provided by external authorities, and transfer of innovation generated elsewhere, that can be moved to the local context through deliberate policy interventions. These development interventions are based essentially on the provision of infrastructures and the enhancement of the industrial sector. Most of these policies, inspired by the dominant neoliberal thinking based on free-market capitalism and liberalizations, have in many cases failed to deliver the expected results. Neglecting the importance

of local aspects, such as culture, social capital, and the importance of the local contexts that require differentiated and tailored development solutions, these top-down approaches have produced serious downsides. Indeed, the main consequences have been the increase of social and regional inequalities, and the exclusion of a large number of unskilled workers from the job market, with a parallel growth of the informal sector (Rodrik, 2000; Stiglitz, 2002; Wade, 2004).

One of the main reasons of the failure of these top-down approaches is ascribable to the belief that there could be only one recipe for development, replicable and applicable to any contexts regardless of the social, political and economic specificities of a region (Pike et al., 2006). Against the failures of these exogenous policies, since the '90s several approaches based on endogenous resources have started to emerge (Pike et al., 2006). This endogenous model of development “pursues the satisfaction of local needs and demands through active participation of the local community in development processes” (Vázquez-Barquero, 2003, p.22).

The objectives of the endogenous development strategies are not only the improvement of the productive sphere, but also the betterment of social and cultural conditions that impact on the well-being of the whole society. As a consequence, the centrality of territory with its specific characteristics and resources is crucial, and the historical evolution of a place is believed to condition its development trajectory, according to what has been defined as path dependence (Meyer-Stamer, 1998; Martin and Sunley, 2006). These bottom-up approaches to development are based on the exploitation of endogenous assets that are accumulated at the local or regional level, such as specific knowledge, natural resources, human capital, and social capital, and on local processes that are coherent with the local cultural environment. In several cases these models have provided successful results, even though they seem to work only in specific contexts and under specific conditions.

### **1.3 Embeddedness, institutions, and social capital**

Some theoretical and policy approaches to local and regional development focus on both economic and non-economic endogenous factors of development. These bottom-up approaches seem particularly interesting because, besides economic considerations, they take into account something that is neglected by mainstream top-down approaches to development: the socio-cultural environment that characterizes the communities, which are directly involved as actors of their own development.

In this framework, institutionalism and economic sociology provide useful insights on the interpretation of these phenomena. A central concept in the new economic sociology is the idea of the embeddedness of the economy into social relationships, that was originally elaborated by Polanyi (1944) and successively further developed by Granovetter (1985). This interpretation supports the idea of the importance of the social context as a basis on which development strategies and policies can be built. Connected to this proposition, the role of formal (e.g. different types of organizations) and informal (e.g. customs and traditions) institutions appear crucial in supporting developmental strategies tailored on specific contexts, given their capacity of enhancing trust in economic relations (Pike et al., 2006).

Among the endogenous assets a key role is played by social capital. This concept was first coined by Bourdieu (1980), to whom further elaborations followed (Granovetter, 1985; Coleman, 1990; Portes, 1998). Even though a shared definition of the concept is still lacking, social capital individuates a set of informal norms and shared values, networks and social trust, that favor cooperation among people in a community that can thus pursue mutual benefit (Putnam, 1995; Fukuyama, 1995). The definition by Coleman (1990) puts more emphasis on social networks, rather than on shared culture and trust.

Even though the role of networks is crucial in the context of indigenous communities, as it will be analyzed below, the importance of a shared culture and reciprocal trust is also paramount. Thus, a special attention should be given to bonding social capital, that can be intended as a sort of “internal” social capital (trust, norms, networks) among members of the same social group or community (Gittel and Vidal, 1998). The distinction among bonding and bridging social capital was introduced by Gittel and Vidal (1998) and followed by Putnam (2000) and others (among them Woolcock and Narayan, 2000). This distinction traces back to the seminal work by Granovetter (1973), who identified weak (inter-community) and strong (intra-community) ties. Accordingly, besides the already mentioned bonding social capital, Gittel and Vidal identify also “bridging” social capital, that is to say the establishment of ties, and consequently the creation of social capital, among members of different communities. A third type of social capital was introduced by Woolcock (2001) who defined “linking” social capital as those networks between individuals and groups that imply relations based on hierarchy or power, like for instance those relationships established between local communities and formal institutions. The literature has usually described bonding social capital with a negative connotation, given that it characterizes closed and homogeneous groups of people unwilling to cooperate with the external environment (Sabatini, 2008). This “dark side” of social capital characterizes amoral familism and criminal organizations (Banfield, 1967; Gambetta, 1992; Portes and Landolt, 1996; Putzel, 1997; Portes, 1998). However, in the context of indigenous communities it can have a certain importance in strengthening social cohesion, but on the other hand it can be dangerous if it is not balanced by bridging social capital, because it can lead to isolation and closure of these communities. Moreover, bonding social capital can foster the creation of opposing factions, and this risk is particularly evident in some specific contexts.

Even though it should be remarked that an effective development model in one context is not necessarily replicable in another context

regardless of its social, cultural, economic and political specificities, some concrete cases can help in the understanding of the key role played by local communities in implementing local development practices.

An interesting case is that of the industrial districts in the north of Italy, a case that was first developed in the pioneering studies by Becattini (1979) at the end of the 70s. The concept of industrial district was originally employed by Marshall who, in the *Principles of Economics* (1890, Book 4, Chapter 10), referred to British industrial clusters in late XIX century as propellers of economic progress. The concept was then further analyzed and applied to the study of clusters of small and medium enterprises in the north of Italy, where historically industrial districts registered an impressive growth after World War II. The industrial district is described as a socio-territorial entity where a community of people and a group of industrial enterprises interact and are somehow interconnected (Becattini, 1989). One of the determinants of the industrial district's successful development is thus ascribable to socio-cultural cohesion in a determined territory. Social cohesion is based on mutual trust and favors the circulation of ideas and the interaction among people who share the same culture, and who identify themselves in the interests and values of the district (Becattini, 1989). People living within a territory where the industrial district raises, share a homogeneous set of values based on work ethics, family and reciprocity that involves several aspects of their daily lives. This shared set of values, that can be translated into social capital, constitutes both a prerequisite and a condition for the reproduction of the industrial district.

Another paramount example for what concerns local solutions to development and the importance of the social and cultural context in which enterprises develop, derives from the experience of Mondragón. In Mondragón, a small city in the Basque Country in northern Spain, an important group of industrial, service and agricultural cooperatives emerged in the 50s and it is nowadays the biggest industrial cooperative group in the world. The Basque region was, and still is, a place with a very

strong linguistic and cultural identity, that results in a strong social cohesion which was somehow strengthened by the repression suffered under Franco's dictatorial regime (1939-1975). Social cohesion was translated, among other outcomes, in an associative spirit that has had a role in the Basque people inclination towards cooperative organizational forms, strengthened by a high level of in-group solidarity (Johnson and Whyte, 1977). However, this cultural explanation is not sufficient to account for the extraordinary success of Mondragón when compared to other cooperative enterprises in the same region (Whyte, 1982). A further key of success is mainly ascribable to the establishment of a parallel system of educational, insurance, banking and commercial cooperatives, that were integrated and produced a mutually supporting system of organizations.

The analogies with the Italian industrial districts have to be found in the cooperation and interaction among diverse entities operating in a community with effective institutions and that shows a high level of social cohesion. Moreover, some scholars, following Coleman, underline the crucial importance of social networks, more than culture, trust and civicness, as characteristics of social capital that favor local development (Trigilia, 2001), as is the case of industrial districts in Italy, where an efficient networking activity with local politics facilitated the development of the area.

To conclude, the analysis of social capital appears useful given its capacity to highlight several characteristics of certain communities that can facilitate the creation of community-based initiatives: in particular shared values and norms, social trust, and social networks at different levels (internal and external to the community), seem to be important assets on which community initiatives can build.

## **1.4 Sustainable development: theories and practices**

As highlighted by the analyses and examples provided in the previous sections, there has been a search for alternative conceptions of development. More specifically, there has been a shift of attention from the “quantity,” measured exclusively by economic growth, to the “quality” of development. The fideistic centrality of the GDP measure—or “GDP fetishism,” as Stiglitz (2009) put it—has been questioned by many as a measure of social welfare, and alternative conceptions, more focused on social welfare and on the reduction of environmental pressure, have started to gain attention (Van Den Bergh, 2011). This shift from a quantitative to a qualitative conception of development, has led to the emergence of the concept of sustainable development.

The concept of sustainable development emerged during the 1980s in order to challenge the mainstream view according to which development was produced exclusively by economic growth. The term “sustainable development” was coined by the Brundtland Commission, or “World Commission on Environment and Development” (WCED), which vaguely defined it as the meeting of “the needs of the present without compromising the ability of future generations to meet their needs” (WCED, 1987, p.43). The Commission recognized the failure of past development models that, being based exclusively on economic growth, were neither effective against poverty, nor able to safeguard the natural environment. After this first definition, the idea of sustainable development has been further elaborated, broadly employed and sometimes misused. This work of conceptualization has led to a multiplicity of definitions that highlighted, to different extents, both social and environmental sustainability as fundamental aspects to be taken into account when talking about development. This ambiguity has allowed governments and business to employ the term extensively and to declare themselves in favor

of sustainability, without really challenging the existing economic system (Hopwood et al., 2005).

Several efforts have been made concerning the search for alternative indicators, in order to find a welfare measure able to catch also social and environmental aspects, by mixing economic metrics with social metrics. After the introduction of the Human Development Index (HDI) in 1990, that took into account also indices on health and education, as well as income, several initiatives were launched and today there is a proliferation of alternative indexes devoted to measure socio-economic well-being. Just to cite some of them, it can be recalled the well-known Fitoussi-Stiglitz-Sen “Commission on the Measurement of Economic Performance and Social Progress” established in 2008 on French government’s initiative in order to look for alternative measures of well-being; or the Happy Planet Index, created by the British New Economics Foundation, that takes into account life expectancy, experienced well-being (intended as subjective well-being) and Ecological Footprint; or the “Gross National Happiness”, coined by the former Bhutanese king in the 1970s, that takes into account in the measurement of well-being also the preservation of culture and natural environment, and that successively has been attracting the interest of western scholars.

#### **1.4.1 The role of enterprises in sustainable development**

The idea of sustainable development inspired a variety of theoretical and empirical approaches that focus on the role of enterprises as vehicles for development. Several management and business scholars have put their attention on the connections between business and development, and they elaborated a number of normative theories which focus on the role of enterprises. The role of enterprises is crucial as they are believed capable of driving development: some popular concepts in this respect are corporate social responsibility, shared value, and the Bottom of Pyramid.



Corporate social responsibility is expected to contribute to sustainable development through the direct and voluntary commitment of big multinational corporations into social and environmental projects, which are considered as part of their corporate strategy. This approach, that was originally based on individual initiatives taken by single corporations, has later been included in the development strategy of several international organizations, such as the World Bank, the UN, and several national development agencies, such as CIDA (Canadian International Development Agency) or the British DFID (Department For International Development). This international strategy can be read as a consequence of the influence of the Washington Consensus and its consequent scarce trust in the role of the state, and in favor of the private sector (Jenkins, 2005). However, these practices seem to have provided scarce results.

A concrete example of the scarce results that the actual implementation of corporate social responsibility has had in improving the well-being of local communities is provided by Prieto-Carrón (2006), who describes the working conditions of women employed in the Chiquita bananas plantations in Nicaragua. Her research highlights that, in spite of the involvement of Chiquita in corporate social responsibility projects directed to improve labor conditions, no significant betterment in the workers' lives has occurred. According to the author, the failure is due to structural issues of bananas industry and to its gendered nature (that is to say all workers are women). On the contrary, she argues that one possible way of implementing successful projects would be to involve the beneficiaries directly in the implementation of practices able to face the structural inequalities of the bananas industry.

Also the more recent theory of shared value focuses on the role of corporations as agents of socioeconomic development (Porter and Kramer, 2011). The main argument of this approach is that the creation of economic value by corporations cannot be detached from social considerations: economic success should be directly connected to social progress. Firms must create economic value through the creation of societal value,

and this can happen in three ways: i) reconceiving products and markets, by creating products able to satisfy societal needs; ii) redefining productivity in the value chain, and iii) through the creation of industrial clusters near the firm's location.

One of the main limits of these approaches is that they are based on voluntary behaviors of the firms. Moreover, critical management studies argue that these theories are elaborated more to improve big multinational corporations' reputation, to legitimate and to consolidate their power, and to compensate negative externalities they provoke, rather than to pursue authentic anti-poverty strategies (Banerjee, 2008; Peinado-Vara, 2006). Moreover, these theories and strategies seem incapable to satisfy new and differentiated needs emerging from society.

Another popular concept in business is the "Bottom of Pyramid," impelled by Prahalad's work "The Fortune at the Bottom of the Pyramid" (2004). This approach focuses on the role of big corporations in addressing low income peoples' needs with profitable returns. It argues that corporations have addressed only the needs of the people at the top and at the middle of the economic pyramid, neglecting the potential of low-income people who occupy the position at the bottom of it. This potential market, composed of two-thirds of the world population, looks appealing and profitable. Consequently, in order to satisfy the needs of this vast sector of the population, multinational corporations should develop specifically designed goods and services, or adapt the existing ones making them available at a lower price. In this way they will also address the social necessity of a more balanced distribution of resources with a consequent improvement of low-income peoples' life conditions (Prahalad and Hart, 2002).

In reality, as some scholars argue, the BoP theory often inspires practices that are unsatisfactory and in some cases also produce negative impacts. A case in point is reported by Jaiswal (2007), who describes the impact that Coca Cola Company had on a village in Kerala, India: instead of satisfying drinking water necessities of the area, the corpora-

tion not only depleted and polluted hydric reserves of the area, but also distributed contaminated sludge deriving from the industrial process as fertilizer to local peasants, with important consequences on their health and on the quality of cultivated soil.

The main limit of this approach is that people at the bottom of the pyramid are seen just as consumers, that is to say as a source of profit, and not as active actors belonging to communities that have to be involved in the decision making process regarding their resources and territories (Jaiswal, 2007). Another critique to the BOP approach argues that instead of satisfying real needs emerging from impoverished communities, corporations create new unnecessary needs, fostering consumerism. Moreover, there is no distinction between priority needs (nutrition, health, education, housing) and non-priority areas of intervention (for instance shampoo or detergent sold by corporations, as famous examples concerning Hindustan Unilever report) where people at the bottom of the pyramid should spend the little money they have (Jaiswal, 2007).

These approaches appear essentially as make-up operations with respect to the mainstream neoliberal model of development and business. Karnani (2007) and Jaiswal (2007) argue that a possible solution to poverty is to consider low-income people not as consumers or assisted beneficiaries, but as producers, enhancing and supporting their existing producing capacity and encouraging multinationals to buy goods and services from them, supporting in this way poverty alleviation.

In this respect, one often mentioned practice is fair trade, that focuses on the role of low-income people living in the global South as producers of goods that are usually consumed by people living in industrialized countries. Fair trade is based on a variety of practices that focus on the direct relationship and partnership between producers, traders and consumers. This idea originated as a social movement in Europe during the 70s, with the main objective of seeking greater equity in international trade. This has been possible through partnerships based on dialogue, transparency and fair prices, pre-finance, as well as the implementation

of projects for capacity-building to the advantage of producers. A shared definition of fair trade is provided by FINE<sup>1</sup>, (Moore, 2004):

Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of marginalized producers and workers - especially in the South. Fair trade organizations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.

Recent trends have seen fair trade engaging in partnerships with mainstream businesses. However, a number of authors warn about the risks that this engagement brings mainly in terms of co-optation and decreasing reputation for fair trade (Doherty and Huybrechts, 2013). Further critiques will emerge from the findings of this research.

A second and more recent practice, often intertwined with fair trade, is responsible tourism. Also this movement raised in industrialized countries, when some tourism related actors, at the end of the 80's, started to express the necessity of having a more equitable relationship with communities when traveling to developing countries. Their critique was directed towards a mainstream approach to tourism that was not respectful to the people and the environment of the visited countries. The approach of responsible tourism, on the contrary, highlights the centrality of the hosting communities, involving them in the decisions that affect their lives, and favors a positive interaction between tourists, tourism industry, and local communities, with the aim of sustaining the socio-

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<sup>1</sup>FINE is an informal network that involves the Fairtrade Labeling Organizations International (FLO), the International Federation for Alternative Trade (IFAT), the Network of European Shops (NEWS!), and the European Fair Trade Association (EFTA).

economic development of the communities involved and of minimizing negative social, economic, and environmental impacts<sup>2</sup>.

Fair trade and responsible tourism are development practices explicitly connected with the conception of local sustainable development (Strong, 1997). However, there is a risk of creating dependency and their positive impact on local communities is not always clear (Utting-Chamorro, 2005; Valkila, 2009). However, thanks to the implementation of partnerships and networks, these practices can in some cases encourage and support local entrepreneurial initiatives and environmentally sustainable practices, both in agriculture and tourist industry. This capacity is ascribable to the fact that these entrepreneurial activities pursue a plurality of goals, that are not solely economic, but also explicitly social, environmental, and political (Huybrechts and Defourny, 2008).

However, even though the relationship with fair trade and responsible tourism networks can be fruitful in order to access international markets, the actual application of these practices is not always free of contradictions and problematic implications. A particularly controversial topic in the debate on sustainable and responsible tourism is ecotourism, that is seen in some cases by activists and scholars as a neoliberal way to commodify nature, which seems to be conserved only in virtue of its market value (Duffy, 2008). Moreover, some case-studies report the scarce benefits that the local communities involved in the ecotourism business report in terms of income and improvement of their well-being (Schellhorn, 2010; Buultjens et al, 2010).

In many cases responsible tourism and fair trade organizations are considered as social enterprises, as their social mission has the primacy over economic aims, they have a limited profit distribution (if any) and a certain degree of self-financing, and they focus on innovation (Huybrechts and Defourny, 2008; von der Weppen and Cochrane, 2012). These two

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<sup>2</sup>See “Cape Town Declaration on Responsible Tourism in Destinations” (August 2002), available at: <http://www.capetown.gov.za/en/tourism/Documents> (accessed 2 April 2013).

practices are relevant to the present research, as they both consider communities' well-being and environmental preservation as crucial objectives.

## **1.5 The impact of neoliberal policies in Latin America**

In Latin America both exogenous and endogenous development models have been implemented, but the first one has undoubtedly dominated the scenario. Indeed, most of the development policies have been essentially imposed top-down in Latin America and they have been largely inspired by the neoliberal thinking. This model has highly emphasized the desirability of economic growth as a panacea for all the issues related to development. However, the analysis of the reforms that were promoted during the 80's and the 90's show how these policies were incapable to provide the expected results (Stiglitz, 2002; Rodrik, 2001, 2004).

These reforms are ascribable to the strategy promoted by the Washington Consensus, a concept that was originally coined by John Williamson in 1990 as a response to the high inflation and low economic growth registered in several Latin American countries. Although this strategy of political economy was originally thought as a development strategy, it was then applied in a broader sense, and not only to developing countries. Strong policy reforms were encouraged to face the stagnant situation that should have been inspired by ten main propositions: i) Fiscal discipline; ii) A redirection of public expenditure priorities toward fields offering both high economic returns and the potential to improve income distribution, such as primary health care, primary education, and infrastructure; iii) Tax reform (to lower marginal rates and broaden the tax base); iv) Interest rate liberalization; v) A competitive exchange rate; vi) Trade liberalization; vii) Liberalization of FDI inflows; viii) Privatization; ix) Deregulation (in the sense of abolishing barriers to entry and exit); x) Secure property rights (Williamson, 1990).

In spite of the more subtle meaning that the original conceptualization made by Williamson had, the common and current understanding of the concept can be summarized by the triple commandments “stabilize, liberalize and privatize” (Rodrik, 2004) and the concept of neoliberalism or market fundamentalism—this latter term mainly used by critics of the Washington Consensus—are used interchangeably to pinpoint the main characteristic of the Washington Consensus provisions.

Through these provisions the IMF, the World Bank and the U.S. Treasury intended to face global economic challenges. Latin American policy makers, as well as many post-soviet countries, adopted these strategies based on the pillars of privatization, deregulation and trade liberalization enthusiastically. These provisions were accompanied by a clear intent of reducing the role of the state, instead of making it more effective, and the role of the government was intended simply to guarantee macroeconomic stability and provide education. The reforms were essentially market-oriented and did not pay enough attention to institutions and to the complementary role of the private and public sectors of the economy (Rodrik, 2001, Stiglitz, 2002). Moreover, the potential role that local resources could play in supporting local development was completely neglected.

The insufficient outcomes these policies have contributed to provide are ascribable to the lack of understanding of developing countries’ economic structures. As confirmed by the experience of many Latin American countries, market alone cannot produce satisfactory results in situations characterized by a changing technology and an industrial sector that is not sufficiently developed. The role of the state can be crucial in such situations, as the experience of the East Asian countries demonstrates, and there should be a balance between the different institutions that compose a modern economy, including public, for profit, and non-profit organizations, with an attention to mechanisms of social insurance, anti-poverty measures and safety nets (Rodrik, 2004). Moreover, as already remarked, the idea of imposing a unique development strategy to

countries with different economic, political and social backgrounds has proved to be ineffective.

Indeed, neoliberal policies inspired by the Washington Consensus had a dramatic impact in Latin American countries, where the industrial sector was not sufficiently developed. One important consequence in the context of this study was that local industries were strongly penalized, and rising interest rates made job creation virtually impossible. Latin American countries had increasing poverty rates: the percentage of people in state of poverty grew from 15.3 percent in 1987 to 15.6 percent in 1998, and the reforms did not have a positive impact in improving the Human Development Index (Stiglitz, 2002). Moreover, these neoliberal policies had a dramatic impact also in increasing inequalities (Rodrik, 2000; Stiglitz, 2002; Wade, 2004).

## **1.6 Indigenous peoples in the world: definition and main facts**

In contrast to the exogenous model above mentioned, the endogenous approach, so far less studied, appears of particular interest in the context of indigenous communities. The interest in exploring the endogenous approach in this context stems from two main sets of reasons: on the one hand, indigenous peoples are among the most marginalized sectors of societies and, on the other hand, they bring their original contribution towards an alternative approach to the idea of development, an approach that derives from their ancestral knowledge and original world-view and that will be described and discussed in the next section.

As several studies on the socio-economic conditions of indigenous peoples in different part of the world report, the fact of being indigenous increases an individual's probability of being poor. Indigenous people are often discriminated and marginalized from a social and economic point of view, they experience racism and register higher poverty rates;



higher rate of workers employed in the informal economy; lower access to general-interest services; lower educational levels; and chronic unemployment. That is to say, indigenous peoples suffer worse socio-economic conditions than the rest of the population living within the same country (Hall and Patrinos, 2006; UNPFII, 2006; Patrinos and Skoufias, 2007; Tauli-Corpuz, 2012).

More than 370 million indigenous people live all over the world: indigenous communities are present in all continents and they are not necessarily minorities in terms of numbers. Indeed, in some Latin American countries indigenous peoples constitute an important proportion of the population (e.g. 62 percent in Bolivia, 41 percent in Guatemala). In Latin America esteems report a number of indigenous people varying between 28 and 43 millions, depending on different definitions of indigenous peoples and different methodologies employed in the census.

In spite of this numerical importance, difficulties arise when trying to define indigenous peoples and several definitions of indigenous communities are used at the international level. Three main approaches are discussed hereby.

The International Labor Organization, rather than giving a definition of indigenous peoples, provides some criteria in order to identify indigenous peoples, recognizing the importance of self-identification. The ILO Convention No. 169 on Indigenous and Tribal Peoples in Independent Countries states that it applies to:

Peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions (Art. 1 of ILO Convention No. 169 on Indigenous and Tribal Peoples

in Independent Countries, 1989).

A second approach is proposed by the World Bank, that identifies four common characteristics shared by indigenous groups: i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and iv) an indigenous language, often different from the official language of the country or region. (World Bank, 2005).

A third, similar approach is adopted by the United Nations, which identify indigenous peoples according to the following criteria: i) Self-identification as indigenous peoples at the individual level and accepted by the community as their member; ii) Historical continuity with pre-colonial and/or pre-settler societies; iii) Strong link to territories and surrounding natural resources; iv) Distinct social, economic or political systems; v) Distinct language, culture and beliefs; vi) Form non-dominant groups of society; and vii) Resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities (UNPFII, United Nations Permanent Forum on Indigenous Issues, 2007).

Common aspects shared by these approaches include essentially: the attachment of indigenous communities to their ancestral lands and natural resources; their distinct social, economic and political institutions; and their distinct cultural system, which includes native language, traditions and beliefs, with a specific world-view which is radically different from the dominant one. These three main features can be seen as a specific part of a more general idea, the concept of "identity."

ILO was the first international organization to focus on the indigenous issues, starting with some exploratory investigation in the 1920s, followed by a first treaty in 1957, the *Indigenous and Tribal Populations*

Convention No. 107. This was later sharply criticized for its tendency to indigenous peoples' assimilation, that was adjusted and resolved in 1989 with the already mentioned ILO Convention No. 169 on *Indigenous and Tribal Peoples in Independent Countries*. This convention is legally binding and open to ratification: up to now has been ratified by 22 countries. It states the right for indigenous peoples to decide their priorities for a self-determined development (art. 7: indigenous and tribal peoples have the right to "decide their own priorities for the process of development as it affects their lives, beliefs, institutions and spiritual well-being and the lands they occupy or otherwise use, and to exercise control over their economic, social and cultural development"), reflecting the right to "free, prior and informed consent" for decisions affecting their resources and territories.

The idea of identity has a prominent position in the United Nations Declaration On The Rights Of Indigenous Peoples that was adopted in 2007. This declaration, even though not legally binding, states some crucial rights of indigenous peoples worldwide, paving the way for national legislation adjustments for the effective protection of these populations and the elimination of human rights violations against them. Seventeen of the declaration's forty-five articles deal with indigenous culture, focusing on its protection and promotion, and on the direct involvement of indigenous peoples in the decision-making process. The declaration states the right of self-determination of indigenous peoples and the right to pursue their specific view on socio-economic development (artt. 3 and 32<sup>3</sup>), that is to say this declaration supports the idea of an endogenous,

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<sup>3</sup>Article 3:

Indigenous peoples have the right to self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.

Article 32:

1. Indigenous peoples have the right to determine and develop priorities and strategies for the development or use of their lands or territories and other resources.
2. States shall consult and cooperate in good faith with the indigenous peoples con-

bottom-up strategy of development.

Indigenous traditional institutions are protected by art. 5, that affirms the right to maintain and to strengthen them. The right to the lands and territories that have been traditionally inhabited, owned or otherwise acquired by indigenous peoples is also asserted (artt. 26-29). The declaration shows also an advanced view on social rights, pinpointing the right of indigenous peoples to establish and control their educational system (art.14), the protection of children from economic exploitation (art. 17), and the rights and special needs of indigenous elders, women, youth, children, and people with disabilities (art. 22).

The role indigenous peoples can play in the globalized world arises several issues, on the one hand there are risks of romanticizing their way of living and their spirituality, while on the other hand their traditions and culture can be seen as residuals of an ancient past that should be eliminated in order to pursue progress and development.

## **1.7 “Extractivism” and development aggression**

As illustrated above, when indigenous populations live in areas that are very rich in terms of natural resources they have to face specific problems created by the neoliberal development model. Indeed, natural resources have attracted the economic interests of national governments and multinational corporations, and the exogenous development model based on the extraction of natural resources has not had positive impacts

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cerned through their own representative institutions in order to obtain their free and informed consent prior to the approval of any project affecting their lands or territories and other resources, particularly in connection with the development, utilization or exploitation of mineral, water or other resources.

3. States shall provide effective mechanisms for just and fair redress for any such activities, and appropriate measures shall be taken to mitigate adverse environmental, economic, social, cultural or spiritual impact.

on the socio-economic conditions of indigenous peoples. This mainstream development model has a narrow conception of ‘need’ as essentially linked to income, and the resulting policies are based on the liberalization of investments, mining industries, and territorial management—in other words, the foundations of neoliberal development thinking. Policies based on this paradigm have contributed to the expropriation of indigenous territories and to the indiscriminate exploitation of natural resources.

The ‘extractivist’ logic of this development model, often promoted by the IMF, the World Bank and some bilateral donors, has had serious environmental and social consequences: entire ecosystems have been destroyed, due to high-impact projects such as hydroelectric dams and large-scale mining. These projects have caused the displacement of many rural indigenous communities and a generalized worsening of their living conditions (Gudynas, 2009).

In Latin America, as a matter of fact, there is a strong correlation between indigenous peoples and poverty indexes, in spite of the fact that they generally live on rich territories in terms of natural resources, as reports by the World Bank recognize: the Human Development Indicators (poverty, education, health, income determinants, and access to basic services) are low (Hall and Patrinos, 2006), and the impact of the recent economic crisis has worsened the situation even more.

Moreover, mainstream development theories and policies have rarely taken into account aspects such as natural resources, institutions, social relations, and culture, and these theories have often neglected the active role of indigenous peoples. According to modernization theory, for instance, indigenous peoples should necessarily change their habits and world-view in order to participate in the development process, as their traditional culture and institutions are considered as obstacles to progress. Consequently, indigenous peoples are seen as passive actors that should renounce to their specific cultural features in order to pursue economic growth and development. This colonialist view implies that their assimilation to the dominant society is considered as a winning

strategy.

Starting from the 1960s, many projects were implemented in name of this vision of development, and they were often launched by the World Bank with the support of national governments. This top-down conception of development has been, and it still is, one of the main causes of conflict between national states and native communities (Tauli-Corpuz, 2008). The expression “development aggression” has been coined to describe the violation of indigenous individual and collective rights during development processes that have been imposed top-down rather than shared and implemented with the communities involved. This expression was employed for the first time by indigenous peoples in the Philippines, where in the 70s they successfully fought against a project by the World Bank, supported by the dictator Marcos, to build a dam for hydropower (Tauli-Corpuz, 2008). Several other indigenous communities have been involved in concerted actions against this development policies, and many are still fighting for their rights on lands and natural resources, against multinational companies and/or national governments. Some examples are the Mapuche people’s fight in Argentina and Chile against Benetton (Agosto and Briones, 2007); the famous “Cochabamba water wars” in Bolivia in 2000 when communities demanded from the government the access to a basic service like water provision (Assies, 2003); or the local indigenous communities struggling in Oaxaca, Mexico, for the appropriation of the process of production and commercialization of coffee (Anaya Muñoz, 2004). Nowadays many conflicts between indigenous peoples and corporations are still ongoing all over Latin America, and indigenous peoples from Mexico to Patagonia are trying to resist mainly against mining companies, or mega power projects such as dams or wind farms.

The potential contribution that indigenous peoples can give to the implementation of sustainable development strategies appears particularly important for what concerns the environmental dimension. Indeed, several studies demonstrate the positive outcome that indigenous populations generally register in terms of environmental impact when com-

pared with colonists (Stocks et al., 2007; Lu et al., 2010). Thanks to their shared cultural norms and values (i.e. indigenous defense of homeland and common-property institutions) indigenous peoples in many cases have a more respectful relation with natural resources that is translated, for instance, into a lower rate of deforestation. However, some scholars warn about the consideration of indigenous communities as single homogeneous units, also claiming that social homogeneity and sustainable use of natural resources do not always show a direct correlation (Agrawal and Gibson, 1999). Furthermore, the attachment of indigenous communities to their land is not always evident, especially when indigenous people are displaced in urban settings and when their territories are dispossessed by the expansion of intensive commercial agriculture, dams, highways, or mining (Del Popolo, 2006; Bebbington et al., 2008).

Nevertheless, political resistance through collective action against the attempts of governments and multinationals of exploiting natural resources is not the only strategy that indigenous peoples pursue. A different strategy implemented by indigenous peoples is to pursue endogenous development objectives through the engagement in entrepreneurial activities (Berkes and Davidson-Hunt, 2007). These entrepreneurial activities have multiple objectives: to establish a direct control on their natural resources; to pursue collective benefits, related not only to economic profit, but also to social and environmental goals; and to aim at their self-determination. In some cases the political and entrepreneurial strategies can also be complementary.

## **1.8 Development with identity or ethnodevelopment**

The alternative model of development pursued by indigenous peoples highlights the importance of traditional aspects of indigenous heritage that can be seen as a resource rather than a barrier to development.

These perspectives support the idea of the mobilization of endogenous local resources (natural, cultural, human, social) as crucial in order to pursue a sustainable development process able to emancipate indigenous peoples from the intervention of external actors and donors.

This approach to development has been defined as “development with identity” or “ethnodevelopment” (Bonfil, 1982; Stavenhagen, 1986), on the ground that it is expected to pursue a sustainable and endogenous development, controlled by the indigenous community itself, and it is expected to respect and give value to the cultural identity of indigenous peoples.

This concept has been elaborated by several UN agencies (including IFAD, Inter-American Development Bank and UNESCO). The IDB defines “Development with identity,” a concept initially promoted by indigenous peoples of Latin America (Tauli-Corpuz, 2008), as:

A process that includes strengthening of indigenous peoples, harmony and sustained interaction with their environment, sound management of natural resources and territories, the creation and exercise of authority, and respect for the rights and values of indigenous peoples, including cultural, economic, social and institutional rights, in accordance with their own world-view and governance. Development with identity seeks to consolidate the conditions in which indigenous peoples can thrive and grow in harmony with their surroundings by capitalizing on the potential of their cultural, natural and social assets. (Sustaining Development For All, Inter-American Development Bank, 2006).

The same concept can be also described as “ethnodevelopment,” a term promoted by the World Bank, which is not exclusively related to indigenous peoples:

Ethnodevelopment is essentially the autonomous capacity of culturally differentiated societies to control their own pro-



cess of change. The original key elements of the theory of ethnodevelopment are: the need for indigenous peoples to strengthen their own cultures, assert their ethnic identity as peoples, and obtain recognition of their lands and territory for self-determination; and the need to self-manage their development process. (World Bank, 2004).

These concepts stress the necessity for indigenous peoples to establish their own way to pursue socio-economic development, setting their own priorities and strategies through the mobilization of their specific endogenous resources.

It seems important to report that indigenous peoples' leaders gave their preference to the term "indigenous peoples' self-determined development," instead of "development with identity and culture," during the "Consultation and Dialogue on Indigenous Peoples' Self-Determined Development or Development with Identity," held in Italy in 2008 (Tauli-Corpuz, 2008). The main characteristics of this indigenous view of development can be summarized as follows:

- it is not aimed at pursuing economic growth per se, rather it aims at tackling basic unmet needs of indigenous populations;
- it builds on the exploitation of local resources (natural, human, cultural, technical), with a specific concern for the respect of natural environment;
- it is based on existing cultural traditions that are not seen as obstacles to development; and
- it is participatory, involving the whole community in the definition of the main objectives and strategies (adapted from Stavenhagen, 1986).

This view is in line with the ILO convention no. 169, with the United Nations declaration on the rights of indigenous peoples (art. 5) and with

several national constitutions (e.g. Bolivia, Colombia, Ecuador, and also Mexico, as it will be reported in chapter 3), all affirming indigenous peoples' right to establish their own way to socio-economic development in the setting of their own priorities and strategies through the mobilization of their cultural, human, and natural resources.

## 1.9 *Buen vivir*: an alternative to development

Even though many theoretical contributions and development policies have started to take into account the role of indigenous institutions and culture, the role of indigenous peoples in proposing alternative approaches to development has been rarely considered (Loomis, 2000). In this respect, an original conception of well-being that belongs to Latin American indigenous peoples is *buen vivir*, translatable as 'good living.'

*Buen vivir* originated among the heterogeneous Latin American indigenous populations and provides a range of conceptions that correspond to specific world-views: in Quechua is called *sumak kawsay*, and *suma qamaña* in Aymara. Many indigenous populations all over Latin America express similar concepts through different terms belonging to their native languages<sup>4</sup>. In Chiapas, where the fieldwork was conducted, the term employed is *lekil kuxlejal*, in Tseltal language (Paoli, 2003).

Building on preexisting indigenous knowledge, indigenous and non-indigenous activists, practitioners, and scholars have elaborated and systematized the concept (Yampara, 2001; Albó, 2009; Huanacuni, 2010; Walsh, 2010). References to *buen vivir* can be found in several documents issued by indigenous organizations and social movements, where they state their original contribution of *buen vivir* as an alternative model

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<sup>4</sup>Among them: Mapuche in Chile and Argentina, Kolla in Argentina, Araona in Bolivian Amazon, Emberá in Colombia and Panama, Guaraní in Paraguay, Brasil, Bolivia (Huanacuni Mamani, 2010; Albó, 2009).

to development, in opposition to indefinite material growth and commodification of natural resources<sup>5</sup>.

Some argue that *buen vivir* has been the most important Latin American contribution to the debate on development in recent years (Gudynas, 2011a). At the institutional level, *buen vivir* has officially inspired the public policies of Ecuador and Bolivia, where it has been incorporated into the national constitutions since 2008 and 2009 respectively. *Buen vivir* has three innovative aspects: first, it is elaborated by peoples who have been historically marginalized, and belong to the periphery of the world (Acosta, 2013); second, well-being is not conceived in its individualistic western sense, but rather in the context of a community; and third, the natural environment is a subject of rights (arts. 71-74, Constitution of Ecuador). These peculiarities derive from the indigenous belief of the interconnectedness of all life forms (Whiteman, 2009).

Far from being a nostalgic and static idea imbued with mysticism and rooted in a romantic past, *buen vivir* has not only philosophical and spiritual dimensions but also a range of practical applications, and not solely for indigenous communities. An example is Ecuador's *National Plan for Buen Vivir 2009-2013*, which calls for the construction of a plurinational and intercultural state. This plan, implemented by the government of Ecuador, emphasizes that the economic system should be subordinated

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<sup>5</sup>See, for instance: "Acuerdo de los pueblos," 22 April 2010 in occasion of the "Cumbre de la madre tierra" in Cochabamba, Bolivia, available at: <http://cmpcc.org/acuerdo-de-los-pueblos/>; "IV Cumbre Continental de los pueblos indígenas del Abya Yala," convocatoria "Por estados plurinacionales y buen vivir," Puno, Perú, 27-31 May 2009, available at: <http://cumbrecontinentalindigena.wordpress.com/2009/01/25/iv-cumbre-continental-de-pueblos-y-nacionalidades-indigenas-del-abya-yala/>; "IV Minga global por la madre tierra," 12 October 2011, available at: [www.movimientos.org/enlacei/show\\_text.php3?](http://www.movimientos.org/enlacei/show_text.php3?); "En recuperación del buen vivir: la visión de los pueblos indígenas en Centroamérica", CICA (Consejo Regional Indígena de Centroamérica), PPT presentation available at: [www.cicaregional.org/leer.php/1045534](http://www.cicaregional.org/leer.php/1045534).

to human needs and the natural environment, and this can only occur through local systems based on reciprocity and cooperation that safeguard natural and traditional local resources. This plan reports in detail twelve concrete objectives and relative policies. One of these objectives is to establish a social, sustainable, and solidarity-based economic system supported by *buen vivir*, in contrast to the neoliberal approach. The plan aims at overcoming injustice and inequalities in order to sustain an endogenous economy oriented towards *buen vivir* and a development model constructed by and directed towards all the people living in Ecuador. In this sense the economic system should be subordinated to human life and the natural environment, through economic local systems based on reciprocity and cooperation, directed to the safeguard of natural and traditional local resources. The idea is that economic pluralism, intended as a pluralism of entrepreneurial forms, can lead to economic democratization, that also implies a direct participation of people in the decision making that affects common good. Subjects of political participation are not only individuals, but also communities and indigenous peoples are specifically mentioned.

More in general, the role of the state is fundamental in guaranteeing redistribution of resources and in the consolidation of the social and solidarity economic system. Investments in education, health, housing, and food sovereignty are considered as crucial, as well as employment generation and access to credit. This position is antithetical to some self-help positions that have attracted the attention of the neoliberal thinking for their potential of dismissing the redistributive role of the state (de Soto, 1989; Berner and Phillips, 2005). Nevertheless, some Ecuadorian and Bolivian state policies have been criticized for their failure in maintaining their initial anti-colonial character and their critical position towards mainstream development approaches (Escobar, 2009; Báez and Cortez, 2012).

A critical aspect of *buen vivir* is the lack of suitable indicators for measuring its impact, which should follow a shared conceptualization of

its fundamental pillars (Acosta, 2013). It is certainly important to measure its economic impact, as far as it concerns situations of peoples living in extreme poverty, but social and environmental aspects are also crucial. Consequently, two specific dimensions of *buen vivir* to be assessed by indicators should be the quality of social relations and the quality of relations with nature (Albó, 2011).

If compared to the conception of indigenous people self-determined development, *buen vivir* is much more critical towards the very idea of development. The alternative conception of well-being proposed by *buen vivir* implies necessarily an alternative conception of development. Indeed, while self-determined development tries to find an alternative approach to development, as Gudynas (2011) argues, the *buen vivir* approach can be positioned within the stream of the post-development critique defined as ‘alternatives to development’ and in opposition to ‘alternative development,’ following Escobar (1992). Among others, Escobar calls for deconstructing the mainstream western idea of development by overcoming its colonial implications and its reliance on economic growth and commodification of natural resources. The western idea of progress is antithetic to *buen vivir*: some mainstream approaches to development, such as modernization theory, consider indigenous culture as an obstacle to progress, and indigenous peoples as passive actors that should renounce their traditions in order to pursue development.

The role of grassroots social movements in this sense is crucial, because they can favor a reconceptualization of the ideas of development, modernity and economy. As a consequence, a crucial role is played by indigenous social movements: in opposition to the neoliberal discourse of inclusion or assimilation of indigenous people into the dominant culture, social movements claim indigenous peoples’ right to be different. In this sense the defense of the “local,” that is to say of indigenous cultural specificities and livelihoods, is the main objective of social movements struggle (Mohan and Stokke, 2000). Thus, the attachment of indigenous peoples to their territories is reflected in the localization of social movements ac-

tion (Escobar, 2001), that in turn reflects itself in the embeddedness of their socio-economic activity.

Social movements are indeed crucial in contributing to a different view of development. Giving voice to subaltern groups, they can foster processes of autonomy and construction of direct democracy. Thanks to the contribution of social movements, where alternatives can be discussed and translated into political practices, the mainstream conception of “need” can be overcome (i.e. needs are linked essentially to income), it can be revised and adapted to the real necessities of people and communities (Escobar, 1992). As a consequence, needs to be satisfied are differentiated and expressed by the indigenous communities themselves, instead of being imposed top-down like in the cases described above of development aggression. The contribution of post-development theory is interesting because, against the exclusion of civil society brought by a “top-down, ethnocentric and technocratic approach” to development (Escobar, 1995, p.44), it emphasizes its role as an autonomous entity that can complement the role of the state and the market. Civil societies—the indigenous communities in this case—are embedded in specific local contexts and, as a consequence, they have a deeper knowledge of what their needs and socio-economic aspirations are.

## **1.10 Conclusions**

The analysis proposed has highlighted the existence of different development models. Starting from the consideration that the search for a unique development solution that fits all the contexts is not meaningful, the analysis of the specificity of a context with its historical, social, and political trajectories appears fundamental. The original contribution of Latin American indigenous population is to provide a broader definition of well-being, not related solely to economic factors or GDP growth as a measure of development. This alternative conception of well-being, synthesized in the concept of *buen vivir*, implies an alternative conception

of development, that is based on an active participation of local communities and on the mobilization of endogenous resources. This conception highlights the importance of social relations, local institutions, environmental protection, and of indigenous culture and traditions. Furthermore, the importance of networks is crucial in building bridging social capital: this avoids the risk of an excessive reinforcement of bonding social capital, that on the one hand is useful in maintaining social cohesion, but on the other hand if it is not balanced by bridging social capital it can lead to undesired effects of community closure and isolation that would make the improvement of well-being more difficult.

The picture drawn so far supports the necessity of more locally-focused theoretical and empirical analyses, that will be proposed in the next chapters.





## **Chapter 2**

# **Indigenous enterprises with a social aim: a multidisciplinary approach**

### **2.1 Introduction**

The analysis of top-down approaches to development has highlighted the scarce results they have provided in improving the well-being of indigenous peoples. After the analysis of the potentialities provided by alternative theories and processes of local development mainly based on endogenous resources, it is interesting to focus on self-managed solutions implemented by indigenous communities. These solutions often take the form of grassroots entrepreneurial activities that aim to address a plurality of indigenous communities' unsatisfied needs.

These experiences can be understood in a broader framework that focuses on the existence of societal needs that neither the public sector nor the traditional for profit enterprises have been able to address. Unsatisfied needs have triggered societal responses that have often taken the form of non conventional enterprises. These entrepreneurial activities originating from the civil society have taken different forms according

to the context analyzed, and they assumed different denominations and specific characteristics. However, all of them are characterized by the prevalence of the social objectives over profit-maximization considerations. Also the entrepreneurial initiatives undertaken by indigenous peoples can be classified in many cases as non conventional enterprises, that are generally based on the incorporation of indigenous cultural features and on collective and cooperative organizational models. These grassroots entrepreneurial initiatives exploit both economic and non-economic endogenous resources and aim at addressing a plurality of objectives.

As anticipated in the previous chapter, this research considers that economic and entrepreneurial aspects are not detachable from social considerations, and this is particularly evident in the context of indigenous communities, where cultural traditions show how economic aspects are deeply rooted into communitarian social relationships. Accordingly, following a multidisciplinary approach, this study focuses on the indigenous contexts, where cultural characteristics, social capital, and natural resources are indissoluble from economic aspects (Peredo and Chrisman, 2006). This type of analysis is mainly derived from economic anthropology and economic sociology, where crucial attention is given to the consideration that the economic sphere is embedded into social relationships. Moreover, the role of local formal and informal institutions in shaping tailored and self-managed development strategies is considered as paramount.

The chapter starts with an analysis of the main characteristics of indigenous economic initiatives, from an anthropological and from an entrepreneurial point of view; the second section is devoted to the emergence of non conventional enterprises with an analysis of some theoretical and conceptual issues, that focuses on concepts elaborated in three main macro-areas: Europe, North America, and Latin America; this is followed by an analysis of the historical and legal evolution of the social and solidarity economy in Mexico; the following section will focus on the potential role of the enterprises with a social aim in sustaining processes

of local development; some concluding remarks close the chapter.

## **2.2 The characteristics of indigenous economic initiatives**

### **2.2.1 Anthropological insights**

The role of *homo oeconomicus*, the rational agent whose action is driven by self interest, has been crucial in supporting the validity of the mainstream economic paradigm. According to conventional studies, economic agents care exclusively about their own welfare. Critiques to this approach have been proposed from different perspectives. One that seems particularly useful to the purpose of this study comes from the substantivist school in economic anthropology (Polanyi, 1944; Polanyi et al., 1957), that pinpoints the embeddedness of the economy into non-economic institutions and social relations, as well as the importance of reciprocity and non-monetary exchanges. This stream of analysis can include those approaches to indigenous entrepreneurship that focus on indigenous cultural features as enabling factors for their propensity to elaborate their own specific models of entrepreneurial initiatives.

Seminal ethnographic works by Malinowski (1920) and Mauss (1925) analyzed the importance of ritual gift exchange in traditional societies, identifying reciprocal exchanges as a means to establish and reinforce social bonds. It is not only the material exchange that matters, but also the symbolic dimension that it implies. The following theories on reciprocity and exchange have built on these pioneering studies. In his landmark book, Polanyi argues that economy is embedded into social relationships and that the main drive of human action is the desire to safeguard her social position, instead of maximizing her self-interest. Drawing on Malinowski and Thurnwald, he identifies reciprocity, that is based on a system of symmetric gift exchanges, as one of the four principles of economic

behavior in pre-market societies (Polanyi, 1944). Following Granovetter (1985), the issue of embeddedness has been elaborated and discussed also in relation to modern capitalist societies, and the debate on the degree of embeddedness of economic action into social relations is still ongoing.

Non-monetary exchanges based on collective work and reciprocity have survived through centuries inside several indigenous communities. In Latin American indigenous communities some pre-Columbian practices are still alive (such as institutions like “minga,” “tequio,” or “ayni”), mainly in the form of free collective work to the advantage of the whole community, often accompanied by celebrations and rituals. Free work can also be offered to the advantage of some individual community’s member: the service can be reciprocated, but this is not a necessary condition. Contemporary indigenous communities in the context analyzed appear somehow caught in between traditional aspects, that are more similar to pre-market societies, and the globalized world, with its challenges and opportunities. In this context they are trying to find their own way to safeguard their culture and identity, without renouncing to taking part in the global discourse.

As already mentioned, the idea of embeddedness is related, among other factors, to the concept of social capital, that can be successful when it is rooted and embedded in the local community, as is the case for many indigenous groups. In this context, bounded solidarity and trust have positive effects for the entire community, not only for its individual members (Portes and Mooney, 2002), and for this reason some scholars have defined this endowment as communitarian or collective social capital, including in this concept also those informal sociocultural institutions that belong to the entire community (Durstun, 2000).

Other scholars have highlighted the role of bonding social capital in sustaining local economies: as Leonard (2004) argues, thanks to communities’ shared values and social cohesion, particular groups in society may be favored in establishing niche economies. Bonding social capital can also be crucial in strengthening those sectors of society who feel

powerless, marginalized or politically insecure, and it can be functional to poverty reduction strategies (Coffé and Geys, 2007). Nevertheless, as already mentioned a potential risk inside indigenous communities that should be taken into account is to reinforce only bonding social capital, neglecting its bridging and linking forms. This could enhance indigenous peoples' feeling of belonging to a closed and separated community, reinforcing their sense of exclusion from the external social environment.

### **2.2.2 Entrepreneurial insights**

Indigenous entrepreneurship has been investigated as an alternative agent of socioeconomic development. Some attempts have been made to analyze indigenous enterprises as small businesses, focusing on their profitability and success only in financial terms (Fuller et al., 2005). However, this reductive approach neglects the importance of other factors, such as culture and indigenous organizational practices that are often translated into participatory models of governance. For this reason, this study considers the organisations investigated as indigenous community enterprises, that is to say a specific type of indigenous enterprise that takes the form of a community enterprise, as the analysis reported hereby will illustrate.

Today's world is characterized by a plurality of entrepreneurial forms. Against the limited results of traditional models of enterprise that are product of exogenous and top-down approaches to development, indigenous entrepreneurship represents a non-conventional form of entrepreneurship. Indeed, indigenous enterprises have been investigated in several parts of the world as agents of socio-economic development that allow indigenous peoples to build their own economic model. These alternative forms of entrepreneurship, that will be analyzed hereby, have been studied as devices that permit to foster the rebuilding of indigenous communities, driving them towards self-determination (Anderson et al., 2006; Peredo et al., 2004; Berkes and Adhikari, 2006; Foley, 2003; Lindsay,

2005).

Indigenous entrepreneurship, as well as ethnic entrepreneurship<sup>1</sup>, is considered to have a positive impact on socio-economic development, even though these two forms of entrepreneurial arrangement show different features. Main distinctions can be found: in the attachment to ancestral lands and natural resources that indigenous entrepreneurs show, in contrast to ethnic entrepreneurs that are usually migrants who build entrepreneurial activities in new contexts; and in the collective nature of the entrepreneurial effort of indigenous peoples, versus the individual or family character of ethnic entrepreneurs (Peredo et al., 2004).

Indigenous entrepreneurship is characterized by several distinctive features, that are intertwined with the cultural specificities of different ethnic groups. As a consequence of the general indigenous view of society as pluralistic and based on the community share of resources, indigenous entrepreneurs usually do not intend profit as the ultimate goal of their activity. The results of studies on indigenous entrepreneurship show a general propensity of indigenous people towards the establishment of a collective type of entrepreneurship, which activity is directed to the well-being of the entire community, and it is pursued also in order to overcome racism and negative stereotypes (Foley, 2003). This characteristic does not characterize only indigenous enterprises, but it belongs to a communitarian culture that is present also in other contexts (such as, for instance, the experience of Mondragón cited in the previous chapter, or the cooperative tradition in many parts of Europe). The need of success typical of individual entrepreneurs clashes with indigenous traditional values, and individual indigenous entrepreneurs face the risk of loosing links with the local communities to which they belong. Nevertheless, there are some exceptions, mostly in the Southwestern part of the United States, where indigenous peoples are engaged also in individual entrepreneurial initiatives (Peredo et al., 2004).

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<sup>1</sup>Ethnic entrepreneurship refers to those businesses operated by migrants in a country different from their original one.

Some streams of literature refer to the theory of commons (Ostrom, 1990) and deal essentially with the role of indigenous entrepreneurial initiatives in the conservation of natural resources. This stream of literature focuses also on the role of collective action, that is crucial for indigenous peoples as it allows them to react against the socio-economic marginalization they experience and to organize alternative, self-sustained and community-based models of development. Indigenous entrepreneurial initiatives can deal with a variety of natural resources, like for instance forestry, ecotourism, coastal resources, wildlife. It is appropriate to talk of common-pool resources, when: “(i) exclusion of beneficiaries through physical and institutional means is especially costly, and (ii) exploitation by one user reduces resource availability for others” (Ostrom et al. 1999, p. 278).

Local natural environment is crucial to indigenous peoples, given that its conservation is linked to their own survival (Berkes and Davidson-Hunt, 2007). The relation that indigenous peoples establish with their land is imbued with spiritual meanings and it appears as deeply connected to their culture and identity. Traditional lands and natural resources are in several cases the starting point for the rebuilding of indigenous economies and communities as nations (Anderson et al., 2006) and this factor, which is one of the main components of the indigenous identity, can be a powerful drive for collective action.

The traditional skills that are accumulated at the community level are relevant in order to build an indigenous community-based entrepreneurial activity (Peredo, 2010). These abilities can be traced back to an ancestral knowledge (for instance traditional arts and crafts, or traditional methods in agriculture) but can also derive from skills learned by indigenous individuals in other jobs outside of the community (e.g. mining, manufacturing). Community-based enterprises are those experiences, located in rural areas, where the community acts both as an entrepreneur and as an enterprise in order to pursue common well-being (Peredo and Chrisman, 2006). Community-based enterprise is the result of a commu-

nity entrepreneurial process leading to an enterprise which is embedded in existing social relations, and it can have a significant impact on local development.

Some empirical studies highlight the challenges for collective action that indigenous entrepreneurial initiatives have been facing in some specific contexts. Stronza (2010), for instance, analyzes how collective action can be sometimes threatened when managing common property resources. Analyzing an ecotourism project in the Peruvian Amazon, she highlights the fact that economic benefits are expanding individual production and extraction, as well as an increased individual attitude towards entrepreneurship that threatens traditional values and institutions.

Antinori and Bray (2005) analyze community forest enterprises in Mexico, highlighting their dual objective, with diverse degrees of success, of poverty alleviation and environmental protection. However, they pinpoint existing tensions between the traditional community governance model and the enterprise management. They also argue that the organizations they investigated are not entirely self-organized, given that the role of government and civil society is crucial in their upsurge. In cases like this one, the costs of collective action in mobilizing indigenous communities for entrepreneurial activities can be higher than perceived benefits.

To sum up, three main approaches have been employed in order to interpret indigenous grassroots entrepreneurial initiatives: i) community enterprises that control common property resources, ii) social enterprises, and iii) community-based enterprises. These approaches derive from different, but partially overlapping, theoretical frameworks.

The overlaps derive from the fact that social enterprises and community-based enterprises are considered adequate to control common-property resources (Berkes and Davidson Hunt, 2010; Davidson Hunt and Turner, 2012), and that boundaries between community-based enterprises (Peredo and Chrisman, 2006) and social enterprises are not so evident and in some



cases the two terms are used interchangeably (see for instance Berkes and Davidson Hunt, 2010). What emerges analyzing the literature, suggests that the two terms should not always be used interchangeably: community-based enterprise can be interpreted as a specific form of social enterprise, where a whole community or part of it is involved to different degrees in the entrepreneurial activity (Peredo and Chrisman, 2006; Somerville and McElwee, 2011). Commonalities have to be found in their multiple goals, that are not only economic, but also social, environmental, and cultural, and in their participatory governance.

## **2.3 The emergence of non conventional enterprises**

### **2.3.1 Theoretical background**

Orthodox economic models are based on two main assumptions: first, the self-interested hypothesis, which assumes that people are motivated solely by their material self-interest; second, the fact that organizations solely pursue profit maximization. Other assumptions include the efficiency of competitive markets with standardized goods, and the role of public organizations in distributing resources and achieving equity. Consequences of these assumptions are an economic model relying on only two actors, for-profit firms and the state, and the absence of interest for other types of enterprises, like cooperatives and enterprises with an explicit social aim (Borzaga et al, 2009).

Orthodox theory devoted some attention only to labor cooperatives. Ward (1955) for instance, analyzing worker cooperatives, claims that the main objective of these organizations is the maximization of the net income of members, that in this case are also workers. As a consequence, when the firm performs positive economic results the tendency will be towards an increase of workers' income that will lead to an increase of

salaries, with a consequent decrease in the number of workers employed. Vanek (1977) also claims that the activity of worker cooperatives is undermined by problems of undercapitalization.

Against this approach, new-institutionalism has shed light on the processes of creation and diffusion of cooperatives and social enterprises, which are considered as specific coordination mechanisms able to respond to market and government failures. On the one hand, the creation of cooperatives is linked essentially to the concentration of market power, mainly monopoly in the output market and monopsony on the input markets, and consumers, producers and worker cooperatives are seen as remedies to this situation. On the other hand, non-profits are created as a response to the existence of severe asymmetric information with the aim of reducing incentives to privately exploit information advantages.

The new-institutional approach adopted by Hansmann (1996) explains the emergence of nonprofits claiming that the upsurge of an organizational form is the attempt to minimize the sum of all transaction costs that the organization's stakeholders sustain. The costs of the organization can be minimized through an efficient allocation of property rights. Costs are estimated as contractual costs (market power; asymmetric information; lock-in) and governance costs (control on managers; costs of the decision making process; risk of negative profits).

Limits of the new-institutional approach are the assumption that agents are self-interested and the focus on cost minimization and efficiency, that amounts to profit maximization in competitive markets. This approach implies that the role of nonprofits and cooperatives can be important in correcting market and contract failures, but their presence is going to diminish as markets failures are decreasing.

According to some scholars, the limited ability of these approaches to explain the survival and the important role that cooperatives and enterprises with a social aim play, can be overcome thanks to the contribution of behavioral and evolutionary economics (Borzaga et al., 2009). The first approach can contribute to the understanding of the motiva-

tional complexity that drives the action both at the individual and at the organizational level, and that goes beyond the mere self-interested hypothesis. The second approach can contribute to explaining the variety of objectives that organizations have, by focusing on the diversified organizational routines they develop, and their institutional evolution.

### **2.3.2 Conceptual issues**

All enterprises are generally seen as problem-solving devices, which address unsatisfied needs through the production of various types of services and goods. However, new forms of enterprises have started to emerge due to the fact that for-profit and public enterprises were either unwilling or unable to address a number of specific societal needs. Consequently, non conventional enterprises with specific social aims have started to emerge in different settings and different countries, each context shaping these enterprises with specific characteristics. This array of socio-economic institutions located between for-profit and public enterprises has been defined in various ways, depending on the definition used pursuant to tradition, national context, and specific features emphasized. In the last decades there has been a lively debate, and social economy, third sector, social enterprise, social entrepreneurship, social and solidarity economy are blurring concepts utilized to identify similar experiences. However, these experiences maintain some specificities, according to different cultural and geographic contexts.

In Europe, the model of social enterprise has started to emerge with the intent of relaunching the cooperative form as less exclusively member-oriented: indeed, social cooperatives were starting to provide general interest services in order to benefit the community at large, as the Italian experience will demonstrate in the next section. On the other hand, in Latin America the social and solidarity economy term was coined in order to differentiate it from the traditional cooperative sector, where in many cases cooperatives were starting to adhere to capitalist principles and

mentality, especially in the agricultural sector<sup>2</sup>.

The debate on how to define these initiatives is still ongoing at the regional as well as at the international level, as witnessed by the fact that in each context several terms are employed. The salient aspects of this debate are analyzed hereby, making reference to three main macro-areas: Europe, North America, and Latin America.

In Europe the two main trends are related to the concepts of social economy and social enterprise. The term social economy, of French origin, is broader and includes cooperatives, mutual aid societies, foundations and associations. This concept highlights the social mission of these organizations that prevails over profit maximization purposes, and the fact that they are intended to benefit either their members or a larger community. Crucial factors are the democratic character of the decision-making process and the prevalence of people and labour over capital. This concept partially overlaps with the concept of social enterprise, that has been more systematically defined and deserves a more in-depth analysis.

The term social enterprise appeared for the first time in Italy, where in 1990 it started to be promoted by a scientific journal with the same title<sup>3</sup>. The concept at that time was inspired by the experience of Italian social cooperatives, that started to raise from the civil society during the 80s and that were then regulated by a specific law in 1991 (Law 381/1991). Social cooperatives started to emerge in order to deliver social services to disadvantaged categories such as the disabled, the elderly, and people with addictions, while pursuing at the same time the general interest of the community, as the law 381/91 recognized. In this perspective, the emergence of social enterprise can be interpreted as the consequence of two main trends: on the one hand, the engagement of associations and foundations in the provision of services, and on the other hand the changed role of cooperatives in providing general-interest services also

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<sup>2</sup>A paramount case in this sense is Brasil, see Teixeira and Soler, 2002.

<sup>3</sup>"Impresa sociale," see: <http://www.rivistaimpresasociale.it/>.

for non-members. Social enterprises thus gathered on the one hand the entrepreneurial component of the non-profit sector, and on the other hand the most innovative component of the cooperative movement, through the provision of services that are of interest to the entire community.

The interest in analyzing social enterprises raises from the competitive advantage they show in particular sectors of the economy, such as inclusive local development strategies. These advantage stems from their salient features that combine with the entrepreneurial dimension. Specific features include the pursuit of explicit social goals and the adoption of participatory governance models, which further the participation of local stakeholders (Borzaga and Defourny, 2001). Social enterprises challenge the traditional paradigm based on only the market and the State, that has proved to be unable to address the increasingly diversified needs of societies (Borzaga et al, 2010).

The contribution that social enterprises can give to sustaining processes of local development is due essentially to their capacity to address unmet societal needs, thanks to the exploitation of both economic and non economic resources that are accumulated at the local level (Borzaga and Tortia, 2009). The main resources in this sense are cultural, human, and natural, as well as social capital, which is a prerequisite for the establishment of social enterprises. Indeed, social enterprises are based on a network of relations of trust that facilitate collective action (Ben Ner and Gui, 2003) and they can in turn enhance social capital (Evers, 2001; Sabatini et al, 2012). Following Polanyi, social enterprises are considered able to combine the economic principles of reciprocity, market and redistribution, making them work together (Defourny and Nyssens, 2006).

The entrepreneurial nature of social enterprises is based on the stable and continuous production of goods and services, and on the assumption of economic risk. At the same time they show some specific features: i) the explicit social goal, which is reflected in the activity performed, characterized by a merit or general-interest dimension, and by the promotion

of the interest of the broader community or of specific categories of vulnerable stakeholders; ii) the assignment of ownership rights and control power to stakeholders other than investors (single or multi-stakeholder); the participatory governance model, based on innovative forms of democratic participation and empowerment of users and/or workers, and on the mobilization of a plurality of resources; and iii) the total or partial non-distribution constraint, a complex mechanism that limits profit maximizing behaviors, enhances trustworthiness for users and donors, and attracts committed workers, managers, and volunteers.

The EMES European Research Network<sup>4</sup> has proposed a definition relying on nine economic and social criteria which has been applied in most European countries, and this is undoubtedly the most complete definition of social enterprise proposed so far. This definition synthesized the two main concepts elaborated until then: the non-profit sector and the social economy, and stems from an extensive interdisciplinary dialogue and the consideration of the various definitions existing in Europe. From this definition are excluded both those organizations that are not entrepreneurial (such as associations, charities, or foundations), and those profit oriented business that are involved in social or environmental projects. Social enterprises' resources are hybrid, given that they are composed by income from sale of goods or services, public subsidies, private donations, and they also rely on volunteering (Defourny and Nyssens, 2008).

According to the EMES approach the social enterprise is conceived of as an economic entity pursuing an explicit social aim, where the social goal is tightly linked to the stable and continuous production of goods or services of general-interest (Borzaga and Defourny, 2001). This defini-

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<sup>4</sup>Originally a research network based in Europe, that is now becoming more and more international, EMES goal has been so far to gradually build up a European corpus of theoretical and empirical knowledge around the concepts of social enterprise, social entrepreneurship, social economy and solidarity economy. See <http://www.emes.net/>.

tion emphasizes the collective and participatory dimensions that allow to reduce opportunistic behaviors. The EMES definition, rather than being prescriptive, constitutes an ideal-type, in the Weberian sense: the nine criteria are not conditions to be entirely fulfilled to deserve the label of social enterprise. More specifically, the nine criteria are:

Economic criteria:

1. A continuous activity producing goods and/or selling services.  
Social enterprises, unlike some traditional non-profit organizations, do not normally have advocacy activities or the redistribution of financial flows (as, for example, many foundations) as their major activity, but they are directly involved in the production of goods or the provision of services to people on a continuous basis. The productive activity thus represents the reason, or one of the main reasons, for the existence of social enterprises.
2. A high degree of autonomy.  
Social enterprises are created by a group of people on the basis of an autonomous project and they are governed by these people. They may depend on public subsidies but they are not managed, be it directly or indirectly, by public authorities or other organizations (federations, private firms etc.). They have both the right to take up their own position ("voice") and to terminate their activity ("exit").
3. A significant level of economic risk.  
Those who establish a social enterprise assume totally or partly the risk inherent in the initiative. Unlike most public institutions, their financial viability depends on the efforts of their members and workers to secure adequate resources.
4. A minimum amount of paid work.  
As in the case of most traditional non-profit organizations, so-

cial enterprises may also combine monetary and non-monetary resources, voluntary and paid workers. However, the activity carried out in social enterprises requires a minimum level of paid workers.

Social criteria:

5. An explicit aim to benefit the community.

One of the principal aims of social enterprises is to serve the community or a specific group of people. In the same perspective, a feature of social enterprises is their desire to promote a sense of social responsibility at the local level.

6. An initiative launched by a group of citizens.

Social enterprises are the result of collective dynamics involving people belonging to a community or to a group that shares a well-defined need or aim; this collective dimension must be maintained over time in one way or another, even though the importance of leadership-often embodied by an individual or a small group of leaders -must not be neglected.

7. A decision-making power not based on capital ownership.

This criterion generally refers to the principle of "one member, one vote" or at least to a decision-making process in which voting power is not distributed according to capital shares on the governing body which has the ultimate decision-making rights. Moreover, although the owners of the registered capital are important, the decision-making rights are generally shared with the other stakeholders.

8. A participatory nature, which involves various parties affected by the activity.

Representation and participation of users or customers, influence of various stakeholders on decision-making and a participative management are often important characteristics of social enterprises.



In many cases, one of the aims of social enterprises is to further democracy at the local level through economic activity.

9. A limited profit distribution.

Social enterprises not only include organizations that are characterized by a total non-distribution constraint, but also organizations which-like cooperatives in many countries-may distribute profits, but only to a limited extent, thus allowing to avoid a profit-maximizing behavior.

(Source: Borzaga and Defourny, 2001; pp. 16-18).

It is worth noting that the concept of social enterprise has not obtained the same recognition in all European countries, and in some of them it is not properly understood (Defourny and Nyssens, 2008). Different legal frameworks have been employed for the recognition of social enterprise in several European countries, and this has contributed to clarify the concept, even though legislations have had a different impact and obtained different results (Galera and Borzaga, 2009).

The origins of social enterprises in the United States are ascribable to a different phenomenon: the diminishing public funding supporting non-profits. With respect to the European approach, the literature developed in the United States, and to a certain extent also in Canada and the UK, proposes an approach that is more focused on the social entrepreneur as an individual. However, the terms social enterprise, social entrepreneur, and social entrepreneurship are often used interchangeably (Seanor and Meaton, 2007).

In the US social enterprises can assume several legal forms, such as sole proprietorship, corporation, partnerships, limited liability company, non-profit, and also for profit organization (Galera and Borzaga, 2009). Less emphasis is given to the social goal: commercial activity and social activity can be separated, the former one being instrumental to the latter, which can rely also on donations or specific financing projects (Thomson, 2008). The collective dimension is less emphasized: the so-

cial entrepreneur, as an individual, is often seen as the key subject who brings innovative solutions to the social needs that emerge in the community. A social entrepreneur is an “extraordinary individual” who brings about societal transformation and innovation (Dees, 1998, Roberts and Woods, 2005, Seelos and Mair, 2005). According to the Ashoka foundation, the social entrepreneur is a “visionary” who aims at transforming the world. However, also in the US there are some critiques to this individualistic approach, like those expressed by Light, who criticizes this “cult of personality” that does not take into account sufficiently the role of organizations, the resources they rely on, and the organizational practices that can lead to their success or failure (Light, 2006). Furthermore, the US approach seems to focus more on the supply-side of social entrepreneurs than on the demand-side, that is to say to the societal need for the emergence of social enterprises and the availability of local resources on which the organizations can build (Light, 2006).

Recent trends in the US have seen the growth of hybrid models, such as the low-profit, limited liability company (L3C), created in order to bridge the gap between non-profit and for profit and to attract a wider range of investors. These new corporate structure has been regulated by specific legal provisions in several states. The main objective is to balance a good capitalization structure with a charitable purpose. However, this new model has been criticized mainly from the legal point of view, given that it overlaps existing legislative provisions without being really effective (Bishop, 2010; Callison and Vestal, 2010; Kleimberger, 2010).

In Latin America the economic sphere located between the state and the market has been growing since the 1980's as a response of civil society to growing inequality, unemployment and social marginalization. Its historical roots, however, can be traced back to pre-Columbian cooperative models, that were later influenced by participatory institutional models introduced by European colonizers. Historically, the cooperative movement was promoted at the end of XIX century, thanks to European immigrants who were bringing experiences that were developing in

their continent. The cooperative movement in Latin America started to develop at the beginning of XX century and had strong influences derived from utopian and socialist schools of thought, as well as from trade unionism and the social doctrine of the Catholic Church (Coque, 2002). Older experiences are reported in Venezuela and Mexico, where some forms of embryonic cooperatives were active since the first half of the XIX century: in Mexico the *Caja de Ahorros de Orizaba* (a savings bank), founded in 1839, was based on the principle “one head one vote.” However, it should be kept in mind that these experiences were characterized by discontinuity and heterogeneity, with different impacts at the regional and national level (Gaiger, 2009).

From a conceptual viewpoint, the main terms employed in Latin America are popular economy (*economía popular*) and social and solidarity economy (*economía social y solidaria*), although the concepts of third sector and social economy can also be found in the literature. As the different denominations confirm, conceptualization is rather problematic and a shared definition able to draw a delimitation among the different concepts is still matter of discussion.

Popular economy is a concept utilized to define those informal experiences that arise from the civil society in order to face necessities of income generation, generally without any margin of accumulation. These community-based initiatives address the needs of subsistence, and social relations appears crucial in this context, because of their capacity to find appropriate solutions to actual conditions of living. However, the material and relational assets on which these initiatives are based, can constitute a fertile ground on which more developed organizations of the social and solidarity economy can build.

The concept of social and solidarity economy has been elaborated by several Latin American scholars since the 80's (Razeto, 1986; Laville, 1998; Coraggio, 1999, 2011; Gaiger, 1999; Singer, 2000; Guerra, 2002, 2003; Arruda, 2003). With respect to the popular economy, the social and solidarity economy departs from the mere adaptation to circumstances

and focuses on the economic activity as a vehicle that is capable to bring about change. The entrepreneurial economic logic that emerges is based on cooperation and exploits the potential of social relations, based also on traditions and personal ties (Gaiger, 2009).

The social and solidarity economy sphere includes cooperatives, cooperative banks, mutual organizations, and in general associations of people who freely join to develop economic activities and create jobs on the basis of solidarity and cooperative relations, among themselves and in the society at large. The main drive is to ensure material conditions for the survival of people, fighting against poverty in order to create short and medium-term alternatives.

At the conceptual level, the social and solidarity economy can be seen as the attempt of incorporating solidarity into the theory and practice of the economy at a variety of levels, such as market, enterprises, production, consumption, public sector, and economic policies (Razeto, 1999). The three main levels in which solidarity economy can act as a factor of change are production, distribution, and consumption.

In the production sphere labor is conceived as the main factor of production in opposition to capital (Coraggio, 1999) and the role of associated workers is intended as crucial (Gaiger, 2009), as well exemplified by the experience of *empresas recuperadas*, enterprises recuperated after their bankruptcy and managed by their workers through worker cooperatives (Vieta, 2010). This experience originally emerged in Argentina after the economic crisis of 2001, followed by similar experiences in Uruguay, Venezuela and Brazil. Social and solidarity economy organizations allow workers to raise their aspirations above the mere material needs, offering the possibility of an alternative relation with the conditions and results of their work. A crucial aspect is the community factor, the so-called “C factor” (Razeto, 1998), intended as an organizational category. The “C factor” involves several aspects like cooperation in the labor environment, knowledge sharing, collective decision-making, additional non-monetary benefits for workers.

In the distribution sphere social and solidarity economy acts not only through monetary distribution flows, but also through other economic relations such as reciprocity, redistribution, and cooperation. In the consumption process social and solidarity economy encourages sobriety and respect for the environment.

A specific characteristic of social and solidarity economy in Latin America lies in its political connotation, that stems from the strong connection with local social movements. Some streams of social and solidarity economy stem from trade-unionism, such as the experiences of Colacot (*Confederación Latinoamericana de Cooperativas y Mutuales de Trabajadores*) in Colombia (Guerra, 2003) and of Cut, (*Central Unica dos Trabalhadores*) in Brazil. Other streams spread from the social doctrine of the Catholic Church (Razeto, 1986), and from the movements linked to the World Social Forum (Arruda, 2003).

Therefore, social and solidarity economy in Latin America generally expresses the idea of an alternative economic and political system to the capitalistic one, with a strong critique to neoliberalism (Guerra, 2002, 2003; Coraggio, 2005). Its primary aim is to build new social and labor relations that do not reproduce inequalities and constitute an actual alternative to the capitalist economic system, questioning the existing socio-economic structures. A crucial factor in this sense is self-management, intended as a revolutionary practice that questions the capitalist system, given that it is not based on exploitation but on the free association of workers (Singer and Souza, 2000).

The social and solidarity economy is seen in Latin America as a means to develop a different approach to economy, which implies necessarily a different approach to politics, that is to say a political change. In this sense the main objective of social and solidarity economy is an alternative development to the capitalistic one, which implies a process of market democratization. In this respect development is seen not only as an economic process, but also as a political and cultural one: it is the result of a communitarian effort in which the role of culture is paramount (Razeto,

2001).

## **2.4 The social and solidarity economy in Mexico**

As mentioned in the previous section, in Latin America the social and solidarity economy is quite a recent phenomenon, which has been developing mainly in the last two decades. Studies carried out in the 90s described the cooperative sector in Latin America as composed by a number of organizations varying between 30,000 and 50,000, with a number of members comprised between 17 and 23 millions, depending on the source consulted. These varying data testify one of the greatest weaknesses of the cooperative sector in Latin America: the lack of structural studies and of longitudinal data collected over time. Furthermore, data are biased by the lack of legal recognition that these organizations have in many Latin American countries, where they are active *de facto* as informal organizations due to the lack of enabling legal frameworks.

According to recent studies carried out by ILO and ICA (International Cooperative Alliance), cooperative enterprises in Latin America have been reinforced by the economic crisis, and the number of cooperatives is constantly increasing. However, a great heterogeneity characterizes Latin American countries, for what concerns origins, dimensions, legal recognition, economic impact, and number of organizations (e.g. 13,000 cooperatives in Argentina in 2008; 6,500 in Brasil in 2010; 2000 in Chile in 2004; 10,000 in Mexico in 2010). Cooperatives, and more in general the social and solidarity economy sector, have recently started to capture the attention of policy makers and scholars, but existing specialized research institutions are still recent and policies still inadequate to support the potential of cooperatives as fundamental actors of socio-economic development.

In Mexico, the social and solidarity economy sector comprises around

50,000 organizations with around 8 millions members (Rojas, 2011a), even though also in this case complete and structural studies are still lacking. Some data estimate that workers employed in the sector represent 18 percent of active population and that the social and solidarity economy sector contributes to the 5 percent of the Mexican GDP (Rojas, 2011b). The sector comprises also associations that do not necessarily have a productive nature, and informal organizations, which make difficult the realization of a complete picture of the sector.

An overview of the legal provisions for the social and solidarity economy sector implemented in Mexico can help in better understanding the context. The political Constitution of the United States of Mexico, approved in 1917 and reformed several times successively, states:

The law will establish those mechanisms that favor the organization and expansion of the social sector's economic activity: ejidos , workers organizations, cooperatives, communities, enterprises belonging in part or completely to their workers, and, in general, of all typologies of social organization devoted to the production, distribution and consumption of goods and services that are socially necessary (art. 25,  $\frac{1}{2}$ 7).

In spite of this constitutional provision, Mexican institutions at various levels have been favoring the expansion of the private national and foreign for profit sector, even in those sectors of activities that the Constitution declares fields of activity of the public sector. The support of the government has been directed in general towards small and medium enterprises, without distinguishing for profit and social and solidarity economy sector (Rojas, 2011a). Accordingly, a real institutional support to the sector has been lacking and this shortage of specific policies has produced a scarce access to funding opportunities and a poor entrepreneurial training and empowerment, with a consequent high informality of productive activities in the sector (Rojas, 2011a).

In order to face this issue, a new law on social and solidarity economy was approved by the Mexican government and published on 23 of May 2012<sup>5</sup>, after a process that started in 1998, and that was intensified during recent years. This law follows similar experiences occurred both in Spain, where the law on social economy was approved in 2011, and in other Latin American countries. Overall the sector has a weak legal framework in Latin America, and only in some countries there are specific laws: Honduras approved a law on Social Sector of Economy in 1984; Colombia approved the law n. 454 on Solidarity Economy in 1998; Ecuador in 2011 approved the law on Popular Economy; there are projects of law in Venezuela, in Dominican Republic and Brazil. In many Latin American countries there are specific laws on cooperatives and only in Paraguay, Argentina, Colombia, and Nicaragua, there are specific laws on mutual societies.

The new Mexican law on social and solidarity economy is the implementation of the already cited art. 25 of the Constitution. The law, even though it does not provide a definition of the social and solidarity economy, defines the objectives of social and solidarity economy sectors, which are: i) to promote the integral development of human beings; ii) to contribute to the socio-economic development of the country, participating in production, distribution, and consumption of goods and services that are socially necessary; iii) to support education and training through practices which strengthen a culture of solidarity, creativity, and entrepreneurship; iv) to contribute to the exercise and betterment of participative democracy; v) to participate in designing plans, programs and projects of socio-economic development within the existing legislation; vi) to facilitate sector's members participation and access to training, work, property, information, management, and equal distribution of benefits without any discrimination (art. 8).

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<sup>5</sup>The full text, in Spanish, is available at [http://www.economiasolidaria.org/documentos/ley\\_de\\_economia\\_social\\_y\\_solidaria\\_de\\_mexico](http://www.economiasolidaria.org/documentos/ley_de_economia_social_y_solidaria_de_mexico) (accessed 16 November 2012).



The main objectives of the law are to establish mechanisms able to support the organization and expansion of the social and solidarity economy sector, where the responsibility of this support is taken by the state; and to define rules for the organization and empowerment of the sector as a mechanism that can contribute to socio-economic development through employment generation, strengthening of democracy, redistribution of resources, and generation of social patrimony (art. 2).

The law also creates a National Institute of Social Economy, an autonomous institute that will be part of the Secretariat of Economy with the aim of defining and implementing public policies to support the social economy sector. This institute will substitute the previous National Fund of Support to Solidarity Enterprises (FONAES - Fondo Nacional de Apoyo para las Empresas en Solidaridad). At present (November 2012) the institute has not yet been created, and some senators have asked for an extension of the period provided for by law (180 days) for its establishment.

Overall it is too early to judge the impact that this law can have on the sector, even though some critiques have been moved, especially for the changes that have been made with respect to the law proposal of 2007, that was believed more complete and potentially effective (Conde, 2013). Further studies are expected to prove the efficiency of this measures and the results that they will be able to provide in the coming years.

## **2.5 Enterprises with a social aim and local development**

The predominance of a mainstream model of development leads to the consideration that cooperatives and social enterprises are just niche economies doomed to disappear. However, against the failures of the mainstream development model, the assumption of the existence of a plurality of entrepreneurial forms gives room to different types of enter-

prises directed to the satisfaction of different types of needs (Borzaga et al. 2009).

The experience registered during last decades in developed economies, as well as in developing countries, corroborates the thesis that cooperatives and enterprises with a social aim have not disappeared and they are facing and resisting the crisis better than for profits and the state. In this respect, Europe represents an interesting case, especially for what concerns social enterprises providing social services. In Europe, after World War II and until the 70s, the bipolar model based on the state and for profits produced prosperity and a generalized well-being. After the crisis of the 70s that caused an increase in the inflation and growing unemployment rates, market fundamentalism started to rule, and it was further sustained by the collapse of the communist regimes. Market fundamentalism implied the reduction of the government intervention in the economy, together with the promotion of free trade. Consequently, the number of privatizations raised, especially in the Anglo-Saxon, post-communist, and emerging countries. In continental Europe this phenomenon was less accentuated, at least until the sovereign debt crisis in 2009, when the state provision of general interest services has started to become less efficient and less satisfactory. The main issue has been the incapacity of addressing the new needs that were emerging from society and the differentiation of existing needs, to which privatizations were not able to respond, especially in the key areas of health, social services, and education (Becchetti and Borzaga, 2011). As a consequence of this phase of privatizations, in Europe the number and the importance of social enterprises has grown.

The European experience is paramount in understanding how social enterprises constitute a real alternative to the dual model based on solely the state and for profit enterprises, given their capacity of developing different organizational forms and activities. Consequently, the contribution of enterprises with a social aim to local development is a growing field of research. Several studies have witnessed the key positive impact

of these enterprises on socio-economic conditions of local communities in different parts of the world, even though empirical studies are still few in number (see for instance Sabatini et al, 2012). Since their origins, these enterprises have been explicitly created to address local communities' needs through the delivery of goods and general-interest services, and they have a role in integrating disadvantaged sectors of society.

In developing countries, where welfare systems are weak and unlikely to develop as in western countries, there is a great potential for social enterprises in the provision of welfare, such as social services, health, and educational services. Also in the field of management of water resources, waste disposal, and recycling, public transportation, and renewable energy sources, there is room for social enterprises, as several interesting experiences in Europe, US, and Latin America, testify. In developing countries, where market and state failures are significant, social enterprises can contribute to overcoming these failures, redistributing resources to socially marginalized groups and producing merit goods that can strengthen social cohesion and favor the accumulation of social capital (Borzaga and Tortia, 2007).

Even though there are still not many empirical studies, the literature, mainly in its European version, highlights the vocational role of social enterprises in driving endogenous processes of development. This capacity is due to some specific characteristics of social enterprises, as the collective governance, that includes and promotes the interests of the weakest stakeholders; the explicit social aim, that addresses specific community's needs; and the asset-lock, that contributes to a long-term view of the development process. These factors are key in sustaining a bottom-up, pluralistic, and locally specific process of development (Borzaga and Tortia, 2007; Greffe, 2007). In Europe and in transition countries the positive impact of social enterprises on local development is also due to their support to employment creation and institutionalization of informal activities (Galera, 2009).

In the indigenous context, the main contribution of community enter-

prises to processes of local development derives from three main abilities: i) the social foundations of these enterprises lie in the indigenous communities in which they are embedded, and their activities contribute to the well-being not only of their members, but also of the broader indigenous communities (Peredo and McLean, 2006; Somerville and McElwee, 2011); ii) these organizations are capable to address a plurality of differentiated needs, that are not only constituted by material necessities, but also include social, political and environmental goals (Peredo and Chrisman, 2006; Somerville and McElwee, 2011); iii) the contribution of reciprocity and non-monetary exchanges that derive from indigenous culture is significant when building community enterprises, and some authors argue that cultural aspects of certain communities can give a competitive advantage to community-based enterprises embedded in such societal groups (Lindsay, 2005; Berkes and Adhikari, 2006; Peredo, 2010). As a consequence, culture becomes a crucial component around which community members gather to develop entrepreneurial activities. In this sense, the approach of modernization theory that considers indigenous traditions as an obstacle to development is challenged.

Moreover, the endogenous type of development pursued by enterprises with a social aim implies that the local demand for services emerging from the civil society is addressed through a mix of resources able to drive the organizational objectives of social enterprises towards social objectives, that are embedded at the local level. As a consequence it can be assumed that enterprises with a social aim pursue development objectives that are defined by the same actors that will benefit from the results of the development process (Borzaga and Tortia, 2009). The complex mixture of goals that these enterprises pursue turns them into agents of mobilization of social capital, and consequently they show a capacity of attracting volunteers and donations (Laville and Nyssens, 2001; Evers, 2001; Evans and Syrett, 2007). However, this aspect can be seen as controversial, given the general lack of a shared definition of social capital, the difficulty to operationalize it, and the scarcity of empirical

studies supporting this argument (Evans and Syrett, 2007; Sabatini et al., 2012). Indeed, the understanding of the specific context in which social capital and social enterprises are situated appears of crucial importance when approaching the social capital issue (Evans and Syrett, 2007). In addition, enterprises with a social aim can have a role in promoting democratization in an innovative and practical way through the direct engagement of the concerned stakeholders, thus supporting a participatory democracy where citizens act for the general well-being of their own community (Pestoff, 1998).

## 2.6 Conclusions

The contribution that entrepreneurial activities created by indigenous communities can offer to ensuring the well-being alternatives to development inspired by and oriented towards *buen vivir*, is an issue that requires a multidisciplinary approach able to shed light on the multiple factors at stake. Each point of view can contribute to add useful insights on the topic: for this reason different approaches to indigenous entrepreneurship have been analyzed, in order to seek to highlight the suitability of social enterprise for an alternative to the mainstream development conception that indigenous peoples can pursue. In this context, the concept of *buen vivir*, as discussed in the previous chapter, appears as an innovative and interesting contribution to the debate.

In addition, the analysis of different approaches to enterprises with a social aim is useful in order to highlight several characteristics that this type of organization show and its potential for sustaining bottom-up and self-managed processes of development.

The next chapter will analyze the social, political, economic and historical context in which indigenous peoples of Chiapas are living, as well as the main development programs implemented by the Mexican government in favor of indigenous peoples.



## Chapter 3

# Research context: indigenous peoples in Chiapas

### 3.1 Introduction

The main objective of this chapter is the analysis of the historical and socio-economic factors that characterize the context where indigenous peoples live in Chiapas, and to confront this context with the analysis conducted in the previous chapters. Moreover, this chapter will focus on the analysis of public authorities' role, both in addressing indigenous peoples' needs and in creating an adequate legal framework for the assertion of their rights.

Chiapas is an interesting context for studying the autonomous initiatives of indigenous peoples, due to their strong identity and claim for autonomy that inspired and followed the Zapatista insurrection of 1994. The counter-insurgency action of the Mexican government has had ambivalent results on the indigenous population: on the one hand it has reinforced the identity and social cohesion of its most committed and aware groups, while on the other hand it has been threatening the social cohesion of other indigenous groups.

The chapter starts with a brief description of the Mexican legal frame-

work for the protection of indigenous peoples' rights; it then reports some data on the natural resources of Chiapas and on the socio-economic conditions of indigenous peoples living there; it then describes some historical facts about the issue of land and the Zapatista insurrection of 1994, followed by the analysis of the present state of low-intensity war; the main development programs implemented at the government level are then analyzed; finally, some concluding considerations close the chapter.

## **3.2 Indigenous peoples in the Mexican legal framework**

The Mexican constitution nowadays formally recognizes indigenous peoples' right to self-determination, that has to be exercised "in a constitutional way that assures national unity." It also defines the nation itself as multicultural. More specifically, art. 2, after a constitutional reform that took place in 2001 (the current Mexican constitution followed the revolution of 1910 and was promulgated in 1917), states in paragraph A:

The nation has a multicultural composition, originating in its indigenous people, who are descended from people who lived in the current territory of the country, who live in it now, and who keep their own social, economic, cultural, and political institutions or parts of these. The awareness of their indigenous identity shall be the fundamental criterion to determine to whom applies the disposition on indigenous people.

Self-determination rights are detailed and include for indigenous peoples: the right to establish their own social, political, economic institutions; the right to apply their own standards in conflict resolution; the right to preserve their culture, identity and language; the right to preserve their lands and habitat.



Paragraph B states:

The Federation, states, and municipalities, to promote equal opportunity for indigenous people and eliminate any discriminatory practice, will establish the institutions and determine the necessary policies to guarantee the rights of indigenous peoples and the complete development of their people and communities. These will be designed and operated together with them.

This statement should be made effective through different forms of support, operated by the three levels of public authorities with the participation of the communities involved: support to indigenous local development; support to bilingual and bicultural education and to the access of indigenous peoples to education; support to effective access to health services, decent housing, infrastructures, and communications.

The government action directed to the support of indigenous peoples officially started in 1948 with the foundation of the National Indigenist Institute (INI). In 2003 the institute was transformed into the National Commission for the Development of Indigenous Peoples (CDI, *Comisión Nacional para el Desarrollo de los Pueblos Indígenas*). This commission has the objective of coordinating and supporting development programs directed towards indigenous peoples in conformity with the already cited art. 2 of the national constitution.

Moreover, the two most important international treaties for the rights of indigenous peoples were ratified by the Mexican government: in 1990, just one year after its implementation, Mexican government ratified the ILO Indigenous and Tribal Peoples Convention n.169 (see chapter 1), which is legally binding; and the UN Declaration on the Rights of Indigenous Peoples (2007), even though not legally binding, was also approved by the Mexican government. However, as this chapter will demonstrate, the actual policies and actions of Mexican government in actively supporting indigenous peoples' rights still remain on paper, and are com-

pletely unsatisfactory.

### **3.3 Chiapas: basic facts and data<sup>1</sup>**

Chiapas is located in the Southeastern part of Mexico, at the border with Guatemala. It is one of the richest states of Mexico in terms of natural resources, such as timber, hydropower, minerals, and oil, and it has a high degree of biodiversity. These elements have all attracted the economic interests of the government and multinational corporations. Some specific data can give a better picture of this wealth. Chiapas has 30 percent of superficial water of all Mexico and it produces 7.5 percent of electric power and 44.5 percent of hydropower. It also produces a small proportion (1.8 percent) of Mexican oil, with 116 active oil wells; 3.1 percent of natural gas; 25.6 percent of timber; and a considerable percentage of the national production of some important agricultural products like coffee (41 percent), bananas (35.3 percent), and papaya (18.7 percent).

Chiapas is also the main producer in Mexico of African oil palm (78.1 percent of the national production) that is employed to produce biodiesel in a local plant. This type of production is quite problematic: the use of land for growing African palm has raised many questions and critiques. Many argue that those lands could be used to produce food, preserving food sovereignty, and that monocultures impoverish the land and bring about contamination due to the intensive use of water, fertilizers and chemicals. This fears are confirmed by studies demonstrating that the cultivation of this and other plants for biofuel causes emissions due to carbon losses in soils and biomass: such emissions do not compensate

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<sup>1</sup>Except where indicated otherwise, data in this chapter are from INEGI, 2010 - Instituto Nacional de Estadística y Geografía (Mexican National Institute of Statistics and Geography) and CONAPO, 2010 Consejo Nacional de Población (National Council of Population). Part of the data are reported on [www.sipaz.org](http://www.sipaz.org) and [www.desmi.org](http://www.desmi.org).

the use of biofuels and frustrate any greenhouse gas reduction benefit (Achten and Verchot, 2011). A case-study in Ghana demonstrates that biofuel feedstock plantations has increased the level of poverty of rural communities, depriving them from the access to vital livelihood resources (Schoneveld et al, 2011).

Chiapas also conserves around 8000 different species of plants, and 80 percent of the country tropical trees species are found in the state. Moreover, around 55 percent of existing mammals in Mexico live in Chiapas. This rich biodiversity is gathered mainly in natural protected areas: one of them, the Biósfera de Montes Azules, is located in the selva Lacandona, one of the last tropical rain forests remaining in the Northern hemisphere. Due to the intense exploitation, the forest dimension is increasingly reducing, and many living species are in danger.

This wealth and variety of territory, the high degree of biodiversity, and the presence of natural uncontaminated areas, together with the existence of Mayan archaeological areas and colonial cities, as well as the ethnographic richness given the high presence of indigenous populations, make Chiapas an attractive touristic destination. The federal and national government are very interested in supporting touristic flows, often in contrast with the local population, that in most of the cases is not involved in the benefits deriving from the tourism industry.

In spite of the presence of such natural and historical resources, Chiapas is the poorest state of Mexico, with a poverty rate of 78.4 percent, and extreme poverty rate of 32.8 percent. Most of the people in state of poverty belong to indigenous ethnic groups. In absolute terms, Mexico has the largest indigenous population in Latin America, accounting for around 10 million people belonging to one of the many indigenous ethnic groups (Hall and Patrinos, 2005). In Chiapas 27 percent of the population belongs to an indigenous group, according to the last national census issued in 2010, and the major indigenous ethnic groups in Chiapas are: Tseltal, Tsotsil, Chol, Zoque, Tojolabal, Mame, Kakchiquel, Lacandón, and Mochó. The two most representative groups, as concerns

number and cultural manifestations, are Tseltales and Tsotsiles. The 36.5 percent of the indigenous population of Chiapas speak only their native language, representing the highest rate of monolingual people in Mexican states, while the rest also speak Spanish.

However, some observers argue that data coming from the census are controversial and that the percentage of indigenous peoples is much higher. This is important because the Mexican government seems to want to minimize the importance of indigenous peoples and the specific character of the issues they face. Starting from the 90s, two major criteria have been used in Mexico in order to identify somebody as belonging to an indigenous ethnic group: the first criterium is the speaking of an indigenous language (for children below 5 years the head of the family's language is considered) and the self-identification as indigenous, while the second is the esteem of the total indigenous population based on the households census register (Serrano et al., 2002). However, this system seems to exclude part of the indigenous population, like displaced groups and Zapatistas, who are reluctant to give any type of information to the government.

Beyond forced displacement, migration is also an issue, even though it is quite a recent phenomenon. Many people migrate to urban centers inside the state, some on a daily basis, others permanently. Others migrate to neighboring states, to be employed in tourism structures or constructions, or they try to reach the United States. The change of environment they experience when migrating implies a threaten to their culture and way of living, especially for what concerns younger generations, who in many cases lose the knowledge of their native language and reject their culture of origin (Del Popolo, 2006; UN Habitat, 2011). Being men the majority of migrants, the number of women who become head of the family is growing (from 16.56 percent in 2000 to 20.18 percent in 2010): some of them receive remittances, others are just abandoned, having the man established a new family in the new country. It is important to pinpoint that the migration corridor between Mexico and the US is the largest in

the world, with 9.3 millions migrants who come from Mexico and other central and south-American countries. Migrants face a very dangerous trip, and many cases of discrimination, kidnapping, extortion, rape, and homicide, have been reported. Data from Mexican National Bank estimate that migration to the US has diminished during last years due to the economic crisis and to the restrictive migration policies adopted in the US. This fact has had a negative impact on the remittances in US dollars to Chiapas, that has made the situation even more precarious for many people who were living thanks to this flow of money.

Further data are useful to draw a general picture of socio-economic conditions in Chiapas. Concerning employment, 16 percent of the active population do not have any income, while 45.78 percent earn only the minimum wage. Average incomes are lower in rural and indigenous areas: it is worth mentioning that 48 percent of Chiapas population live in urban areas, while 52 percent in rural areas, against 76 percent and 24 percent respectively, at the national level. Moreover, 42.76 percent of the population is employed in the primary sector, against 14.3 percent at the national level.

Data on education report that 16.5 percent of people over 15 years have not completed a course of schooling; 37.13 percent did not complete primary education and 10.6 percent of kids between 5 and 14 years do not attend any school. Chiapas is the state with less years of schooling in Mexico, with an average of 6.7 years of school. It is also the state with the highest illiteracy rate: 17.8 percent of the population over 15 years cannot read nor write, and this data is much higher for indigenous population, where illiteracy reaches 39.2 percent.

Concerning housing, a great percentage of people living in Chiapas do not have access to a decent house: 26.5 percent do not have running water; 4.1 percent do not have electricity; 16.6 percent do not have drainage system; only 39.9 percent of houses have all these three services together; 15.2 percent of the houses have floor made of soil; and 53.65 percent of the houses are overcrowded. Chiapas is also the Mexican state

that is less advanced concerning households that own a telephone (16.35 percent); a computer (12.6 percent); an internet connexion (7.2 percent); and a car (19.2 percent).

Health services are still not guaranteed for 43 percent of the population, due to the unavailability of hospitals in the surrounding areas, scarcity of medicines and doctors. There is only one doctor per 1000 inhabitants. Infant mortality rate is 18.8 per 1000 live births, while national average is 13.7. Malnutrition rates, even though slightly diminishing during last years, are still high, affecting one quarter of the population: severe malnutrition is 5.4 percent, while moderate malnutrition affects 20.2 percent of the population.

These data are striking if compared to the wealth of Chiapas in terms of natural resources.

### 3.4 The issue of land

As mentioned in chapter 1, the relation that indigenous peoples hold with land is imbued with spiritual meanings: they consider the earth as a mother, sacred and collective, and it is something that defines their identity as a society. Land was also one of the main causes and objectives of the Mexican revolution that started in 1910. The revolutionary army fought to establish communal land rights for Mexican indigenous peoples, who had lost their lands in favor of few wealthy descendants of European conquerors. Land distribution was eventually one of the major accomplishments of the revolution, and the article 27 of the Mexican constitution of 1917 legally recognized communal lands and *ejidos*, stating the prohibition to sell them. The main difference between these two types of land tenure is that communal lands belong to the totality of members of a community and benefits deriving from land use are distributed among all members; on the other hand, *ejido* land titles are legally held by the community, not by the individual *ejidatarios*: each *ejidatario* receives a piece of land and all decisions regarding every piece

of land are taken in the general assembly of *ejidatarios*. Most *ejidos* also include plots of land destined to communal use.

In 1992 a constitutional reform promoted by President Salinas amended the article 27, and the sale of communal lands and *ejidos* was admitted, causing social mobilizations all over the country that were anticipating somehow the Zapatista insurrection. This constitutional reform came together with two programs by the federal government: PROCEDE (*Programa de Certificación de Derechos Ejidales y Titulación de Solares*) and PROCECOM (*Programa de Certificación de Bienes Comunes*). PROCEDE was designed to survey and certify parcels and to title urban plots for individuals. Every farmer who voluntarily applies, receives a certificate that does not imply actual ownership until the land is transferred after the farmer dies, when the new holder can apply for an actual title. From that time on, the parcel can be sold or used as collateral on a loan. The same procedure and logic applies to PROCECOM concerning communal lands. These programs have been criticized because of the divisions they caused inside communities and because they fostered the sale and cornering of collective lands. Consequently, they caused a weakening of communitarian structures. It is also worth mentioning that several conflicts around the issue of land have been reported, and the most frequent causes are lack of land, due to increased population and increased urban settlements; legal voids and ambiguity concerning propriety titles; disagreement on territorial borders; and inadequate authorities' attempts of conflict resolution.

These programs were initially proposed as voluntary-based, but several cases of pressure and blackmailing on communities to make them subscribe the programs have been reported. PROCEDE and PROCECOM ended in 2006: in Chiapas more than 2 millions 880 hectares of land had been registered by the federal government. Nowadays in Chiapas 59.5 percent of the total surface of lands are hold as collective lands, divided between *ejidos* (54.9 percent) and communal land (4.6 percent), but these programs caused a tendency towards an increase of land hold

as individual property.

### 3.5 Development programs for regional integration

These programs for the privatization of collective lands paved the way for larger scale privatizations brought by the Mesoamerica Project (*Proyecto Mesoamérica*), that followed the Puebla-Panama Plan (PPP). The PPP was launched by Mexican government in 2001 with the objective of relaunching the cooperation between south-southeast Mexico and the other Central American countries, through commercial agreements and management of resources for large common interest infrastructures. As a consequence, this project encouraged multinational corporations' investments through the creation of *maquiladoras*<sup>2</sup> and extraction plants, in the name of socio-economic sustainable development. The privatization and commodification of natural resources through extractive projects was hardly criticized and contested by many organizations all over Central America and due to this reason several projects were suspended<sup>3</sup>.

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<sup>2</sup>*Maquiladoras* is the Mexican name for factories located in the Mexican territory that are property of foreign companies (mainly from US) and export their products to the countries where their proprietors are based. This happens in a context of free trade: materials and equipment are imported on a duty-free and tariff-free basis. Most of the workforce is composed by women: they are paid very low wages, have low job security, and experience poor working conditions.

<sup>3</sup>Some examples are:

“CECOP (Council of *Ejidors* and Communities Opposed to the La Parota Dam) in the state of Guerrero, Mexico;

COPINH (Civic Council of Grassroots and Indigenous Organizations of Honduras), struggling against the El Tigre dam on the border between Honduras and El Salvador; ACAP (Association of Communities Affected by the Ring-road and Bypass), struggling against high-speed roads in the urban area of San Salvador, El Salvador;

The Mayan people of Sipacapa, San Marcos, Guatemala, struggling against the Montana mining corporation;

UCIZONI (Union of Indigenous Communities in the Northern Zone of the Isthmus)



Several communities also denounced biopiracy, namely the commodification and commercialization of biodiversity, mainly to the advantage of pharmaceutical corporations (Stahler-Sholk, 2007).

Conceived as an evolution of the Puebla-Panama Plan, the Mesoamerica Project was implemented in 2008 and it is still ongoing, geographically including also Colombia and Dominican Republic. Its objective is again to promote integration between Mexico and Central America through infrastructures and social projects in order to foster sustainable development. The Mesoamerica Project has been promoted by all Central American states, and supported, among others, by the Inter-American Development Bank (IADB) and the Economic Commission for Latin America and the Caribbean (ECLAC). This project, if compared to the Puebla-Panama Plan, seems to have a more specific social focus, dealing with health, housing, environment, and natural disasters, even though its main focus is still on the improvement and enlargement of infrastructures, with projects focusing on transport, energy, telecommunications, enhancement of trade and competitiveness. More specifically, the construction of transport infrastructures and the enhancement of regional trade have always been the main aims in the history of this integration project. The promotion of road system integration, from southern Mexico to Colombia, remains a central challenge that, according to the project promoters, would support trade exchanges and could also have a beneficial impact on economic and social development. In this sense the plan foresees the construction, rehabilitation and maintenance of around 13,000 kilometers of roads crossing the different countries.

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in the state of Oaxaca, Mexico, struggling against several megaprojects of the PPP and PEMEX (the state oil company) in the Isthmus of Tehuantepec;

The La Venta Solidarity Group struggling against the wind-driven electricity generators in the Isthmus of Tehuantepec;

The Association of Rural Communities of Chalatenango, struggling against several mining companies in El Salvador”

(reported from Pickard, 2006).

The neoliberal logic that inspires these programs, that is often hidden behind the sustainable development label, deliberately threatens indigenous communities' social cohesion, and their right to control their territories and natural resources (Stahler-Sholk, 2001, 2007). Furthermore, these plans are imposed top-down, with no attention for the local contexts, cultural specificities and specific needs of the communities who live in the territories involved in these interventions.

### **3.6 The Zapatista insurrection**

Chiapas is also the State where the Zapatista insurrection took place: it is important to analyze the reasons and consequences of this event, that was essentially an indigenous insurrection, in order to better understand the context and the influence that this movement still has on the social and political situation in Chiapas. Moreover, as it will be better detailed in the following chapter, this movement has had an impact on the upsurge of many indigenous grassroots initiatives.

The signing of the North American Free Trade Agreement (NAFTA) instigated the beginning of the Zapatista insurrection, on the 1 of January of 1994. The NAFTA was signed by Canada, US and Mexico governments, and its goal was the elimination of barriers to trade and investments between the three countries. Consequences of this free trade agreement were reasonably believed unfavorable to Mexican small farmers and indigenous peasants who did not have any chance to compete with US and Canadian industry and agribusiness. Indeed, this agreement opened the Mexican market to cheaper US agricultural products, that are mass-produced, chemically fertilized, mechanically harvested and genetically modified. This also worsened the already low living standards of Mexican farmers, unable to compete with such products.

The armed insurrection on this symbolic date claimed, from an anti-capitalist radical position, the end to socio-economic marginalization and the recognition of identity and specificity of indigenous peoples, who had

been always marginalized and have been victims of racism and discrimination. The main demands were “work, land, housing, food, health, education, independence, liberty, democracy, justice, and peace” (First Declaration of the *Selva Lacandona*). The rebellion was not aimed at taking state power, and it is best understood as a social movement that wanted to resist a dominant top-down model of development and globalization, where the needs of subaltern groups are not taken into account. In contrast to this model, the Zapatista movement proposes a “globalization from below:” the movement is strongly locally situated (Escobar, 2001), being based on the defense of a “place,” intended as territory, but also as culture and identity that in the indigenous conception cannot be detached from territory. However, at the same time it involves complex global dynamics and has attracted the attention of people coming from all over the world, willing to support the claim for social justice and for an alternative model of inclusive society, in which different people and instances can find a place. To borrow the words of Castells, “the Zapatistas’ opposition to the new global order is twofold: they fight against the exclusionary consequences of economic modernization, but they also challenge the inevitability of a new geopolitical order under which capitalism becomes universally accepted” (2010, p.81).

Following twelve days of armed conflict, a first round of negotiations between the Zapatista National Liberation Army (EZLN) and the federal government started. These negotiations were mediated by Samuel Ruiz, the bishop of San Cristóbal close to the theology of liberation, who was very committed to improve the living conditions and denounce the marginalization of indigenous communities. The proposals made by the government were initially refused by the EZLN, and the EZLN and the federal government then accepted the National Commission for Mediation (CONAI), led by Bishop Samuel Ruiz again in the role of mediator. In March 1995 the Peace and Reconciliation Committee (COCOPA) was created to facilitate a new dialogue: its members were legislators from all political parties represented in the Congress. This round of negotia-

tions between EZLN, CONAI and the government delegation lasted for several months and ended in the town of San Andrés Larráinzar with the signature of the “San Andrés Accords on Indigenous Rights and Culture”<sup>4</sup> in February 1996. This treaty specified that the government would undertake to change the Mexican constitution to embody the Accords, but these provisions were completely ignored by President Zedillo, who instead increased the military presence in Chiapas. Zedillo was supported by his party, the Institutional Revolutionary Party (PRI), and other important political parties: the National Action Party (PAN) and the Democratic Revolution Party (PRD), a centre-left party that was initially believed favorable to the instances brought by the Zapatista movement.

The main goal of the San Andrés Accords was to put an end to the state of discrimination, marginalization and inequality experienced by indigenous peoples, through the recognition in the national constitution not only of their individual rights, but also of their collective rights as peoples. The main rights to be recognized were: i) political, i.e. their own forms of government and election of their community authorities; ii) legal, i.e. their own normative systems, and their own system of conflict reconciliation; iii) social, i.e. their own systems of social organization; iv) economic, i.e. their own labor organization and rights on their resources, the support to employment generation and satisfaction of their needs; and v) cultural, i.e. the safeguard of their specific cultural traits.

To make this recognition effective and not only formal, a constitutional reform should have been undertaken, inspired by the following principles: i) free determination and autonomy: the state had to respect the willingness of indigenous communities; ii) participation: indigenous peoples and communities had to be active subjects together with the government in the implementation of projects and policies; iii) pluralism: the diversity of indigenous peoples all over the country had to be

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<sup>4</sup>For an integral version of the accords (in Spanish), see <http://komanilel.org/biblioteca/> (accessed 15 November 2012).

respected; iv) integrality: government actions had to face indigenous issues maintaining a holistic view; v) sustainability: attention and respect for the natural environment and natural resources had to be maintained.

One of the main demands and specific traits of the Zapatista movement is autonomy, which finds its expression in a parallel political organization that does not recognize Mexican official institutions. The territory of Chiapas with Zapatista presence was organized in 5 *caracoles* (literally “conch shells,” a Mayan symbol that recalls the circularity of time) in 2003, following the previous organization that since 1994 divided the territory into 38 autonomous municipalities called Rebel Zapatista Autonomous Municipalities (MAREZ), that were considered as a natural prosecution and development of ancestral organizational practices of self-government.

The five *caracoles* (La Realidad, La Garrucha, Roberto Barrios, Oventic, Morelia) host the so-called “Good Government Committees” (*Juntas de Buen Gobierno*), which members are elected on a rotating basis. Their task is to coordinate the activities of the municipalities that fall under their region and to manage relationships with external actors like NGOs, media, foreign individuals and groups who are interested in their activities, and so on. An interesting aspect is that different ethnic groups (tseltal, tsotsil, tojolabal, mam, ch’ol and zoque) coexist within the same autonomous municipality.

The main activities around which Zapatistas self-organize themselves are education, health, production projects, and justice. One of the crucial demands of the Zapatista struggle was education, and it has become one of the most important components of their project of autonomy. Autonomous Zapatista education is based on indigenous world-view, in contrast to official education that has always been distant from indigenous cultures and values, in the attempt of assimilating indigenous peoples into the dominant culture. Moreover, several indigenous communities did not have any access to public education.

Health is another crucial demand, given the exclusion of several in-

indigenous communities from the Mexican health system, due to lack of resources or remoteness of some indigenous communities. Zapatistas developed their own system of health clinics. These projects are completely autonomous in the sense that they do not accept any support by the government, declaring the fact of being “in resistance.”

Some lands were recuperated from big landowners by Zapatistas after the 1994 insurrection: these lands are now considered as Zapatista territory. These collective lands cannot be sold and the EZLN has been promoting the repopulation of these territories through the construction of new settlements. Obviously these “recuperated lands” have caused several conflicts, with many attempts by other non-Zapatista indigenous and peasants groups to establish their control on these lands, taking them away from Zapatistas. They are usually supported by local and national groups of power, often connected to national political parties.

### **3.7 A low-intensity conflict**

After 1994 the Mexican army has intensified its presence in Chiapas, under the National Defense Plan which justified the army intervention against the “internal enemy.” At present 70 military camps in *ejidos*, rural communities and urban settlements are registered in Chiapas.

What happened and is still happening in Chiapas goes under the name of “low-intensity war,” and the “divide and rule” principle is still inspiring the action of the state which operates through both the regular army and paramilitary groups. This action has been following various strategies, as the direct repression or intimidation of dissident groups and associations from the civil society, or exemplar actions directed towards support bases of EZLN in order to frighten and discourage people who were willing to support them.

What happened in Acteal, municipality of Chenalhó, in 1997 under the presidency of Ernesto Zedillo, is a paramount example: 45 indigenous tsotsil people, mainly women and children, belonging to a religious

nonviolent organization called “Sociedad Civil Las Abejas” (“The bees civil society”) who sympathized with Zapatistas were massacred by a paramilitary group named “Mascara Roja” (Red mask) while praying and fasting in a church. This crime is still unpunished<sup>5</sup>.

During last years, the presence of the army has been justified by reasons that are not related to EZLN, like illegal migration issues, organized crime, arms or precious wood trafficking. Since 1994, the Mexican army has been reported and denounced for violations of human rights in Chiapas<sup>6</sup>.

### 3.8 Government Development programs

Development programs financed by the government (both at the federal and at the state level) seem to be ineffective in tackling indigenous peoples’ needs, mainly because they do not take indigenous world-view into account and they do not involve indigenous people in the decision-making process affecting their social, economic and environmental resources. In this respect the “right to free, prior and informed consent,” stated by the ILO convention No. 169 and by the UN Declaration on the Rights of Indigenous Peoples, seems completely neglected.

A case in point is the “Ciudades rurales sustentables” (Rural sustainable cities), a poverty reduction project implemented by the state of Chiapas, based on the construction of small cities in rural areas that gather indigenous peoples living in the surrounding communities.

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<sup>5</sup>An Amnesty International’s report of 1999 states: “As details emerged of the circumstances surrounding the massacre, it became clear that state agents had facilitated the arming of those thought to be responsible and that the state authorities had failed to intervene promptly once the massacre had started.” The report is available at <http://www.unhcr.org/refworld/publisher,AMNESTY,,MEX,3ae6aa0228,0.html> (accessed 18 November 2012).

<sup>6</sup>See for instance the Amnesty International’s report of 1999 cited above; or Frayba (Human Rights Center Fray Bartolomé de las Casas), 1998. *La legalidad de la injusticia*. Other bulletins and reports by Frayba are available at [www.frayba.org.mx](http://www.frayba.org.mx).

This program is part of the “Plan de Desarrollo Chiapas 2006- 2012” (Development Program for Chiapas). The two main official objectives of the program are: first, to accomplish with the UN Millennium Development Goals, delivering services to populations that are marginalized or located in risky areas; second, to create productive projects that support employment creation (decent and remunerated work) mainly through productive infrastructures located out of the rural areas.

This approach follows the consideration that one of the main difficulties in the fight against poverty has been the dispersion of the population, that prevents the provision of services like water or electricity, and the access to health and education. For this reason the program is aimed at gathering people in order to make easier the provision of basic services.

This project has attracted many critiques<sup>7</sup>: it seems to break community ties and to alter the traditional way of living in the indigenous communities, by imposing living conditions and models of socio-economic organization that are very distant from the indigenous conception. Local communities were not consulted in the decision-making, and in the rural cities they are not able to live according to their traditions and culture: houses are too small and indigenous families are usually numerous, there is no space for cooking *tortillas* that are at the base of indigenous diet, and no space for small animals or for children to play. In some cases fields cultivated by the indigenous families are located too far from the “rural city,” causing the loss of benefits deriving from subsistence agriculture. At the same time people in the rural city do not earn enough money to

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<sup>7</sup>See for example: I. Mandujano, 25 September 2012, “Ciudades rurales sustentables, el fracaso de Sabines,” available at: <http://www.proceso.com.mx/?p=318070>, or A. Rivera, 15 September 2012, “Ciudades rurales y reordenamiento territorial: el camino del despojo”, available at: <http://www.jornada.unam.mx/2012/09/15/cam-rurales.html>, or Colectivo Koman Ilel, 21 April 2011, “Ciudades rurales sustentables: una pesadilla hecha realidad” <http://komanilel.org/2011/04/21/ciudades-rurales-sustentables-una-pesadilla-hecha-realidad/> (English translation available), or the documentary film “Hasta ahí te mueves” by Colectivo CAIK, 2012.



buy food, because the way jobs are created is insufficient and lacks adequate training; moreover, clients of the new productive activities in the rural cities (mainly small stores) are not sufficient to guarantee a stable income supporting families' lives. Up to now, just two of the projected eight rural cities have been at least partially inhabited: Nuevo Juan de Grijalva and Santiago el Pinar. The latter is almost abandoned, and houses do not have running water nor electricity.

Other poverty-reduction programs at the federal level are the "Program of Food Support (PAL)," that is based on cash transfers and provision of food complements to poor indigenous and non-indigenous families with school-age children, and the "Program for Human Development Oportunidades." This intervention follows a previous program, called "Progresa" (Program for Education, Health and Nutrition), that started in 1997 and was renamed "Oportunidades" in March 2002<sup>8</sup>. The general objective of the project is to break the intergenerational cycles of poverty through the enhancement of human capital in younger generations. This happens through cash transfers conditional on specific behaviors in nutrition, health, and schooling. The aspect related to schooling was the most developed, and the regular attendance at school of families' children was awarded with cash transfers given directly to their mothers.

Some international institutions evaluate "Oportunidades" as "one of the most innovative and successful programs for those who live in extreme poverty" (OECD, 2010, p.23)<sup>9</sup>. Studies conducted using governmental data to assess the impact of these policies qualify these programs as somehow successful, at least in extending years of schooling and number of children attending school (Attanasio et al., 2012). What these studies

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<sup>8</sup>See: <http://www.oportunidades.gob.mx/>

<sup>9</sup>Also Patrinos and Skoufias (2007), World Bank's staff, expressed appreciation for the effectiveness of this program, stating that the it "is well targeted and effective. In fact, it disproportionately benefits indigenous peoples. The program is instrumental in reducing the schooling gap between indigenous and non-indigenous children and short-term poverty, and for improving health and nutrition status. The program also positively affects household saving and productive investments" (pp. vi-vii).

fail to analyze is the quality of the education received, intended also in colonialist terms, as whether the education model is coherent with the indigenous world-view, or whether the increased schooling period is translated also in an increased capacity of finding a decent job.

However, a more holistic approach permits to question the validity of these policies and other analysis conclude that this model is rather paternalistic, because it generates dependence, and it seems not sustainable, provided that it is not accompanied by employment generation and the improvement of infrastructures and public services, above all education and health (UNDP, 2010).

According to the neoliberal logic that inspires these programs, rights are conceived of as individual instead of collective, and this conception often creates divisions and tensions inside the communities. The real objective of this type of poverty reduction programs is to socialize the poor to a different behavior, making them “co-responsible” of the project (Mora, 2007). This is especially true concerning women, to whom cash transfers are specifically directed. Women become individually responsible of their own (and their families’) well-being, as they are considered as active actors who can take decisions, i.e. what to buy with the cash transfer they get. In this way they experience a shift from being clients (i.e. passive receivers of welfare services) to being consumers, according to a neoliberal logic (Luccisano, 2004). This approach shifts the responsibility of well-being from the state to the low-income individual, and structural causes of poverty and inequalities are not addressed: on the contrary they remain hidden behind these efforts of the state, which results are considered as successful by most international institutions and mainstream scholars.

Interestingly, as chapter 4 will illustrate, none of the people interviewed during the empirical research judged these programs as effective or successful. Obviously from a certain point of view this data can be reputed as not significant, due to the small size and non-representativeness of the sample. However, it can have its value as an important voice of dis-

sent of people who live the effects of these programs directly, and whose opinions are usually not taken into account in official studies or official data gathered by government agencies. The perception that these people have can be biased or based on prejudices towards the government, but the reason why and the way how they get to such perception should be understood and taken into consideration.

It is also worth mentioning that in recent years Mexico has seen a reduction of external aid opportunities by international development agencies and NGOs due to the economic crisis and to the fact that Mexico is no longer considered as a priority area of intervention in terms of macroeconomic indicators.

### **3.9 Conclusions**

This chapter has attempted to give a holistic picture of the research context, in the belief of the importance of the understanding of the different components that have a role in determining the context. It seems important to analyze the socio-economic conditions of marginalization that indigenous peoples experience in Chiapas, and some historical factors like the issue of land, that has been characterizing Mexican history since the revolution of 1910. Indigenous peoples' marginalization led to the Zapatista insurrection in 1994, that did not aim at taking power, but at asserting basic rights for indigenous peoples. To the alternative political and social system implemented by the Zapatista movement, the Mexican government responded with an increased militarization, in what has been called low-intensity war. Parallel to this action, the federal and state government have been implementing a series of development programs directed to increase the well-being of indigenous peoples, but the delivered results appear still insufficient.

The analysis of the main legal arrangements and public institutions directed to indigenous development in Mexico, highlight the discrepancy between the principles declared by the Mexican State and the effective

measures taken in order to address indigenous peoples' rights and necessities.

With the context depicted in this chapter in mind, the next chapter will focus on the empirical investigation carried out in Chiapas.

## Chapter 4

# Empirical research: indigenous community enterprises in Chiapas

### 4.1 Introduction

After having analyzed the theoretical implications and the research context, this chapter focuses on the fieldwork carried out in Chiapas in the first half of 2012. The observation of the context of Chiapas has highlighted the existence of an endogenous model of development based on grassroots entrepreneurial activities that have been founded and self-managed by local indigenous communities. These enterprises aim to address a plurality of needs utilizing the local resources. Coherently with *buen vivir*, these self-managed enterprises stress the importance of social context, culture, and local knowledge, and are in fact indigenous solutions directed towards processes of change (Eversole et al., 2013).

An ethnographic study was conducted in order to analyze the history, organizational practices, and challenges faced by these grassroots enterprises and to understand the impact that these organizations have had on the level of socio-economic development and community well-being.

Two research questions underpin the analysis: what enabling factors have facilitated the emergence and spread of these enterprises in the indigenous communities of Chiapas? Under what conditions have indigenous enterprises contributed to the pursuit of *buen vivir*? These issues can be further elaborated and broken down into some specific research questions:

- Why do indigenous enterprises originate? (necessity/opportunity-intrinsic motivation/driven by external agents?)
- What idea of development do indigenous communities have? What are the main needs of indigenous communities that indigenous enterprise can pursue?
- What actors are crucial in the emergence and survival of indigenous enterprises?
- Are indigenous enterprises economically sustainable?
- Do indigenous cultural traditions/institutions survive inside indigenous enterprises?

Indigenous entrepreneurship has been investigated as an alternative agent of socioeconomic development, thus this research is not the first one on this topic. Some attempts by managements scholars have been made to analyze indigenous enterprises as small businesses, focusing on their profitability and success only in financial terms (Fuller et al., 2005). However, this approach neglects the importance of other factors, such as culture and indigenous organizational practices that are often translated into participatory models of governance, and the impacts that these enterprises have on the community well-being.

Other studies have emphasized that indigenous enterprises are often collective, and this aspect is considered as crucial to improving the well-being of their communities (Berkes and Adhikari, 2006; Dana and Anderson, 2007; Tapsell and Woods, 2010; Davidson-Hunt and Turner,

2012). Even though *buen vivir* suggests that both these aspects are crucial for enterprises that aim to address the needs of communities suffering extreme deprivation, indigenous enterprises are not necessarily collective (Peredo et al., 2004), nor do they necessarily have explicit social goals. Consequently, identifying indigenous enterprises as community enterprises provides insights into the plurality of their goals, which are not solely economic, and the collective character of their governance. Moreover, this approach helps in taking into account all the impacts that these enterprises have, that are not only financial and economic. As the social foundations of these enterprises lie in the indigenous communities in which they are embedded, their activities contribute to the well-being not only of their members, but also of the broader indigenous communities (Peredo and McLean, 2006; Somerville and McElwee, 2011).

All the organizations investigated in this paper share some characteristics of social enterprises as theorized by researchers linked to the Emes network, that were analyzed in chapter 2: they have a civic origin (Nyssens, 2006); they are characterized by the pursuit of an explicit social goal; they have an entrepreneurial dimension that involves the continuous production of goods or services; they adopt participatory governance models; (Borzaga and Defourny, 2001; Defourny and Nyssens, 2012). However, in Latin America there has been a certain resistance to employing the term social enterprise, due to the ideological connotation that followed the diffusion of the US definition, that is based on the interpretation of the social entrepreneur as an extraordinary individual who triggers societal transformation and innovation (Dees, 1998; Roberts and Woods, 2005; Santos, 2012). This conception of social entrepreneurship, mainly promoted by business schools and quite widespread in the North American context, tends to neglect the collective character that these socioeconomic activities assume in several contexts outside the US. Moreover, it tends to put more emphasis on economic profits more than on social benefits.

More used in Latin America to define indigenous community enter-

prises and their capacity of sustaining *buen vivir*, is the concept of social and solidarity economy. As the analysis conducted in chapter 2 has shown, the term social and solidarity economy identifies economic organizations created by people who freely join to develop economic activities and create jobs on the basis of solidarity, reciprocity, and cooperative relations (Gaiger, 1999). Following the idea that economic pluralism can lead to economic democratization, the social and solidarity economy in which community enterprises are situated is often seen as the driver of an alternative view of development leading to *buen vivir* (Coraggio, 2011; Acosta, 2013). This approach implies direct participation by civic society in the decision-making that affects the common good in order to implement concrete economic alternatives. As a consequence, the primary aim of the social and solidarity economy is to build new social and labor relations that do not reproduce the existing inequalities; thus, they represent a concrete and viable alternative to the capitalist economic system and imply political change (Coraggio, 2011). This last consideration highlights even more the incompatibility with the North American approach, where social entrepreneurship is considered as part of the capitalist system.

As anticipated in chapter 3, Chiapas offers fertile ground for research on indigenous self-managed initiatives, due to collective actions and grassroots mobilization that followed the 1994 Zapatista insurrection.

The chapter is organized as follows: it first describes the design of the empirical analysis; it then reports the activities performed by the organizations interviewed, their size and location, and the characteristics of members and volunteers; then it analyzes the relationships with social movements, external actors, and capacity of networking; the indigenous view of development and the problematic relations with public authorities are provided next; the analysis of some main features of community enterprises is then proposed: cultural aspects, governance structures, and entrepreneurial aspects are described; an analysis of the competitiveness



and prospects of development is then provided; some challenges that community enterprises are facing are then analyzed. The last section illustrates the commonalities between indigenous community enterprises and *buen vivir*, arguing that these organizations are vehicles for the concrete realization of *buen vivir* on the ground. Finally, some concluding remarks close the chapter.

## 4.2 Design of the empirical analysis

### 4.2.1 Choice of the ethnographic approach

Several factors have determined the choice of an ethnographic approach. Some authors pinpoint the crucial role of cultural factors when analyzing indigenous enterprises (Lindsay, 2005, Berkes and Adhikari, 2006). This approach supports the idea that a merely quantitative analysis is unable to grasp the cultural element. Also the lack of specific theories applied to this particular phenomenon, which can be considered still in an exploratory phase, supports the suitability of a qualitative approach. In addition, time and financial constraints did not allow the gathering of a large amount of data, and general reliable data on the social and solidarity economy in Chiapas are not available, also considering that a high number of organizations belonging to the social and solidarity economy are still informal, and consequently they are neglected by official statistics.

Due to the very nature of qualitative research and the small number of organizations investigated, the findings do not claim to be representative of indigenous community enterprises in general, but they provide an in-depth description of the phenomenon in this specific context.

### 4.2.2 Type of interviews

This ethnographic study relied mainly on in-depth interviews, that were chosen because they partially allow the interpretation of the events through the eyes of the interviewee and give an authentic account of an individual's view of reality (Silverman, 2001). More specifically, a semi-structured interview permitted to partially fill the cultural gap between the interviewer and the interviewee, that was increased by the fact that indigenous peoples speak their native languages and in some cases hardly speak Spanish. In several cases it was necessary to explain some of the questions that were not immediately understood. Furthermore, the cultural gap and the low level of education of some of the interviewees supported the utilization of semi-structured interviews. Indeed, the semi-structured interview favored the process of social interaction between the interviewer and the interviewee, because of its flexibility, and it supported a deeper comprehension of the "other"'s perspective (i.e. the indigenous individual or group who brings his or her cultural background).

The utilization of semi-structured interviews, based on a sketch of the topics to be covered during the interview, allowed an ample freedom of speech during the conversation, given that only the content of the questions was partially predetermined, whereas the form was not. This entailed the possibility of asking for clarification and left space to unpredicted issues. At the same time this tool ensured that all the relevant information was collected. Few questions were organized using a Likert scale, but in any case they were open to further considerations and comments<sup>1</sup>.

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<sup>1</sup>An outline of the semi-structured interview is reported in the appendix (English and Spanish versions)

### **4.2.3 Sampling**

The sample was created during the three-months fieldwork that was carried out in the spring of 2012. The organizations were chosen on the basis of some shared characteristics: i) they pursued a social aim; ii) they had an open, participatory and collective governance; iii) they were composed by and directed to indigenous people (if not exclusively, at least in majority); iv) they had an entrepreneurial character devoted to the production of goods or services.

Chiapas was also chosen due to my previous knowledge of the area and to a direct long-lasting relationship I have with members of an Italian organization of responsible tourism, called *Colectivo Laj Kin*, who have been living in San Cristóbal for years. They initially provided direct contacts with several organizations, to which others were successively added, following a snowball sampling technique.

### **4.2.4 Interviewees**

Interviews were conducted with individuals or small groups of people, for a total of 30 informants, belonging to 16 organizations. Furthermore, interviews were conducted with two key-informants: the director of an organization that promotes the activities of coffee cooperatives, and the president of an important local NGO that has been working on indigenous issues and the solidarity economy in Chiapas since the 1970s.

All the interviews were conducted in Spanish by the author, and they took place where the organizations had their headquarters or in locations where they were developing their activities. Concerning the interviewees, the only requirement was based on the knowledge of the history and present situation of the organization, implying that it was not explicitly directed to the organizations' managers. Consequently, interviewees included not only directors, presidents, and members of the board of directors, but also active members of the organizations, who in some cases held specific position in sales or administration. In most of

the cases the interview took place just with one interviewee, but in some cases there were more people (up to eight, in one case). All interviews were tape-recorded, allowing the conversation to flow without being interrupted by note-taking, and successively fully transcribed within 24 hours in order to reduce data loss. Only one organization did not accept to have the interview recorded and answers were directly transcribed. The translations of parts of the interviews here reported were all done by me. Moreover, impressions and ideas have been written on a diary after each interview, in order to record also nonverbal communication and aspects related to the organizations' environment.

In some cases, especially when the organizations were located in remote areas, only one visit to the organization was possible. In other cases repeated visits were done, also together with groups of tourists of the responsible tourism network. This permitted to observe and to listen to the storytelling of the history and the activities carried out by the organizations, and to analyze the way in which people working in the organizations were presenting their daily work and their organizational dynamics. This type of observation helped in the understanding of the history and of the present organizational structure. Moreover, the informal interaction that was established was useful in order to achieve a better understanding of the cultural and institutional environment in which the organizations were settled.

#### **4.2.5 Secondary sources**

In addition, several secondary sources were consulted: they included local newspaper and magazine articles, documentary films, reports by the government, by international agencies, and by independent local organizations and social movements. Both print and web-based information were accessed, and they were mainly dealing with indigenous issues in Chiapas and in the rest of Mexico, on social and solidarity economy, on political issues at the federal and local levels (the campaigns for the

general elections were going on at the time of the fieldwork), on government development programs, on local social and environmental issues: all elements that were useful in order to better understand the research context.

#### 4.2.6 Further considerations

Given the state of conflict in the region it was important to be introduced by mediators trusted by the organizations. Most of the informants agreed to be interviewed under the condition of anonymity: several issues are sensitive, especially when interviewees openly criticized public authorities and government development programs. As a consequence data are treated in a general way, and pieces of interviews are transcribed without mentioning exactly to which organizations the interviewees belong.

The initial idea was to include a number of organizations that worked directly inside the *Zapatista caracoles* (see chapter 3) in the production of handicrafts and coffee. In March 2012 I was officially received by the *Junta de Buen Gobierno* of the *caracol* of Morelia to whom I explained the objectives of my research. They denied the permission to carry out interviews due to a period of closure towards the external environment they were keeping at that time<sup>2</sup>. However, several organizations investigated are influenced, sympathize with or have direct contacts with the *Zapatista* movement: two handicrafts organizations gathered products directly from *Zapatistas* communities, and one of them was running a store in town where they were selling handicrafts made in the *Zapatistas* communities.

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<sup>2</sup>The situation changed after a massive *Zapatista* silent march on 21 December 2012, when around 40,000 indigenous people took the streets in five cities of Chiapas on the occasion of the beginning of the new cycle according to the Mayan calendar. After this date, the *Zapatistas* launched several communicates where they express their willingness to open their communities towards collaborations with national and international organizations willing to support them.

### 4.3 Activities performed by the organizations

The organizations investigated were 16 and they were grouped according to four sectors of activity: a) handicrafts (seven organizations); b) agriculture (mainly coffee) (four); c) services and support to disadvantaged people (children and women) (three); d) ecotourism (two). The category to which most organizations belonged (handicrafts) showed a very high female participation: out of seven organizations, five were composed exclusively by women. All the organizations belonging to the other three categories had a mixed composition (both women and men).

More specifically concerning their activities, five handicrafts organizations produced textiles based on traditional designs and one produced pottery with traditional methods. The remaining organization produced recycled paper and printed books that seek to recover and promote indigenous oral traditions. The main product of agricultural organizations was coffee. One support organization was providing educational services to children and youngsters, including street kids; one provided support to pregnant women who had suffered violence or were abandoned, and to their babies in their first months of life; one provided psycho-emotional support to socially marginalized women, such as women who had been victims of violence, widows or abandoned by their partners. Ecotourism organizations operated facilities in the selva, where they provided services for tourists, including food and accommodation. All of the organizations also performed additional activities, as it will be further detailed.

The legal forms adopted by the organizations interviewed were various: most of them were cooperatives (seven), but there were also three civil associations (AC, *Asociación Civil* according to Mexican law), two societies of social solidarity (SSS, another legal form provided by the Mexican law), two informal organizations, one *unión de ejidos*<sup>3</sup>, and one

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<sup>3</sup>For a definition of *ejido* see chapter 3.

limited responsibility micro-enterprise. Two organizations declared they were "in resistance," that is to say they refuse any aid or relationship with public authorities: for this reason they were not formally constituted. Interestingly, almost all interviewees referred to their organization as the "cooperative," even though this was not always the legal form adopted.

#### 4.4 Organizations' size and location

Most of the organizations investigated did not operate solely in one community, on the contrary they gathered people living in different communities. Only one handicrafts organization, one agricultural organization, and both ecotourism organizations had all members belonging to the same community where they were located, as shown in table 4.2. For the sake of clarity, the territory of each state in Mexico is administratively organized in municipalities, which are in turn divided into communities. One of the organizations, being direct expression of the Zapatista movement, did not refer to the official administrative organization, but to the Zapatista parallel division of the territory into *caracoles*, that has been illustrated in chapter 3. Where the table reports only one community, it may refer both to a head town of a municipality or to a smaller community.

Organizations were located both in urban and rural areas, but the rural context prevailed: five were located and operated only in rural areas, three only in urban areas (the three of them in San Cristóbal, two of them were working in support of disadvantaged people, one is a handicrafts organization); and eight worked both in rural and urban areas (for instance two coffee cooperatives run a coffee shop in town, two have their storehouse in town, but they obviously work mainly in rural contexts). Nine organizations carried out their activities in more than one community or urban centre: five of them were handicrafts organizations; three were coffee organizations; two were support organizations. Both organizations that run ecotourism projects operated just in one community,

Table 4.1: Classification of the organizations investigated.

	activity	product/services	legal form
<b>1</b>	handicrafts	textiles	cooperative
<b>2</b>	handicrafts	textiles	cooperative
<b>3</b>	handicrafts	textiles	cooperative
<b>4</b>	handicrafts	textiles	informal
<b>5</b>	handicrafts	textiles	informal
<b>6</b>	handicrafts	pottery	cooperative
<b>7</b>	handicrafts	books/recycled paper	limited responsibility micro-entreprise
<b>8</b>	agriculture	coffee	<i>unión de ejidos</i>
<b>9</b>	agriculture	coffee	cooperative
<b>10</b>	agriculture	coffee	cooperative
<b>11</b>	agriculture	coffee	society of social solidarity (SSS)
<b>12</b>	support to people in need/education	education for children and teenagers; activities for street children	civil association (AC)
<b>13</b>	support to people in need/education	support to disadvantaged pregnant women and their babies	civil association (AC)
<b>14</b>	support to people in need/education	psycho-emotional support to disadvantaged women	civil association (AC)
<b>15</b>	ecotourism	accommodation and food services	society of social solidarity (SSS)
<b>16</b>	ecotourism	accommodation and food services	cooperative



due to the nature of their activity.

Concerning the size, eight of the organizations were small, with less than 25 members; two had between 70 and 150 members; and six organizations were quite large, with more than 200 members, up to the largest organization that had 946 members. Three of the largest entities were agricultural organizations, and only one agricultural organization was small-only seven members-due also to its recent foundation (2010). It must be specified that behind a member of an agricultural organization there is usually an entire family: all family members work in the cultivation, harvesting, cleaning and drying process of coffee beans. However, the official membership is given to the heads of families, and for this reason in most of the cases members of these organizations are men.

Concerning the three support organizations, as reported in table 4.2, one had 16 members, one 11 members, and one 12 members. The number of users of the first two organizations was highly variable, and sometimes difficult to be determined: these organizations were also working with street children, or directly in the houses of people in the communities, or they were organizing workshops with a variable number of participants. As anticipated, the third support organization had 12 members at the time of the interview, and in this case the number includes both workers and users (10 users plus two facilitators) who were constantly working together.

Both ecotourism organizations were quite small, with a number of members of 21 and 25, all of them who were living the same community where the tourist structure was located.

Concerning the trends in the number of members, the majority of handicrafts organizations (four out of seven) declared that the number of their members had decreased during the last three years; two that the number of members was stable; and one that it had increased. Among the reasons that explain this behavior there was the lack of understanding of the membership importance, beyond immediate economic returns, and the intervention of government development programs that disrupt social

cohesion.

One interviewee explained:

The number of members is lowering because we don't sell a lot, but they [i.e. members who are leaving] don't understand the importance of cooperative. They leave the cooperative and they go to the market in San Cristóbal to sell their handicrafts to tourists at a very low price, they don't even cover the expense they had for raw materials. Others of our members say: even if we don't sell a lot we stay in the cooperative because we learn many new things.

Another one said: "there were more members three years ago, then they left the organization because they were taking money from government programs." Interestingly, this last statement came from the organization that gathers products exclusively from Zapatista communities. This assumption can be interpreted as a testimony of the government's counterinsurgent action, with the consequent result of weakening the social cohesion of indigenous communities, as it will be better analyzed in this chapter.

Concerning the utility and advantage that members have in associating, a specific question was devoted to the main reason why members decided to join the organization. Handicrafts organizations mentioned several reasons, such as the fact that through the organization individuals can get support and have more relations with other people and they can improve their families' situation. One interviewee said that members were widows or abandoned women, and through the work they made with the organization they were able to feed their children. Other reasons mentioned were that they can sell their products at a fair price, they can travel to other countries on the occasion of fairs and exhibitions, they learn how to deposit and withdraw money from banks. Moreover, members can get out of their houses and learn what is happening in the community. An important factor that must be underlined and that

Table 4.2: Organizations' size and location.

	activity	number of mem- bers	number of com- munities	urban/rural con- text
<b>1</b>	handicrafts	70 women	7	rural/urban
<b>2</b>	handicrafts	150 women	8	rural/urban
<b>3</b>	handicrafts	238 (3 men)	5 municipalities (11 communi- ties)	rural/urban
<b>4</b>	handicrafts	700 (mainly women)	5 caracoles zap- atistas	rural/urban
<b>5</b>	handicrafts	20 women	5	rural/urban
<b>6</b>	handicrafts	250 women	1	rural/urban
<b>7</b>	handicrafts	15 (mainly women)	1 (prevalent) + 5	urban
<b>8</b>	agriculture	946	5 municipalities	rural
<b>9</b>	agriculture	516	41	rural/urban (cafeteria)
<b>10</b>	agriculture	7	1	rural
<b>11</b>	agriculture	550	6 municipalities (48 communi- ties)	rural
<b>12</b>	support	16 (9 women)	1 (prevalent)	urban
<b>13</b>	support	11 (1 man)	1 (prevalent) + 3	urban/rural
<b>14</b>	support	12 women	1	urban
<b>15</b>	ecotourism	21 (mainly men)	1	rural
<b>16</b>	ecotourism	25 (mainly men)	1	rural

helps in interpreting these statements, is that members of the handicrafts organizations were almost all women.

All interviewees of agricultural organizations said that participating in the organization was a way for members to defend themselves from the so-called coyotes. Coyotes are people who work as intermediaries for big companies with the aim of buying coffee from producers at the lowest possible price: they take advantage of the situation of need and often low education of peasants, buying their coffee at a very low price; coyotes also take advantage when using the scale, paying less quantity than the right weight. Agricultural organizations also said that the cooperative permits to face the variability of coffee price, reaching a certain stability and being less dependent on fluctuations on the stock market.

One interviewee of an ecotourism organizations said that becoming members is a way to have a regular job and in some cases to get a job also for their sons and daughters. The interviewee of the other ecotourism organization observed:

When we started nobody knew what advantages or disadvantages we could have. We were just seeing travelers coming here and we thought about selling them something to eat. The idea was to involve all the people living in the *ejido*, but many thought we were fools and they preferred to remain in their fields cultivating corn and beans.

In all the organizations investigated, members were also workers in the organizations. Only in two support organizations there were external founding members belonging to the board of directors.

Concerning volunteers, five organizations declared they did not have any volunteers, and one had volunteers in the past and did not have any volunteers when the interview took place. Interestingly, several people interviewed did not understand the meaning of the term volunteer and an explanation was necessary. After having explained the concept, an agricultural organization said: “poverty is so huge here that it makes

no sense for us to ask for free work.” Also the two interviewees of the ecotourism organizations were not immediately aware of the meaning of the concept, and, after having understood it, they said that at the time of the interview they did not have any volunteers. One interviewee said that when the ecotourism organization started its activity, they built a restaurant without being paid, but this case can be better qualified as an example of collective work. The interviewee of the second ecotourism organization said that in the past some students helped voluntarily at the reception desk and in the restaurant.

Organizations that could count on volunteers had a number of them comprised between one and five. In handicrafts organizations their tasks were mainly related to workshops for the organizations' members, administrative support, and advice on new ideas and designs for textiles and pottery. In one agricultural organizations volunteers worked in the coffee shop, and they were all members' sons or daughters, thus they are better classified as non-remunerated workers. In another one there were volunteers who worked in the office for administrative support, and some of them were foreigners.

All three support organizations have volunteers who dedicate themselves to several different social activities together with the organizations' users. All of them also have international volunteers who spend periods of around six months supporting the organizations' activities.

## **4.5 Members' ethnicity**

Concerning ethnicity, in most of the organizations more than one ethnic group was represented, testifying the general low level of bonding social capital. Only four organizations had members belonging to just one ethnic group. This is ascribable to the fact that the feeling of being generally indigenous is stronger than the belonging to single ethnic groups, and these organizations were supporting exchanges between communities of different ethnic origin, aspect that includes the speaking of different-

Table 4.3: Ethnicity of the organizations' members.

activity	ethnic groups
<b>1</b> handicrafts	tsotsil (majority)
<b>2</b> handicrafts	tsotsil
<b>3</b> handicrafts	tsotsil, tseltal
<b>4</b> handicrafts	tsotsil, tseltal, ch'ol
<b>5</b> handicrafts	tsotsil (majority), tseltal
<b>6</b> handicrafts	tseltal
<b>7</b> handicrafts	tsotsil (majority), tseltal, ch'ol
<b>8</b> agriculture	tsotsil (majority), tseltal
<b>9</b> agriculture	tsotsil
<b>10</b> agriculture	tseltal
<b>11</b> agriculture	ch'ol (founders), tseltal (majority), tsotsil
<b>12</b> support	tsotsil, tseltal, tojolabal (educators); tsotsil (majority), tseltal (users)
<b>13</b> support	tsotsil, tseltal
<b>14</b> support	tseltal, tsotsil, mestizas
<b>15</b> ecotourism	mame (majority), ch'ol, tojolabal, tsotsil
<b>16</b> ecotourism	ch'ol (majority), tseltal

and in some cases very dissimilar-languages. The ethnic composition of the organizations reflected the numerical proportion of indigenous ethnic groups in Chiapas (see chapter 3). The most represented groups were Tsotsiles and Tseltales: at least one of this ethnic groups was present in all the organizations investigated, and in most of the cases they were the majority of members. The two ecotourism projects had different predominant ethnicities: in one of them Choles prevailed, while in the other the Mames were prevailing, due to the fact that these two organizations were located in the *selva*, the region near the border with Guatemala, where these two ethnic groups are most present. Furthermore, a number of Tojolabales was present in three organizations.

## 4.6 Origins of the organizations

The first part of the interview focused on the origins and history of the organization, as well as on the general data and the activities it was carrying out. Concerning the date of foundation, as reported in table 4.4, two organizations were founded in the 70s, two in the 80s, seven in the 90s, and five in the 2000s. All the organizations that were founded in the Nineties emerged after 1994, year of the Zapatista insurrection. It is worth mentioning that among the most recent organizations, two of them developed from existing community organizations that decided to commit themselves also to eco-tourism projects.

All the organizations originated from the self-organization of a group of people, united by three main types of relationships: religious, political, and friendship/kinship. More specifically, the previous relationship between founders was based on religion in four cases, on religion and politics in two cases; on friendship and politics in two cases; founders were neighbors in three cases (and in two cases all founders belonged to the same community); in four cases they were relatives, friends and/or neighbors; in one case they were friends and colleagues because they were separating from a previous cooperative.

Table 4.4: Origins of the organizations.

	activity	year of founda- tion	founders	founders' links
<b>1</b>	handicrafts	1995	indigenous women	friends-political
<b>2</b>	handicrafts	2001	indigenous women	neighbors
<b>3</b>	handicrafts	1996	indigenous + non-ind. women	previous co-op
<b>4</b>	handicrafts	1998	indigenous women-men	friends-political
<b>5</b>	handicrafts	1974	1 non-indigenous nun	religious
<b>6</b>	handicrafts	1994	indigenous women	relatives-friends
<b>7</b>	handicrafts	1975	1 non-ind. women + indige- nous women-men	relatives- neighbors
<b>8</b>	agriculture	1983	indigenous women-men	religious- political
<b>9</b>	agriculture	1999	indigenous women-men	religious- political
<b>10</b>	agriculture	2010	indigenous women-men	friends
<b>11</b>	agriculture	1986	5 non-indigenous nuns	religious
<b>12</b>	support	1997	non-indigenous women-men	religious
<b>13</b>	support	1995	non-indigenous women-men	religious
<b>14</b>	support	2008	non-indigenous women	friends
<b>15</b>	ecotourism	2001	indigenous women-men	neighbors
<b>16</b>	ecotourism	2001	indigenous women-men	neighbors



Half of the organizations were founded exclusively by women, while the others had mixed-gendered groups as founders. In the cases where founders were originally non-indigenous, they started to work together with indigenous people from the beginning of their activities. In all the organizations investigated, all founders or at least part of them were still involved in the organizations when the interviews were carried out.

Three organizations derived from previously established entities: one support organization was founded in 2008 inside a larger organization established four years before, and its activities were considered as complementary with respect to the activity of the original organization. Interestingly, two handicrafts cooperatives derived from previous cooperatives where small groups of women decided to separate and found a new organization with the explicit aims of establishing a more direct control of the organization, and of being more involved in the organization's management.

Several reasons explained the establishment of the organizations, and some answers were the most recurring: first, and not surprisingly, the foundation was consequent to the need of generating income, and second, the need to affirm the cultural specificity of indigenous peoples.

All coffee organizations followed the typical reasons of foundation of cooperatives, citing as the main reason of their foundation the necessity to protect themselves from the already mentioned *coyotes*. In this respect one interviewee said: "we chose to establish a cooperative because in this way we have more advantages and we can defend ourselves from *coyotes*. We can sell coffee at a higher price and gain more income." Another interviewee noted that "*coyotes* are *mestizos*<sup>4</sup>, they cheat with the scale, and they take advantage of the ignorance of people. In the cooperative we are not *mestizos*, we all speak the same language<sup>5</sup>." Another typical need for the foundation of cooperatives and connected to this one, was

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<sup>4</sup>Non-indigenous, originally a descendent of the offspring of a Spaniard and an American Indian.

<sup>5</sup>He means their indigenous Mayan language.

that of obtaining fair prices when trading goods, and this was explicitly expressed both by handicrafts and coffee organizations.

Other reasons reported were differing according to the field of activity in which organizations were engaged. Concerning handicrafts organizations those that were composed exclusively by women often cited the simple “need of participation.” With this expression they meant their need to participate to the social, economic and political sphere, in a society that is traditionally highly male-oriented.

Support organizations mentioned the need to respond to the necessities of marginalized sectors of the population, such as street children and women who are victims of violence, that were, and still are, completely unattended by public and private institutions. Ecotourism structures mentioned firstly the need of generating resources for the organization’s members, and they also pinpointed that the organizations were a direct response to the need of protecting the natural area where the tourist structures were located.

## **4.7 Additional activities performed**

Most of the organizations investigated were multitasking, indeed they performed additional activities in addition to their main one. These activities were both economic and non-economic. While ecotourism organizations did not perform any additional activity, handicrafts organizations were very active in developing non-economic activities, mainly in the form of workshops for their members on a variety of themes, such as women and human rights, leadership, cooperativism, organizational issues, health and reproductive health, ecological issues.

Coffee organizations dedicated mainly to economic activities: for instance they produced other agricultural products both for self-consumption and for sale on the local market, often applying organic methods. One organization, besides coffee was also producing honey, while two of them were producing edible mushrooms. Following a participatory approach,

one organization was starting a project dedicated to women which was still in an exploratory phase, as underlined by one interviewee: “we are organizing some meetings with women in order to understand their needs.” Another organization had started a project called *microbanco campesino* in 2004, where the organization’s members could deposit their savings and receive interest. This last activity is important because indigenous peasants usually do not have access to commercial banks.

Support organizations were engaged in various non-economic additional activities: one was committed in advocacy activities mainly for children’s rights; one was carrying out several workshops dedicated to women (handicrafts, gender issues, health, teaching of literacy skills); one was organizing complementary activities involving women and their family members through an exchange of free work.

## 4.8 Activities in favor of the community

Few organizations had the resources and the willingness to organize specific activities in favor of the community. Two handicrafts organizations that were active in the same community arranged activities for children living in the community, including those of non-members. I participated once in these activities, that were regularly carried out every Saturday morning: around 25 kids were receiving help in their homework and they were participating in various recreational activities, such as the construction of small toys with recycled materials, and they received a meal. These organizations were also organizing specific celebrations on the occasion of children’s day or mother’s day that were open to all the people living in the community.

A different rationale in the relationship with the communities stood behind the activity of the organization that was more tightly linked to the Zapatista movement. In this organization, there were obviously activities directed to the community and not only to members, given that in the Zapatista context the productive, social and political activities are not

detachable from each other. One interesting detail is that the interviewee used the term organization, referring interchangeably to the productive organization with social aim object of this research and to the Zapatista socio-political organization at large.

An interviewee of an agricultural organization said that they were about to open a place where it is possible for local people to have meals at low prices, but at the time of the interview it was still not functioning. Another one said they were giving technical advice about organic methods of cultivation to other people belonging to the community, because “there is more demand if coffee’s quality is higher. We give technical advice to several people: coffee is the most important resource we have because it generates more income.”

## **4.9 Community orientation**

All the organizations declared that the good reputation they enjoyed in the communities was either important or very important, as well as their local roots that allow them to grasp new needs. Concerning the community orientation, eleven organizations said that their activity was directed mainly to their own members. However, in some cases members also coincide with a community, like for example in the case of a political-religious community association inspired by the theology of liberation: they founded an agricultural organization that operates in different communities. All the members of this organization that are geographically distributed in different communities, belong to the political-religious association. Consequently, even the interviewee belonging to this organization said that their activities were directed to their members, its members are all part of the same community, even though not spatially concentrated, characterized by strong interpersonal links and high social cohesion.

The two handicrafts organizations that were in resistance said that their action was directed to the whole community in one case, and to

marginalized women in the other case. In the latter case marginalized women were also members of the organization, but the answer focused mainly on their condition of disadvantage, so it seems correct to talk about a community orientation also in this case. As expected the three support organizations said that their activities were directed to specific sector of the local society: children and youngsters (until they are 17-year-old); disadvantaged women and children; disadvantaged women. These women were in many cases victims of violence, lonely mothers, widows or abandoned women with scarce economic resources and weak support networks.

A different question asked whether the community welfare was conceived as a primary or secondary objective of the organization. Eight organizations said explicitly that it was a secondary objective. Two handicrafts organizations said that community welfare was their primary objective, and the interviewee of the organization that was closer to the Zapatista movement said: “we fight for all indigenous peoples, for the people, not just for one person.” One interviewee of an agricultural organization observed that community welfare “is important, but it’s something that producers do in their own communities, not something directly managed by the organization.” One interviewee of another agricultural organization said that: “community welfare is important when you earn enough money to live decently,” as the primary objective is to satisfy primary needs of the members through the sale of coffee.

All of the three support organizations said that the welfare of the whole community was their primary objective. One interviewee observed: “it is a primary objective, even though we know that community welfare is something we don’t reach in a short time and that the collaboration of everybody is required”; another interviewee said that “women’s welfare is the principal objective of our organization: we want them to know their rights, to learn about gender issues, to know that they are valuable.” Another interviewee noted that community welfare “is our primary objective, we want to trigger social change,” and that the attention towards

the community as a whole is part of their mission and daily work, that includes also the improvement of life conditions of people living in poorer areas.

One interviewee of an ecotourism organizations said that the community welfare is important and that the organization generated small induced economic activities-for instance the sale of agricultural products-also for non-members.

## 4.10 Relationships with social movements

Most of the organizations interviewed had or have had relationships with social movements, mainly with the Zapatista movement, and with the theology of liberation. Moreover, one organization explicitly mentioned its origins as linked to a movement of *comuneros*, people of the community who were fighting to establish a direct control on their land. A discourse on women's equality also emerged strongly, even though it was not related to a specific structured feminist movement.

As reported in table 4.5, most of the organizations reported the direct influence of social movements in the act of their foundation (eleven organizations out of sixteen). Furthermore, seven organizations declared that they had actively participated in political actions like strikes or protest marches. This does not mean that the all organizations were still strictly connected to social movements, in some cases they just sympathized with them or they have had a specific linkage to them in the past.

The fact that seven organizations were founded immediately after 1994 testifies the importance that the Zapatista insurrection had on the rise of consciousness of indigenous peoples who started to see themselves entitled to human and social rights and capable to self-organize themselves. The Zapatista movement also had a role in raising consciousness on women's rights. Moreover, some of the organizations that were founded before 1994 rearranged their structure reinforcing collateral social activities, both inside the organization and in the communities at

Table 4.5: Influence of social movements on the organizations.

	activity	direct movements' influence	social move- ments'	type of movement
<b>1</b>	handicrafts	yes		Zapatistas
<b>2</b>	handicrafts	no		-
<b>3</b>	handicrafts	yes		Zapatistas
<b>4</b>	handicrafts	yes		Zapatistas
<b>5</b>	handicrafts	yes		Theology of liberation
<b>6</b>	handicrafts	yes		Zapatistas
<b>7</b>	handicrafts	no		-
<b>8</b>	agriculture	yes		Theology of liberation
<b>9</b>	agriculture	yes		Theology of liberation
<b>10</b>	agriculture	no		-
<b>11</b>	agriculture	yes		Theology of liberation
<b>12</b>	support	yes		Theology of liberation
<b>13</b>	support	yes		Zapatistas
<b>14</b>	support	no		-
<b>15</b>	ecotourism	no		-
<b>16</b>	ecotourism	yes		comuneros

large. One of the main concerns brought to light by the movement and gathered by the organizations was the participation of women, as one of the interviewees explained:

The economic activity realized by producers associated with our organization is the production of corn and beans for self-consumption, and the production of coffee to generate income that covers other needs. But, starting from 1996, some members' spouses and daughters, being fresh the influence of the Zapatista movement, started to develop the cultivation of organic fruits and vegetables, that was formalized into a line of work of our cooperative that is called organization and participation of women.

More specifically, the Zapatista movement was strictly linked to two organizations, while other three organizations declared that they had an influence or they sympathized with it. In addition, five organizations derived from groups of people (both cleric and lay people) committed to the theology of liberation. It should be noted that this distinction is quite subtle, given that Zapatistas and theology of liberation in Chiapas have reciprocal influences and their social demands are essentially the same. An analysis of the liberation theology is beyond the scope of this research, but this commonality is well exemplified by Gallo (1989, p.131) who reports that, according to the theology of liberation, "the Kingdom of God will be constructed not through the charity of the elites, but through the efforts of the organized poor" (cited by Gamson, 1991). Moreover, a paramount example directly related to the context of Chiapas is personified by Samuel Ruiz García, former archbishop of San Cristóbal, who was directly involved as mediator in the negotiations between the EZLN and the federal government, as explained in chapter 3. Samuel Ruiz, who died in 2011, had always been taking a stand in favor of indigenous peoples. In his Pastoral letter *En esta hora de gracia*<sup>6</sup> (1993), he antic-

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<sup>6</sup>Available at: [http://komanilel.org/BIBLIOTECA\\_VIRTUAL/En\\_esta\\_hora\\_de\\_gracia.pdf](http://komanilel.org/BIBLIOTECA_VIRTUAL/En_esta_hora_de_gracia.pdf)



ipated many of the indigenous issues brought to light by the Zapatista insurrection that happened just few months later.

The connection that indigenous community enterprises hold with social movements is also effective in order to support processes of autonomy, which are one of the most pressing demands coming from indigenous societies in Chiapas, as well as in the rest of Latin America. Indigenous peoples possess a different conception of power, distant from the one entailed in the concept of nation-state (Esteve, 2001). This conception of power is translated into parallel social, juridical, and political systems. An interesting view of autonomy comes from the Zapatistas, that strongly assert this demand. The peculiarity of the Zapatista view of autonomy is related to the fact that they do not want to simply transfer their model of autonomy to other indigenous and non-indigenous communities. On the contrary, they underline the importance of leaving freedom to communities to self-organize themselves, to discuss what characteristics their autonomy should possess, and to have recognized autonomous practices that are already existing. This view of autonomy aims at the construction of a plurinational state, that implies a re-conceptualization with respect to the traditional notion of nation-state.

#### **4.11 Relationships with external private actors**

Some of the considerations emerged from the interviews and related to the linkages that organizations held with external actors other than public authorities were quite controversial. The network of knowledge and trust relations with other organizations-public and private-were either important or very important for eleven organizations, quite important for three of them, and not important for two organizations that did not have any access to networks with other organizations. The support re-

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(accessed 15 July 2013).

Table 4.6: Relations with private external actors.

activity	relation with external actors
<b>1</b> handicrafts	NGOs, responsible tourism
<b>2</b> handicrafts	NGOs, responsible tourism
<b>3</b> handicrafts	NGOs, fair trade
<b>4</b> handicrafts	no
<b>5</b> handicrafts	no
<b>6</b> handicrafts	responsible tourism
<b>7</b> handicrafts	responsible tourism
<b>8</b> agriculture	NGOs, fair trade
<b>9</b> agriculture	NGOs, fair trade, responsible tourism
<b>10</b> agriculture	responsible tourism
<b>11</b> agriculture	fair trade
<b>12</b> support	NGOs
<b>13</b> support	NGOs
<b>14</b> support	responsible tourism
<b>15</b> ecotourism	responsible tourism
<b>16</b> ecotourism	responsible tourism

ceived from other institutions (not from public institutions) was declared as quite important, important or very important by nine organizations. The other organizations, even though they received some form of support (except for two, as explained hereby), said this support was not important, meaning that it did not heavily impact on the organizational asset.

Three main categories of external actors were mentioned by interviewees when asked about with whom their organizations were collaborating: local and/or international NGOs, fair trade networks, and responsible tourism networks. More specifically, as table 4.6 reports, seven organizations declared they have had or still had relationships with NGOs, four with fair trade, and nine with responsible tourism (multiple choice was allowed). Only two organizations, those that were in resistance, said they did not have any formal collaborations with external partners.

NGOs had in some cases a supporting role, usually financing specific projects implemented by the organizations. The NGOs supporting role was evident in some handicrafts organizations, in some agricultural organization to a lesser extent, and to a slightly greater extent in the case of support organizations. One handicrafts organization was highly intertwined with a local NGO, with whom they implemented innovative workshops on reforestation, waste sorting, and building of efficient firewood stoves. At the time of the interview the relationship was over due to some conflicts at the personal level experienced by members of the two organizations.

As already mentioned, nine organizations had contacts and used to receive visits of groups of responsible tourists. However, this data should be taken carefully, due to the way the sample was constructed, that is to say starting from contacts obtained by people working directly with responsible tourism. However, some considerations may help in the understanding of this phenomenon. Responsible tourism in most of the cases is not practiced in an official way, as there are relationships of mutual knowledge between organizations and local operators of respon-

sible tourism, who go and visit organizations together with small groups of tourists. Even though in many cases visits to these organizations are specified and detailed in responsible tourism packages, there are no signed contracts or regular flows of tourists, as touristic flows are variable by their own nature. In many cases responsible tourists can also choose which organization they prefer to visit, depending on their personal interests or on what routes they decide to take in the area. Responsible tourists usually leave a fixed monetary contribution to the organizations they visit, in order to sustain the organizations' projects and activities due to their social value added. The remaining part of their income comes from the sale of their products, and tourists often buy products made by the organization, such as coffee or handicrafts.

As emerged from the interviews, the relationship with fair trade was often controversial. On the one hand, interviewees said it was useful in order to obtain a privileged channel to access international markets, on the other hand there were some aspects of intolerance towards practices that interviewees perceived as imposed on their organizations. As one interviewee put it: "all economic activities have their own strong interests. Fair trade looks for justice for consumers. But what about producers? They never ask us what we need." Another interviewee recognized that

the relationship with fair trade is useful to have a more direct relationship with buyers and to reinforce some practices that already existed-they didn't create practices of transparency and democracy, we already had them!-The pre-funding they give us is 60 percent, in some cases even 70 percent and some of them don't ask any interests.

One handicrafts organization said they tried to collaborate with fair trade, but they did not manage to carry on the collaboration due to the low prices fair trade was paying them. On the contrary, three organizations said they would like to sell their products (handicrafts or coffee) through fair trade networks.

## 4.12 Networking

Another important aspect is the capacity of organizations to build networks among themselves. What emerged from the interviews underlines that this is less likely to happen in the case of handicrafts organizations. Concerning agricultural organizations, two of them collaborated with Uciri, a well-known coffee cooperative that operates in the neighboring state of Oaxaca. Uciri trades coffee under a brand with the same name at the international level through fair trade channels. According to the interviewees, Uciri was for these two organizations an initial partner, a model to look at, and a best practice to learn from. Two agricultural organizations were also part of Mexican networks of coffee producers, while another one said they had good relationships with other similar organizations, because, as one interviewee put it “cooperation among us is important.” Also support organizations were highly connected among themselves: given that they were assisting different target groups, they were supporting each other when facing specific cases of marginalization and need.

Both ecotourism organizations said that they were cooperating with other similar structures on the territory and that they were part of Mexican tourist networks. Furthermore, they were directly supported by the National Commission for the Development of Indigenous Peoples (CDI), that favors the exchange of experiences between indigenous community ecotourism projects through recurring meetings.

## 4.13 More than material needs: the indigenous view of development

One of the sections of the interview was devoted to the understanding of the major needs of the local community according to the subjective view of the interviewees. Interviewees were asked about the needs

of their communities and the capacity of their organizations to address them. Due to the semi-structured character of the interviews, unexpected discourses and needs emerged. What emerged highlights a role of indigenous community enterprises in contributing to define what the main needs of indigenous communities are, and what poverty depends on. This allows us to overcome the traditional view of poverty as exclusively income-based (Bebbington et al., 2010).

The needs above mentioned are synthesized in table 4.7, where they are grouped according to five main categories: cultural needs, that include the recognition of cultural specificities of indigenous peoples; social needs, that include education and health services and the protection and care of marginalized sectors of society, such as disadvantaged women and children; economic needs, that include income and employment generation as well as basic infrastructures; political needs, including the active participation to the public sphere, which is particularly important for women, and indigenous self-determination and political autonomy; and environmental needs, that include the safeguard of the natural environment and the utilization of organic methods in agriculture.

As suggested by the literature, these needs can also be read in terms of goals: addressing these five categories of needs, community enterprises pursue a plurality of goals, that are not only social and economic, but also cultural, political and environmental (Peredo and Chrisman, 2006; Somerville and McElwee, 2011).

Cultural needs were mainly referring to the recognition of indigenous culture, that was proudly remarked, and one organization recalled that “the main reason for founding the organization was to recover oral tradition, an important culture that was about to disappear.”

Social needs included the access to health services and to education: this was not just an economic issue in terms of lack of money to access the services, but also a demand based on the actual scarcity of structures capable to offer these services. Moreover, some interviewees cited the discrimination that indigenous peoples often suffer in the access to

health services and the remoteness of health structures with respect to the community where they live. As one interviewee put it:

I would like to see more spaces for a greater participation of indigenous communities, given that there is discrimination in terms of accessing services such as health, education, and also commerce. This inequality and discrimination is a hurdle, make life harder, and impact on everything else (health conditions, level of education,...).

As anticipated, the most cited needs were in general economic: ten organizations mentioned economic needs explicitly as the most urgent necessities to be addressed. One interviewee specified that money was needed to “buy beans and corn for self-consumption, because they (i.e. people in the indigenous communities) don’t have enough land and land is not fertile anymore due to the use of chemicals.” Another interviewee specified that “women need money to buy thread to make their handicrafts.” A third interviewee underlined that “people in the communities don’t have a sufficient and balanced diet and this causes several diseases.” The need for basic infrastructures was claimed especially by the two ecotourism organizations, that were located in remote areas quite difficult to be reached. The road leading to one of them was especially in bad conditions, and when the interview was conducted people belonging to the community were giving free collective work in order to repair and maintain the road. Another already cited economic need was to obtain fair prices when trading goods, such as handicrafts and coffee.

A woman interviewed, referring to those families that were supporting the Zapatistas in her community, simply synthesized their needs in this way: “they need everything because they don’t have anything, they don’t live well. This is the main need of people, and for this reason they are fighting.”

Among the political needs, the gender perspective emerged clearly in the demand for women’s participation, independence from men, and

women's rights awareness, demands that some organizations addressed also through specific workshops, as mentioned above. An important need that emerged was autonomy, and one interviewee of an organization which was in resistance observed:

people like us who are in resistance don't expect anyone to come and do anything. The damned work of the government caused the Acteal massacre<sup>7</sup>. People have to work autonomously.

The environmental needs included environmental awareness and protection, and the consumption of healthy food derived from the utilization of organic methods in agriculture. As already mentioned, one handicrafts organization organized workshops specifically dedicated to ecological issues, such as waste separation, reforestation, and construction of low wood consumption cookers. Although with varying intensities, all of the interviewees suggested that the activities of their organizations had to be compatible with a sustainable use of natural resources and territory.

To the question as to whether the organization believed it was able to tackle these community needs, answers generally converged on a partial capacity of the organizations to provide satisfactory results. All of the interviewees belonging to the handicrafts organizations said that, even though the volume of sales was not very high and they were hoping for an increase, there was a certain income for members and this helped in facing at least part of their basic needs. Agricultural organizations agreed on this view and they also remarked the utility of the organization in tackling basic needs of members and their families. One interviewee of a coffee organization said that they thought about opening a health clinic, but they could not afford it due to the high cost that this would have implied. However, this organization was offering support to its members for treating minor diseases and childbirths utilizing the funding provided

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<sup>7</sup>See chapter 3.



by the fair trade social premium<sup>8</sup>. One of the interviewees stressed the lack of basic services and the fact that they should be provided by the government:

our organization contributes for the part that belongs to us, but there is a part that it should be the government's business: to make effective the rights that are written in the constitution. The right to have a job, services, health assistance. Basic services for people are lacking.

Interviewees belonging to support organizations said that their activities had a positive impact on the people they were supporting, meaning that the capacity of the organizations to address these needs was good. However, as well as other interviewees, they were invoking a stronger government's commitment in order to bring about a stronger change and improvement of the well-being in the communities. Also interviewees belonging to the ecotourism organizations stated that they could partially cover their members' needs, but that in order to be more effective they would need better basic infrastructures.

#### **4.14 Relationship with public authorities and government development programs**

A very important and controversial issue was the support received from public authorities: this was important for five organizations (among them the two ecotourism structures), while it was not important for all the others, because it did not exist. Only the two ecotourism organizations said they have had or still have collaborations with governmental agencies, while one organization has been supported by a political party

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<sup>8</sup>The social premium is a sum of money paid by fair trade organizations on top of the agreed price for investment in social, environmental or economic development projects.

Table 4.7: Community's needs.

<b>Cultural needs</b>	recognition and respect of indigenous cultural specificities
<b>Social needs</b>	education and health services; protection and care of marginalized individuals (women and children)
<b>Economic needs</b>	income and employment generation; basic infrastructures
<b>Political needs</b>	active participation in the public sphere, especially for women; self-determination and autonomy
<b>Environmental needs</b>	safeguard of natural environment; organic agriculture

in the past. Comments to the relationships with public authorities were very meaningful: it emerged that indigenous people were generally frustrated by a conflictive relationship with public authorities. In most of the cases people interviewed looked at public authorities as an enemy rather than a potential ally or at least a counterpart with whom they could establish a dialogue, as witnessed by the answers of several interviewees.

The question about what would the organization expect from public authorities raised many negative comments and reactions. In several cases people interviewed could not even imagine how it would be to ask for something to public authorities, due to the perception they had of government as an entity completely detached from their reality. Most of the interviewees said this was a very difficult question and they could not answer until the question was reformulated as: "if you had an ideal government, instead of this one, what would you expect from it?".

One interviewee of a support organization said:

it is very hard for me to think about this, as we don't have a government that could give us support, but if an ideal government existed I would expect that it helped in providing spaces for the organization's activities, and that families in the communities had basic resources and a decent housing.

An interviewee of an agricultural organization said they expected an “honest government,” while another one underlined that: “it is so horrible the government we have” and that the type of support government was giving (such as for instance Oportunidades and other public programs mentioned in chapter 3) was not uninterested, as it was implicitly given in exchange for electoral consensus. Another interviewee remarked that “the government doesn’t want to see people organizing themselves.”

Some organizations would have just asked for a generic support from public authorities, not even in economic terms, but just in facilitating or promoting organizations’ activities, as stated for instance by one interviewee of a handicrafts organization: “we would like that they support us when we ask permission for organizing our activities. They don’t support us because we sympathize with the Zapatistas.” Another interviewee of a handicrafts organization said: “we would just ask some interest by the government in what we do, in our activities. Public authorities just don’t care about art, culture, tradition, environmental protection.” A similar answer came from one interviewee of an agricultural organization:

we would like them to listen to us, to respect organizations’ proposals and support our initiatives, to support organic agriculture...they say they want to support organic agriculture, but then in reality they are distributing chemicals to peasants for free. For instance, in Brazil there is a national secretariat for social economy, here there is nothing like that.

One interviewee of an ecotourism organization said: “we fear that not all communities can have support when they have initiatives for environmental protection.” Other demands that interviewees would have ideally directed to public authorities were health assistance, infrastructures, housing, drinking water: all the crucial issues that emerged during the previous question on the main needs of the community, as mentioned above. An emblematic answer by an interviewee underlined that “we don’t expect anything from the government, only the people can pull us

through this situation.”

Interesting comments emerged, in many cases spontaneously, about government development programs described in chapter 3, as Oportunidades and Rural Sustainable Cities. There was not a specific question regarding this topic in the semi-structured interview, comments simply started to emerge during interviews. Consequently, after few initial interviews, this question was directly asked, if the topic did not raise spontaneously, in the form: “what do you think about Oportunidades or other government development programs?”

These specific aid and development measures implemented by the government were generally viewed negatively. A woman interviewed answered:

to improve life conditions of the people there are governmental programs like Oportunidades, but I think they are very paternalistic and they don't allow people to improve their condition. People in the communities prefer to have many children because they will get more money from the government, and this is not good. Oportunidades many times doesn't get to the people who really need it, men are always the ones who in the end get the money while their kids don't have decent food or clothes. Government should facilitate the creation of job instead of giving away money.

The analysis was deepened by a woman who stressed the role of government programs in destroying community social cohesion:

Government programs don't come to help people, but to destroy communities. Now the women who receive Oportunidades don't work anymore and men do not want to cultivate their *milpa*<sup>9</sup>. It is a disorder, before communities were united, and all the people used to work.

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<sup>9</sup>*Milpa* literally means “field” and it is a crop-growing system typical of Mesoamerica, based on ancient pre-Columbian agricultural techniques.

Another woman interviewed had a slightly different position:

What do I think about Oportunidades? Well, that they (i.e. political parties) want our votes, but now I think that if people use this little money that they get from the government is good, after all that's some money, if you use it smartly. But we must be conscious about the reason why this money enters the household.

Concerning the Rural Sustainable Cities project one of the interviewees said:

There is a lack of basic services for people. For this reason they built the famous Rural Cities: I went to see them and to me it seems like a joke, these cities are against people's dignity, these houses are made of cardboard [...]. Instead of bringing services to the people, they bring people to the services, but this breaks with culture and many other things. Only 3-4 percent of the houses are occupied (where I have been), kitchens are small, there is no *fogón*<sup>10</sup>, they wasted millions of pesos for nothing.

## 4.15 Cultural aspects

When compared to conventional enterprises, community enterprises seem to be better suited to exploit local resources-economic, natural, human, cultural-and to redirect them to general-interest goals, pursuing the community welfare. Indeed, all the organizations' activities were based on local resources, and the main resource mentioned by the interviewees was traditional knowledge. This cultural element is still alive, and sometimes even revitalized, in the activities, products and services

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<sup>10</sup>The *fogón* is the fireplace, that has a great importance in the indigenous culture, present at the centre of every indigenous kitchen to cook and to warm the room.

that organizations deliver. Traditional knowledge was fundamental in the work of handicrafts organizations: weaving, embroidery, and pottery techniques and designs are transmitted from mother to daughter, and women start learning these activities since they are very young. Textiles show traditional patterns and symbols of ancient origin, and indigenous women, and to a lesser extent also men, still wear traditional clothes in their everyday life. One of the organizations was carrying on an investigation, that should be translated into a book, on the meaning of traditional textiles' patterns and symbols, interviewing elderly women who have a deeper knowledge on these aspects. One interviewee of this organization observed that 'it was crucial to understand and recover the meaning of every symbol of our traditional textiles, and we started to work together with elderly women who still have this knowledge.' Also the organization that produces books and recycled paper has been carrying out an important work of recuperation of traditions, in this case related to storytelling, poems, and songs belonging to indigenous oral tradition, through the publication of books that secured them from the risk of being forgotten and lost.

Concerning support organizations, they also mentioned their activity as somehow based on cultural resources, even though this aspect is less evident than in handicrafts organizations. However, the cultural connotation is visible in several activities and characteristics of organizations, such as for instance some parallel activities they develop, such as the cultivation of medical herbs that are part of indigenous traditional knowledge, or the employment of traditional midwives in assisting women giving birth. They also try to empower women through workshops where indigenous women are encouraged to feel proud about their culture and traditions.

Other cultural aspects are explicitly related to the environmental protection: in this respect, all of the agricultural organizations mentioned the relationship they have with the earth, the traditional methods employed in agriculture, and the very same natural resources as the coffee

plant, all elements that belong to their ancestral culture. In this respect ecotourism organizations emphasized environmental protection not only in terms of their organizations, but also for the community as a whole. This goal was also mentioned by others, and many references were made to the spiritual relationship indigenous peoples hold with the earth. For example one interviewee of a coffee organization observed: “we respect our roots and mother-earth, we ask her forgiveness and we warn her when we start working in the fields;” another said: “we don’t use chemicals, we shouldn’t hurt the earth, we have to respect her.”

Nevertheless, there was an awareness that solutions cannot be found solely in traditions, as one interviewee pinpointed:

there is a strong relation with the earth. When the harvest starts the cooperative organizes a ceremony to thank for the harvest. We are not against external (technical) knowledge, but we have to blend it with traditional knowledge.

Ecotourism organizations, due to their own nature, were strongly based on natural and cultural resources, like natural and archaeological areas. They had a role not only in making these areas accessible to local and international tourists, but also in protecting and safeguarding them.

Some organizations incorporated traditional forms of collective work, that are also part of the indigenous culture. This point raised interesting observations linked to the role of government programs in threatening the social cohesion of indigenous communities: “before, people from my community used to employ collective work, now it is less employed. Due to the government’s programs everything is destroyed,” said a woman of an organization that was in resistance. The same consideration was proposed by the interviewee of another handicrafts organization, that stressed the loss of communitarian linkages and the increased individualism due to the government’s intervention.

The way collective work was still practiced in some organizations var-

ied according to different organizations: for instance, two organizations employed it for organizing celebrations; another organization utilized collective work when the organization was founded in order to build the warehouse; most of works carried out in the two ecotourism organizations were managed on a collective basis (i.e. renewal of the *cabañas*, cleaning, etc); the interviewees of two support organizations and one handicrafts organization said more generally that they were always working in team, on equalitarian basis and mutual support. One of the interviewees belonging to a coffee cooperative observed:

I think that all the work carried out by our organization is collective, from the fact of employing consensus decision-making instead of employing the majority rule, or the fact of giving a lot of space to women.

This idea of horizontality and equality often genuinely emerged and it appears as one of the most important assets of the organizations.

## 4.16 Governance structure

The crucial role played by indigenous culture is translated into organizational practices that are essentially collective and directed to the well-being both of the organizations' members and of the communities at large. As analyzed in chapter 2, a number of aspects generally characterize the indigenous view of entrepreneurship: to them success is usually not individual, but meant for the welfare of the whole community and intended also to overcome racism and negative stereotypes (Foley, 2003).

This collective propensity finds an expression in the participatory governance model of community enterprises that reinforces participation of community members. Community enterprise, supporting trust and cooperation among members and in the community at large, seems able to contribute to the rebuilding of social cohesion, even though this appears as a long process, characterized by many hurdles. In a context where



social cohesion is constantly threatened by religious and political divisions, and by tourist flows that foster competition within communities, this ability appears crucial.

Governance structures were in most of the cases organized in a board of directors with a president, a secretary, an administrator, a control committee, and members elected as representatives of each community where the organizations work. Most organizations mentioned the general assembly of members as the main authority to which decisional power belonged, and some of them were using consensus decision making. Three organizations, two handicrafts and one support organization, had a very simple structure—two of them were the informal organizations—and their decision making was based on recurrent assemblies of members. The two handicrafts organizations had a single assembly in every community in which their members worked, due to their larger dimension and to the fact that they had members in different communities, in some cases quite far from each other.

In two support organizations some founding members were included in the board of directors, even though they did not work in the organization. General assemblies of all members took place in most of the cases once or twice per year and showed a very high participation rate. Two organizations (one handicrafts and one agricultural) had the general assembly every three years, when they elect the board of directors. Interestingly, these are the two most structured organizations, with a large number of members, a well established structure, and several local and international linkages with other organizations and fair trade networks.

## **4.17 Entrepreneurial aspects**

The entrepreneurial dimension of community enterprises is crucial for leading to economic independence and sustainability of the organization regardless of external funding interventions. Economic independence can be also considered as a means to sustain self-determination, which can

be seen as the ultimate goal of indigenous entrepreneurial activity (Foley, 2003). The entrepreneurial dimension also shows the double advantage of generating income and reinforcing indigenous identity and culture (Eversole, 2006).

Concerning the subjective perception of this dimension by the interviewees belonging to the organizations investigated, the entrepreneurial capabilities were judged as either important or quite important for half of the interviewees, while the others said that their organizations were trying to better develop this aspect.

While the viability of their activities was crucial for sustaining these organizations, interviewees were reluctant to disclose precise financial information, mainly because they were fearful of the state intervening. However, they offered a general idea of their economic performance, that in the case of handicrafts and ecotourism organizations, was quite dependent on the intensity of the tourist flows.

Collected data highlighted different stages of development of the entrepreneurial dimension: in some of the informal organizations investigated this dimension was still embryonic, with potential perspectives of development. However, it became more and more important with the consolidation of the enterprise, and it was well-implemented by those organizations that were more structured. Only three organizations offered to share some data extracted from their balance sheet, but these data were either incomplete, or eventually they were never sent after an initial availability and some further requests by email.

The only handicrafts organization that had increased sales in the last three years was the one more linked to the Zapatistas, which managed a store in town. However, they also said that the sales volume was variable according to tourists flows.

The situation was different concerning agricultural organizations: three out of four organizations registered increasing sales during the last three years. The fourth organization was very recent, founded in 2010, and the number of its members and sales volume had been stable in its two

years of life. One organization also registered an increase in the number of members, while the others were stable. In the agricultural sector the advantages of an organization of small producers derives from the increased capacity of facing certification expenses, that are usually quite high and mainly related to organic certification and fair trade labels.

Some handicrafts and agricultural organizations said they received few donations, partly from private citizens and partly from NGOs. However, the amount of donations they received was not very significant to the organizations' overall activity.

The situation of support organizations was completely different, due to the nature of services delivered to people unable to pay. Consequently, they could count exclusively on international cooperation funds, and international public and private donations. However, in recent years Mexico has seen a reduction of external aid opportunities by international development agencies and NGOs, and this event has caused changes and an increased effort of organizations in finding diversified funding opportunities.

Ecotourism organizations were economically healthy and both said they registered an increase in the number of members during the last three years. They declared that their income was composed exclusively of revenues from sale of goods and services, and they also had some surpluses that were partly reinvested in the organizations' activity and partly distributed among members.

## **4.18 Competitiveness and prospects for development**

Concerning the development phase that the organizations were experiencing at the time of the interview, the majority of them-nine-defined themselves as well-established organizations. More specifically, five handicrafts organizations declared they were well-established; one was facing

a quite serious financial crisis; and one was in a phase of institutional change due to the ceased partnership with a local NGO. Even though most organizations were well-established from the organizational point of view and they had been working for many years, their most pressing problem at the time of the interviews was the competition in selling handicrafts mainly to tourists. Given the actual difficulty for some organizations to increase their sale volume, they were looking for new ideas, designs and products, in order to differentiate the offer.

Out of four agricultural organizations, three declared they had good infrastructures and machinery, and one of them was also managing a coffee shop in the centre of San Cristóbal, as one interviewee reminded:

we are in an advanced phase of development: we have machines for processing coffee and honey, a machine for packaging, an office in San Cristóbal and a coffee shop. There are members' sons and daughters working there, because we want that the organization benefits indigenous people. You know, *mestizos* say 'ah poor indigenous people, they are not able to work!' What? Aren't we able to work? Here we are!

One of the coffee organizations was still recent, just at the beginning of its activity, and it was trying to find contacts with larger and more structured organizations. Also this organization was running a coffee shop, that was located in the outskirts of San Cristóbal, in the house of the president of the organization. One of the well-established organizations stated that:

our strength resides in the fact that the productive and organizational processes are in the hand of producers, but we have to diversify products because the struggle on the international market is hard, and there are people who dominate the market.

Out of three support organizations, one was well-established, while two declared they were experiencing an institutional and organizational

change, due to scarce financial resources or to a partial redefinition of the organization's mission. The two ecotourism centers declared they were well established and they were trying to offer differentiated services to local and international tourists, like walking trails and guided tours in the *selva*.

## 4.19 Challenges

The analysis conducted so far has highlighted a plurality of activities that community enterprises realize in order to improve indigenous peoples' well-being. Since indigenous community enterprises pursue a plurality of goals the main challenge facing them is the balancing of these objectives. Table 4.8 summarizes the beneficial impact that each aspect (cultural, social, economic, political, and environmental) produces in terms of the improvement of indigenous peoples' well-being, the risks that the organization takes if one of these aspects prevails over the others, and the protection mechanism that can keep such a risk under control.

More specifically, the beneficial impact of the cultural aspect is represented by the creation of bridging social capital, enhanced by the collaboration of community enterprises with other similar entities, or with bigger and international organizations like fair trade networks or international NGOs; the promotion of democratization, produced by the involvement and increased participation of indigenous people, and especially of women, to the public sphere; and the attraction of a plurality of local resources (natural, cultural, and human resources). Moreover, the cultural aspects impact on the promotion of indigenous identity and culture. Indigenous culture, through the activity of community enterprises, is controlled by the indigenous community itself and it is not commodified and exploited by external actors (e.g. to the only advantage of tourism industry with any positive effect on local communities). If the cultural aspect should prevail, the actual risk would be a very strong emphasis on bonding social capital, that would imply an "exclusive" model of de-

velopment, where indigenous communities would be detached from the rest of society, without an exchange of information, goods, and services with the external environment. The protection mechanism is the opening towards external stakeholders: as emerged from the empirical analysis, the majority of the organizations do not have any contact with public authorities (absence of linking social capital), but on the other hand they do have relationship with national and international organizations (such as other Mexican organizations, NGOs, networks of responsible tourism, and fair trade) with whom they effectively collaborate.

The beneficial impact of the social aspect is the provision of goods and general interest services that reproduce indigenous knowledge and cultural specific features. The risk brought by the predominance of the social aspect is economic inefficiency, and the protection mechanism is the adoption of managerial tools that should be consistent with the social aim pursued.

The beneficial impacts of the economic aspect are employment creation and income generation, that are among the most pressing necessities of indigenous communities; and the production of goods and general interest services according to efficiency criteria. The main risk if this aspect should prevail is the emergence of profit-seeking behaviors that challenge the beneficial impact that these organizations can have on all their members and even on the community at large. The protection mechanism is the participatory governance model, that involves the organizations' members who participate in the decision-making process. Efficiency criteria are still quite problematic for a number of organization, due partly to organizational issues, but mainly to the high competition and to the consequent difficulty of finding new market opportunities. This is especially true concerning handicrafts production.

Concerning the political aspects, they allow for the entering of the indigenous issue in the public discourse and in the political agenda, both at the national and international level. Moreover, the creation of actual grassroots economic alternatives by indigenous communities gives them

visibility and represents an actual implementation of self-management and autonomy processes. The main risk if the political dimension should prevail would be the predominance of an advocacy action, facilitated by the connection with social movements. If this aspects prevail, they can limit the community enterprises positive impact on a plurality of other aspects. In order to limit such a risk, the protection mechanism is the stable and continuous production of goods and/or general interest services.

The risk of the predominance of an advocacy action is present also in the case of the environmental aspects, that are strongly connected to the cultural connotation of the indigenous community enterprises. As a consequence, the protection mechanism derives also in this case from the stable and continuous production of goods and services. The beneficial impact of the environmental aspects is the indigenous control on territories and natural resources, that is particularly explicit in the case of agricultural and ecotourism organizations.

## **4.20 Indigenous community enterprises as vehicles for *buen vivir***

The analysis conducted so far permits to draw a parallel between the aims of indigenous community enterprises and those of *buen vivir*, and it highlights the concrete possibility of pursuing a different view of well-being that can be interpreted according to the conception of *buen vivir*. Table 4.9 summarizes *buen vivir* in terms of its pillars as extracted from the literature, and community needs as they emerged from the interviews. Following the analysis of the concept of *buen vivir* reported in chapter 1, its most important objectives can be summarized as decolonization, community well-being, economic pluralism and economic democratization, plurinational state, and rights of nature. The table also describes indigenous community enterprises in terms of their impacts, or contri-

Table 4.8: Characteristics and challenges for indigenous community enterprises.

<b>aspects</b>	<b>beneficial im-</b>	<b>risks</b>	<b>protection mechanisms</b>
	<b>pacts</b>		
<b>cultural</b>	bridging social capital; promotion of indigenous culture	exclusive development	opening to external stakeholders
<b>social</b>	provision of goods and services reproducing indigenous culture and knowledge	inefficiency	managerial tools consistent with the social goal pursued
<b>economic</b>	production of goods and services according to efficiency criteria	predominance of profit-seeking behaviors	participatory governance model
<b>political</b>	indigenous issues enter the public discourse (national and international levels)	predominance of advocacy action	entrepreneurial character
<b>environmental</b>	indigenous control on territories and natural resources	predominance of advocacy action	entrepreneurial character



Table 4.9: *Buen vivir* and indigenous community enterprises.

<b>pillars of buen vivir</b>	<b>community needs</b>	<b>contribution of indigenous community enterprises</b>
decolonization	cultural: recognition and respect of indigenous peoples' cultural specificities	protection and promotion of indigenous culture
community well-being	social: active participation of the community in the public sphere	reinforcement of social cohesion; increased opportunity for women
economic pluralism, economic democratization	economic: income and employment generation; fair prices for traded goods	improvement of economic conditions for members and of the community at large
plurinational state	political: self-determination and autonomy	actual processes of self-management; advocacy of indigenous socio-political claims
rights of nature	environmental: respect for the natural environment; healthy food	environmental protection; development of sustainable agriculture

bution to the communities' well-being, as emerged from observation and interpretation of the data collected. These organizations address community needs that can be understood in the framework of *buen vivir*, and aim to trigger positive impacts on the communities.

First of all, in order to reinforce processes of decolonization, the recognition and respect of indigenous peoples' cultural specificities and identity are essential. The five hundred-years-old colonial process in Latin America has been characterized by the attempt, that in many cases has been successful, of eliminating all the differences and specificities that characterize indigenous populations. In this sense the right to affirm their diversity and the affirmation of indigenous culture and identity are seen in

a decolonizing perspective, and the action of the indigenous community enterprises is able to support the protection and promotion of indigenous culture. This happens mainly through the recovering of traditional patterns and methods in handicrafts, traditional methods employed in agriculture, and through the incorporation of indigenous cultural institutions of collective work and collective decision-making.

Second, in order to promote the community well-being it is essential that activities promoted by the organizations are directed in favor of the community. This reinforces social cohesion and increases opportunities of participation, especially for women. In this sense the collective dimension of community enterprises is coherent with the pillar of *buen vivir* that underlines the collective character of well-being.

Third, in order to promote economic pluralism and economic democratization the need of income and employment generation has to be addressed through the economic connotation of community enterprises, and it is essential that fair prices are obtained for the goods they produce. Community enterprises can contribute to improve the economic conditions of their members, and in some cases also of the community at large.

Fourth, the *buen vivir* pillar of the construction of a plurinational state can be pursued addressing the needs of active participation in the public sphere, and of self-determination and autonomy, that are among the most pressing demands of indigenous communities in Chiapas. The positive impacts of community enterprises on the indigenous communities are the reinforcement of processes of self-management, the advocacy of indigenous socio-political claims.

Fifth, the pillar of the rights of nature is pursued addressing the needs of respecting the natural environment and improving the quality of food. Positive impacts are environmental protection and the development of sustainable organic agriculture.

## 4.21 Conclusions

This chapter has reported on the empirical analysis and the findings that emerged from observation, secondary sources, and semi-structured interviews. The main research findings, in line with the literature, demonstrate the strong relationship between community enterprises' and *buen vivir*: indeed, community enterprises are able to pursue the alternative approach to development proposed by *buen vivir*. The social base of community enterprises lies firmly in the indigenous communities, and they pursue a plurality of goals, that are essentially the same objectives pursued by *buen vivir*. In addition to income generation and job creation, these goals include: the affirmation of indigenous identity and safeguarding of indigenous culture, the reinforcement of processes of autonomy through self-management, the broadening of participation in the public sphere, and the protection and sustainable utilization of natural resources.

In Chiapas the main enabling factor for the emergence of community enterprises is their relationship with social movements, where alternatives can be discussed and translated into political practices. Thanks to this relationship the mainstream conception of need must be rethought and adapted to the real necessities of communities (Escobar, 1992). Moreover, the establishment of community enterprises can be seen as an attempt to build an alternative model to the mainstream one, where indigenous people can find their own response to challenges they come across in an increasingly globalized world (Peredo and McLean, 2010). Indigenous community enterprises can thus assume also a political role, as it is claimed by several Latin American scholars who look at the social and solidarity economy sector as a means for the construction of an alternative political system (Coraggio, 2005; Arruda, 2003). This interpretation is also coherent with the theoretical contribution brought by *buen vivir*, that looks for different approaches to the present global economic system (Acosta, 2013). In this respect social movements have a crucial

role in building a bridge between the indigenous view of *buen vivir* and the attempt of its concrete realization through the vehicle of community enterprises. Community enterprises appear very strong in promoting participation, and this is evident with regard to women: in a traditionally male-oriented society, community enterprises promote genuine forms of participation that increase women control over their everyday lives, both at the social and political levels.

In opposition to the neoliberal discourse of assimilation of indigenous people into the dominant society, where traditions and culture are seen as obstacles to development, indigenous social movements assert their right to remain autonomous. These movements follow a “strategy of localization” that is directed to the defense of their territory and culture (Escobar, 2001). With firm roots in the local community, community enterprises have become instruments for reinforcing the protection of indigenous cultures and territories.

## Chapter 5

# Conclusions: community enterprises and local development

This study has analyzed the potential of community enterprises for the development of indigenous communities in Chiapas. The main findings highlight the existence of this particular form of enterprise in the context analyzed. These enterprises with a social aim have some specific characteristics, that will be detailed hereby, with respect to similar experiences emerged in the developed countries. Furthermore, these entrepreneurial initiatives appear capable of a significant contribution to self-managed development processes. In contrast to the top-down extractivist logic of the development model that indigenous peoples have suffered (Gudynas, 2009), community enterprises in the context analyzed are an instrument for indigenous self-determination and self-controlled development. This alternative approach to development is intended as coherent with *buen vivir*, an indigenous conception of well-being that highlights the collective and environmental dimensions of community development objectives.

Without claiming the validity and transferability of these findings to

the general category of community enterprises in different contexts and given the qualitative nature of the research, the analysis of this specific case allows for some further considerations and policy implications. More specifically, these concluding remarks will focus on the main enabling factors that allow for community enterprises' emergence and diffusion, on their main characteristics that are functional to pursue an alternative approach to development, on the different concepts that have been employed to identify these grassroots economic initiatives, and on some policy implications that the research findings have suggested.

## **5.1 Enabling factors for the emergence of community enterprises**

In the context analyzed, three main enabling factors for the emergence of community enterprises have been highlighted: 1) the indigenous cultural resources on which they are based, 2) the linkages they hold with social movements, and 3) the situation of social and economic stress of the context in which they are embedded (Peredo and Chrisman, 2006).

1. The cultural element can be interpreted in this context as the most relevant asset among the plurality of endogenous resources on which community enterprises build. Indigenous traditional culture and institutions are indeed an important basis on which grassroots entrepreneurial activities are constructed. The study has elucidated the processes undertaken by the communities, which gather around traditional culture and institutions in order to build local solutions to address their unsatisfied needs. Culture includes traditional knowledge, for example in handicrafts or agriculture, and traditional institutions include both formal institutions, such as indigenous independent administrative and justice systems, and informal institutions, such as reciprocity and non-monetary exchanges, as well as rituals and collective work. The collective propensity of indigenous communities fosters collective action and finds an expression in the

participatory governance of community enterprises. Thus, this study has confirmed that cultural aspects of certain communities can give a competitive advantage to community enterprises embedded in those societal groups (Lindsay, 2005; Berkes and Adhikari, 2006; Peredo and McLean, 2010).

This entails important social and political consequences for indigenous peoples who assert their right to remain autonomous and to defend their cultures and territories in opposition to the neoliberal discourse of assimilation, where traditions and culture are seen as obstacles to development. The collective and bottom-up nature of the community enterprises allow members to decide the way in which they transfer their culture to the products and services they deliver, avoiding the simple commodification of their cultural resources.

2. Social movements' contribution to the emergence of collective enterprises derive from the spaces that social movements provide for discussing alternative modes of collective action, that can be translated into alternative political, social, and economic practices. Thanks to the relationship of community enterprises with social movements, the mainstream conception of needs as linked essentially to economic factors is rethought and adapted to the real necessities of communities (Escobar, 1992). In this sense, community enterprises also assume a political role, building alternative socio-economic systems based on reciprocity and cooperation. Moreover, indigenous peoples' attempt to improve their living conditions through the implementation of community enterprises can be considered as intrinsically linked to a demand of recognition of their rights of citizenship (Laville, 2009).

This is also coherent with the view proposed by the social and solidarity economy, that claims the construction of an alternative political system (Coraggio, 2005; Arruda, 2003), and with the *buen vivir* approach, that searches for different approaches to the existing neoliberal economic system (Acosta, 2013).

3. Several analyses carried out in different contexts highlight that

community enterprises are triggered by situations of crisis: communities under social and economic stress often organize themselves to find their own local solutions to economic and social issues, to gain control over development processes, and to make their voice heard also at the political level (Peredo and Chrisman, 2006). The communities are motivated by the situation of crisis, which fosters their trust in creating bottom-up entrepreneurial initiatives. In Chiapas this situation of crisis is evident, as demonstrated in chapters three and four, and several factors of stress are overlapping: the situation of conflict between the government and an important part of the indigenous population that belong to or sympathize with the Zapatista movement; the threatens to the social cohesion of indigenous peoples, who are divided into religious and political factions fostered by the government; the structural conditions of marginalization and socio-economic disadvantage that indigenous peoples have been suffering for centuries.

## **5.2 Supporting alternatives to development: what characteristics of community enterprises?**

The indigenous grassroots economic activities analyzed in this study, that have been defined community enterprises, derive from a combination of local knowledge and local resources with strong interpersonal ties (Haugh, 2006). Thanks to the high level of trust that these interpersonal ties entail, people involved in these socio-economic initiatives identify the development trajectories they want to pursue, based on their unsatisfied needs. Accordingly, they implement the strategies they believe appropriate in that specific context. Community enterprises are based on a network of relations of trust that are supportive to collective action (Ben Ner and Gui, 2003) and they can in turn enhance social capital (Evers,



2001) or, as Peredo and Chrisman put it: “community-based enterprises are built on social capital and create additional social capital for their communities” (2006, pp. 322-3).

The research has highlighted that community enterprises can emerge and spread, while maintaining some specific characteristics, which are: 1) they have a civic origin, 2) they pursue a plurality of goals, 3) they have a participatory governance, and 4) they have an entrepreneurial dimension. These four characteristics explain the contribution that community enterprises can offer in supporting alternative approaches to development, where local communities are actors of their own development processes.

1. A remarkable characteristic of community enterprises is their civic origin (Nyssens, 2006), that is to say the fact that they derive entirely from a voluntary action of the communities, and they are not necessarily imposed or supported by public policies, nor by NGOs or philanthropic institutions. Indeed, they are based on people who freely join to develop economic activities and create employment opportunities on the basis of solidarity, reciprocity, and cooperation (Gaiger, 1999). In Latin America, the strong links that this type of enterprises historically hold with the popular economy further highlight the collective mobilization at their origin and the fact that they strongly build on cooperative relations. An important consequence of the social foundations of community enterprises in the indigenous communities, is that their activities contribute to the well-being not only of their members, but also of the broader indigenous communities (Peredo and Chrisman, 2006; Somerville and McElwee, 2011). This has been confirmed also by the fact that several organizations investigated in this study implement collateral activities in favor both of their members and the community at large, and this element becomes crucial in reinforcing social cohesion.

2. Community enterprises pursue a plurality of goals, that are not only economic as for conventional enterprises, but also social, cultural, political, and environmental (Peredo and Chrisman, 2006; Somerville and McElwee, 2011). This plurality of goals is reflected in a specific

conception of well-being, and consequently of development, that is dependent on a plurality of factors, that are not only monetary and economic. Indeed, in addition to income generation and job creation, community enterprises' goals include: the affirmation of indigenous identity and safeguarding of indigenous culture, the reinforcement of processes of autonomy through self-management, the broadening of participation in the public sphere, and the protection and sustainable utilization of natural resources.

3. Another distinctive characteristic of community enterprises is the adoption of a participatory governance, that is based on equality among members and often on democratic principles. The collective governance allows them also to include the weakest stakeholders, who are stimulated to participate and express their preferences, and it enhances communication and coordination among them (Ben Ner and Gui, 2003). This is all the more evident in some of the organizations investigated, where the decision making process is based on consensus instead of the majority rule. This aspect further testifies the importance of shared and collective forms of management, that derive from the indigenous cultural background.

The participatory governance has also an impact on the community as a whole, given that it facilitates both the identification of new needs emerging from the community, and the implementation of strategies and the exploitation of resources that are suitable to addressing these needs. This process has also a role in promoting democratization in a practical way through the direct engagement of the community members: they act for the general well-being of their own community, thus contributing to support a participatory democracy (Pestoff, 1998).

4. Another crucial feature of community enterprises is the entrepreneurial dimension that is explicitly aimed at pursuing social objectives through the continuous production of goods or services (Borzaga and Defourny, 2001; Defourny and Nyssens, 2012). The entrepreneurial character of the community enterprises is crucial in guaranteeing the sustainability of these initiatives and their continuity in pursuing social aims. In the

indigenous contexts, the entrepreneurial dimension incorporates cultural features and practices, that are based on a collective conception of well-being (i.e. entrepreneurial success is meant for the welfare of the whole community), and it is also intended as a means to overcome racism and negative stereotypes (Foley, 2003). The cooperation with external actors, such as fair trade networks or international NGOs, may in some cases reinforce the entrepreneurial dimension. However, this support had some downsides, such as the risk of creating economic dependence on institutions that are not under the control of the members, the high costs that organizations undergo to obtain fair trade labels or organic certification, and the imposition of organizational models and practices that do not take into account the needs of local communities.

### **5.3 Different concepts for similar realities**

This research has focused on the role of community enterprises in contributing to the well-being of people living in a peculiar context: indigenous communities suffering extreme deprivation and located in a country where neoliberal policies have been producing a centralization of wealth, together with the parallel exclusion and marginalization of large social sectors. However, the concept of community enterprise has broader applications, and it has been employed to identify similar experiences occurring in developed economies where neoliberal policies are producing similar results, and the financial crisis and the decreasing public welfare are leaving ample potential margins of action to civic initiatives in addressing unsatisfied community needs (Peredo and Chrisman, 2006; Haugh, 2006; Somerville and McElwee, 2011).

In the last decade there has been a great debate on the definitions and conceptualizations of enterprises with a social aim, as some salient features of the debate reported in chapter two have demonstrated. The analysis conducted in this study permits to pinpoint the fact that the enterprises with a social aim are not rare and they do not have a marginal

status. On the contrary, they exist not only in specific isolated contexts: the experiences analyzed in Chiapas have commonalities with respect to organizations existing in other parts of the world. Although they differ in the nature of the goods and services provided, all the organizations investigated in this research share some characteristics of the European EMES definition of social enterprise, as they have a civic origin (Nyssens, 2006), they are characterized by the pursuit of an explicit social goal, they adopt participatory governance models, and they have an entrepreneurial dimension that involves the continuous production of goods or services (Borzaga and Defourny, 2001; Defourny and Nyssens, 2012). The literature tends to interpret community enterprises as specific types of social enterprises, where "the social foundation lies in a community of some kind" (Somerville and McElwee, 2011, p. 317). As the context analyzed refers to Latin America, the analysis of concepts elaborated in that area has been of crucial importance in identifying further features that characterize these organizations. More specifically, the concept of social and solidarity economy (Razeto, 1986; Laville, 1998; Coraggio, 1999, 2004; Gaiger, 1999; Singer, 2000; Guerra, 2003; Arruda, 2003) provides useful insights on the political connotation that these organizations assume in that context: the primary aim of the social and solidarity economy, through the incorporation of solidarity into the economy at a variety of levels (Razeto, 1999), is to build new social and labor relations that do not reproduce the existing inequalities. Consequently, they represent a concrete and viable alternative also to the capitalist economic system and they imply political change (Coraggio, 2011).

To sum up, the three main concepts here analyzed are not in contrast with each other: community enterprises are specific types of social enterprises, and both of them can be considered as belonging to the broader social and solidarity economy sector, that comprises also social and economic activities that do not have an entrepreneurial character. This classification stands from the conceptual point of view, while issues arise when considering the fact that in Latin America there is a certain resis-

tance in utilizing the term social enterprise. This is due to the possible confusion with most North American interpretations that pinpoint the leading role of the individual entrepreneur or big corporations in triggering social change, and are thus seen as direct products of the same neoliberal logics that the social and solidarity economy wants to contrast. On the other hand, the European conception of social enterprise, while lacking precise political connotations, provides useful insights due to its richness and completeness.

## **5.4 Policy implications**

As illustrated above, community enterprises are fundamental actors of economic and social development. However, one of the main challenges they face in the context analyzed is the lack of support from public policies that do not perceive the importance of this specific model. On the contrary, if they were taken into account by public policies, their contribution to a bottom-up approach to local development that builds on endogenous resources would be largely increased. In the case analyzed, community enterprises have demonstrated to be autonomous and capable to survive in spite of a total lack of support by the state. However, this lack of support represents a potential limit to the further growth of the social and solidarity economy sector in the country.

Nevertheless, despite the recent approval of the General Law on Social and Solidarity Economy described in chapter 2, a mere legislative intervention seems insufficient in a context where indigenous peoples' trust in public authorities is almost nonexistent. More than reinforcing legislative initiatives, the findings of this analysis show how indigenous communities' initiatives would be facilitated by some public policies that should respect their autonomy, since in this context self-management appears as the most effective way to pursue self-determined development objectives.

Consequently, it is important to begin thinking about how indigenous

community enterprises can be supported. One way to reinforce community enterprises is through the promotion of processes of exchange and reciprocal knowledge with analogous enterprises, both in Mexico and other countries. Based on the concept of transmissibility of community enterprises, successful experiences of community enterprises can be replicated thanks to the social and economic interconnection between communities, especially when geographically close to each other (Peredo and Chrisman, 2006). A fruitful horizontal exchange based on solidarity and in conjunction with close participatory consultation with local organizations, would be a good starting point.

In this sense, the role of public policies in this context could be translated in a number of support measures both to indigenous communities and to the socio-economic initiatives they implement. Consequently, these measures would have to:

- i) recognize and actively promote indigenous rights, as an important prerequisite for development;
- ii) involve indigenous communities in decision-making processes that affect their territories and socio-economic practices, according to the "right to free, prior and informed consent" (ILO Convention N.169);
- iii) support indigenous local autonomy, one of the most persistent demands of indigenous communities, in order to build a plurinational state;
- iv) promote the existence of community enterprises and in general of the social and solidarity economy, thereby satisfying aspirations of indigenous peoples to implement autonomous development solutions for their communities. Given the ability that these enterprises show of being actors of development, the support to social and solidarity economy should be implemented mainly through active policies, in contrast to those charitable top-down interventions that have been characterizing development programs in Mexico.

The interviewees in this study noted that their organizations have invited external volunteers to implement marketing strategies or create new

designs for textiles, while others underlined that they have learned best practices from the cited successful coffee cooperative in the neighboring state of Oaxaca. Further opportunities for supporting these organizations could focus on management and accounting practices as long as they acknowledge the preferences and needs of the members and communities involved.

In the present situation of complete absence of support by the state, in Chiapas the cooperation among community enterprises at various levels seems one of the most fruitful strategies in order to pursue alternative approaches to development that appear more effective, more respectful of the natural environment, and more coherent with the local knowledge and culture.





# Appendix A

## Semi-structured interviews (English version)

### A. General questions

#### 1. General data

- Name of the organization
- Person/s interviewed and role/position in the organization
- Main activity performed
- General data (Community, address, telephone, email (if any))
- Localities where the organization performs its activities
- Specify the accessible documents (statute; mission statement; ethical code; quality certification; Social Balance; other relevant documents) that can be enclosed

#### 2. Activities performed

- What activities are currently carried out by this organization?  
(prevalent/complementary activities, sector of activity)

#### 3. Foundation

- When was the organization founded? Who were the founders? Are they still involved?
- Why was it founded? (meet unsatisfied needs, employment creation, grant opportunities offered by external donors, ...)
- Which stakeholders groups were involved in the promotion or starting-up of the organization initiative? (volunteers, workers, local donors, international non-governmental donors,...)
- What was the common bond shared by the founding or starting-up group? (family ties, political experience, neighborhood,...)

#### 4. Organization competitiveness and prospects for development

- Specify how relevant the following aspects of strength of this organization are (not important, quite important, important, fully important):
- good reputation enjoyed in the community
- local roots that allow for the grasping of new needs
- network of knowledge relations and trust relations with other organizations (public and private)
- network relations with co-workers
- cooperative environment and trust relations among workers
- motivation of workers
- level of efficiency achieved
- support given by public authorities
- support given by other institutions (specify)
- entrepreneurial capabilities
- other (specify)

#### 5. In which development phase is the organization?

## B. Indigenous community

### 1. Data on the indigenous community

- Ethnic group - main language spoken
- Number of people belonging to the community (men/women, average age, increasing/decreasing number of people belonging to the community, migration processes)
- How far is the closest urban centre? How long does it take to get there?
- How far is the closest school?
- How far is the closest doctor? hospital? pharmacy?
- Is the territory controlled by the community? How (ejido? tierras recuperadas?)
- Does the community control any natural resource (water, forests, ...)?
- Have the community participated in concerted political actions directed to establish indigenous rights on territory, natural resources, or indigenous human/social/political rights?

### 2. Indigenous view of development

- What are, in your opinion, the main needs of your community?
- Do you think this organization is able to address (at least partially) these needs?
- On what local resources does the organization's activity build? (natural resources, traditional knowledge,...)
- What do you expect from public authority (government, local authorities,...) in order to improve your living condition and/or to improve the organization's activity?

### 3. Indigenous cultural traditions/institutions inside organization

- Have been forms of communal labor incorporated in the organization?
- Do traditional indigenous institutions have a role in determining the organization's strategies and priorities?
- Are the goods/services provided characterized by specific cultural features?

### C. Collective dimension and local embeddedness

- How many people belonging to the community are involved in the organization?
- How many women/men are there among members?
- Does the organization have relations with relevant external stakeholders (NGOs, trade unions, local/national public authorities, indigenous/non-indigenous social movements, fair trade/sustainable tourism networks,...)?
- Who are the most relevant partners and how frequent are meetings with each of them?
- Are these partners the same as at the beginning of the organization's activity?
- Does the organization carry out educational activities aimed at promoting cooperative and solidarity values at the community level?
- Does the organization participate in any activity dedicated to the improvement of the community well-being?

### D. Social dimension

#### 1. General-interest goal of the organization

- Specify the target group addressed by the organization (mainly its members, marginalized groups and individuals, whole community)
- Specify how is local community welfare conceived of by members (principal, important, secondary goal)
- Does the organization provide general-interest services? if yes, please describe the type of services provided and the beneficiaries served.

## 2. Membership-governance

- What is the legal form of the organization? (cooperative, association, other forms...)
- How many categories of stakeholders are represented among members?
- How many general assemblies take place yearly and how many members do participate on average?
- Why have members chosen to join?
- Does the organization currently involve volunteers (increase-decrease with respect to the past)?
- How is the governance structured (specify the categories of stakeholders that are members of the board)

## E. Entrepreneurial dimension

1. Composition of internal income (data from year 2009). Specify the incidence of the following items (Percent over internal income-Absolute value):

- Revenues from sales of goods and services
- Grants from donors. Specify

- Grants from public authorities
- Monetary and in kind donations from individuals
- Other (specify)

2. Trends (stable, decreasing, increasing)

- Revenues from sales of goods
- Grants from donors. Specify
- Grants from public authorities
- Monetary and in kind donations from individuals
- Other (specify)

3. Employment generation capacity of the organization

- Specify the percentage of workers employed over total members
- Specify the number of remunerated employees in the organization (on December 31, 2011) (age average, males/females)

4. Turnover (2009, 2010, 2011)

- No. of new employees
- No. of exits
- Overall variation

# Appendix B

## Semi-structured interviews (Spanish version)

### A. Preguntas generales

#### 1. Datos generales

- Nombre de la organización
- Persona/s entrevistada/s y cargo en la organización
- Actividad principal
- Datos de identificación (ubicación, teléfono, correo electrónico)
- Localidades donde la organización desarrolla sus actividades
- Documentos accesibles que se pueden adjuntar (estatuto, certificado de calidad, balance social, otros documentos)

#### 2. Actividades

- ¿Qué actividades son realizadas por la organización? (actividades principales/complementarias, sector de actividad)

#### 3. Fundación

- ¿Cuándo fue fundada la organización? ¿Quiénes fueron los fundadores? ¿Los fundadores siguen siendo involucrados?
- ¿Por qué fue fundada la organización? (satisfacer necesidades insatisfechas, crear empleo, oportunidades de financiación ofrecidas por actores externos,...)
- ¿Cuáles grupos de interés estaban involucrados en la promoción/empiezo de las actividades? (voluntarios, trabajadores, donadores locales, donadores internacionales non-gubernamentales)
- ¿Qué vínculos tenían los fundadores entre ellos? (familiares, políticos, vecinales,...)

#### 4. Competitividad y perspectivas futuras de la organización:

- Especificar la importancia de los siguientes puntos de fuerza de la organización (no importante, bastante importante, importante, muy importante):
- Buena reputación en la comunidad
- Raíces locales que permiten la individuación de nuevas necesidades
- Red de relaciones de conocimiento y confianza con otras organizaciones (públicas y privadas)
- Ambiente cooperativo y relaciones de confianza entre los trabajadores
- Motivación de los trabajadores
- Nivel de eficiencia alcanzado
- Soporte por las autoridades públicas
- Soporte por otras instituciones (especificar)
- Capacidades empresariales
- Otro (especificar)



5. ¿En qué fase de desarrollo se encuentra la organización?

## B. Comunidad indígena

### 1. Datos sobre la comunidad indígena

- Grupo étnico-lingüístico
- Número de personas que forman parte de la comunidad (hombres/mujeres, edad promedio, aumento/disminución del número de personas que pertenecen a la comunidad, procesos migratorios)
- ¿Dónde está el centro urbano más cercano? ¿Cuánto se tarda en llegar allá?
- ¿Dónde está la escuela más cercana (¿bilingüe?)?
- ¿Dónde está el doctor más cercano? ¿El hospital? ¿La farmacia?
- ¿El territorio está controlado o pertenece a la comunidad? ¿Cómo? (¿Ejidos?)
- ¿La comunidad controla algún recurso natural (agua, selva, mina,...)?
- ¿La comunidad ha participado en alguna acción política para establecer el control sobre el territorio o los recursos naturales o para la afirmación de los derechos indígenas (manifestaciones, huelgas)?

### 2. Visión indígena del desarrollo

- ¿Cuáles son, en su opinión, las mayores necesidades de su comunidad?
- ¿Piensa usted que esta organización es capaz de responder (por lo menos parcialmente) a estas necesidades?

- ¿La actividad de la organización está basada en algún recurso local (natural, conocimiento tradicional,..)?
- ¿Qué esperarían ustedes de las autoridades públicas (gobierno, municipalidad) para fomentar las condiciones de vida de la comunidad y/o mejorar la actividad de la organización?

### 3. Tradiciones/instituciones indígenas en la organización

- ¿Hay formas tradicionales de trabajo comunitario en beneficio colectivo que han sido incorporadas en la organización?
- ¿Hay instituciones tradicionales indígenas que juegan un papel en la determinación de los objetivos y estrategias de la organización?
- ¿Los productos/servicios provistos están caracterizados por aspectos culturales específicos?

### C. Dimensión colectiva y fundación comunitaria

- ¿Cuántas personas de la comunidad están involucradas en la organización?
- ¿Cuántos hombres/mujeres?
- ¿La organización tiene relaciones con interlocutores externos? (como ONGs, sindicatos, autoridades públicas-locales y nacionales, movimientos sociales-indígenas y no indígenas, comercio justo, redes de turismo responsable)
- ¿Quiénes son los interlocutores externos más importantes y con qué frecuencia les encuentran?
- ¿Estos interlocutores son los mismos que habían al principio de la actividad o han cambiado?

- ¿La organización desarrolla actividades para promocionar los valores de cooperación y solidaridad a nivel comunitario?
- ¿La organización participa en actividades para la mejora del bienestar de la comunidad?

#### D. Dimensión social

##### 1. Objetivo de interés general de la organización

- Especificar el grupo al que la organización esta mayormente dirigida (socios, grupos y/o individuales marginados, comunidad entera)
- Especificar como el bienestar de la comunidad está concebido por los miembros de la organización (objetivo principal, importante, secundario)
- ¿La organización suministra servicios de interés general? Si lo hace, por favor describa el tipo de servicio provisto y los beneficiarios de este servicio.

##### 2. Socios - gobierno de la organización

- ¿Cuál es la forma jurídica de la organización (cooperativa, asociación, otras formas,...)?
- ¿Cuántas categorías de socios hay (voluntarios, trabajadores,...)?
- ¿Cuántas asambleas de socios hay durante un año y cuántas personas participan promedio?
- ¿Por qué los socios han decidido asociarse? (¿Qué ventajas tienen?)
- ¿Hay voluntarios en la organización en este momento? ¿Más o menos con respeto al pasado?

- ¿Cómo es estructurado el gobierno de la organización? Por favor especifique las categorías de portadores de interés (trabajadores, voluntarios, donantes,...) involucrados en el gobierno de la organización

#### E. Dimensión empresarial

1. Composición de los ingresos. Especificar la incidencia de los ingresos siguientes (año 2011)(Porcentaje de los ingresos totales-valor absoluto):

- Ingresos por venta de bienes y servicios
- Contratos con agencias públicas
- Donativos por organizaciones privadas (Especificar)
- Donativos por organizaciones públicas
- Donativos (monetarios y no) por individuales
- Otros (Especificar)

2. Tendencias (estable, creciente, decreciente. Desde el año 2009)

- Ingresos por venta de bienes y servicios
- Contratos con agencias públicas
- Donativos por organizaciones privadas (Especificar)
- Donativos por organizaciones públicas
- Donativos (monetarios y no) por individuales
- Otros (Especificar)

3. Capacidad de la organización de generar empleo

- Especificar el porcentaje de trabajadores empleados sobre el número total de socios.

- Especificar el número de trabajadores remunerados (al día 31 de Diciembre 2011) (edad promedio, hombres/mujeres)

#### 4. Rotación de personal (2009, 2010, 2011)

- Número de nuevos trabajadores
- Número de trabajadores que han dejado la org
- Variación total



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