Aurélie Soetens

Structures and Mechanisms for Sustainable Participation in the Workplace: the Case Study of

Cecosesola

Prix de l'ÉCONOMIE SOCIALE

ENTREPRISE SOCIALE

Ecole de Gestion de l'Université de Liège

STRUCTURES AND MECHANISMS FOR SUSTAINABLE PARTICIPATION IN THE WORKPLACE: THE CASE STUDY OF CECOSESOLA

Jury
Promoter :
Benjamin HUYBRECHTS
Readers :
Jacques DEFOURNY
Fabrice DE ZANET

Dissertation by
Aurélie SOETENS
For a Master's Degree
in Management Science,
Management of Social Enterprises
Academic year 2014/2015

First, I would like to thank Professor Benjamin Huybrechts, who cleverly guided me throughout this research and provided me with valuable assistance and advice. I am also grateful to Professor Jacques Defourny for his suggestions.

Then, I would like to express my special gratitude to Lizeth Carolina Vargas Cambero, my very first contact, who introduced me and helped me throughout my first steps in Venezuela and Cecosesola. Many special thanks also to Yadira Oliveros, her son Alexandro Rivas, as well as Lala and El señor Rivas, who welcomed me into their homes and shared special moments with me. I also gratefully thank Fabiola, Georg, Jesús, Josué, Sneida, and all the members of Cecosesola who were always so friendly and spent uncountable hours sharing their experience with me. Thank you for your hospitality, your generosity, and your honesty. Thank you also for keeping me updated on latest news from Cecosesola.

I also would like to express my gratitude to Cecosesola as a whole, for opening its doors wide and allowing me to gather all the information I needed. I am fully aware of the value of the data I have been able to collect thanks to Cecosesola's transparency policy and self-reflection practices.

Additionally, I wish to point out my appreciation to ARES-CCD for their financial support during my field research in Venezuela.

Last but not least, I believe I am highly indebted to my family and friends, who unfailingly gave me support not only throughout this work but also during my entire educational process.

Content

Chapter 1. Introduction

Chapter 2. Literature Review

Chapter 3. Methodology

Chapter 4. Findings

Chapter 5. Discussion and Conclusion

Appendixes

References

Executive Summary

People who are new to the idea of Self-Management sometimes mistakenly assume that it simply means taking the hierarchy out of an organization and running everything democratically based on consensus. There is, of course, much more to it. Self-Management, just like the traditional pyramidal model it replaces, works with an interlocking set of structures, processes, and practices; these inform how teams are set up, how decisions get made, how roles are defined and distributed, how salaries are set, how people are recruited or dismissed, and so on.

- Frédéric Laloux -

Chapter 1   Introduction

1.a   <u>The puzzle of Cecosesola</u>

Over the past decades, the Venezuelan government has been taking some broad-scale actions towards the institution of a commons-based society[1] (Exner, 2013; SUNACOOP, 2013). A prominent feature of the transformation happening in Venezuela, however, is that the process, in addition to being top-down, is also flourishing from the ground, with the emergence of a myriad of communitarian initiatives (De la Torre, 2013; Exner, 2013; Gandica, 1998; Michelutti, 2012). The concretization of this bottom-up dynamism is the noticeable development of the *cooperativismo*[2]. The State of Lara, in particular its capital Barquisimeto, embraces a long-date tradition of *cooperativismo* and community-based organizations. This city has always been an important trade center due to its central location between the coastal areas and the Western and Andes regions (Gandica, 1998; Gómez Calcaño, 1998). Today, it is the home of 'the best-known example of cooperative in Venezuela' (Exner, 2013, p. 233): Cecosesola.

Cecosesola is a worthy example of a broad-scale, long-lasting, social self-managed organization. The *Central Cooperativa de Servicios Sociales de Lara* is the first regional Central Office of cooperatives, and was founded in 1967 (SUNACOOP, 2013). Initially, Cecosesola was a cooperative of cooperatives – a second-order or second-tier cooperative – bringing together fourteen cooperatives at the date of its constitutive assembly in December 1967. Today, it works as an 'umbrella organization' (Exner, 2013, p. 233), integrating more than fifty community-based organizations (Gestión Participativa, 2012). Not all of them are

---

[1] Hugo Chávez, elected president of Venezuela in 1999, was the leader of the Bolivarian Revolution, a leftist social movement and political process. In 2005, he radicalized it by building a programme of *socialism of the twenty-first century* (De la Torre, 2013; Exner, 2013). According to Chávez, 'popular power is the soul, nerve, flesh and bone, and essence of Bolivarian democracy, of a true democracy' (Sosa, 2007, quoted by De la Torre, 2013, p.31). He projected a renewed, direct and participatory democracy, that would replace the previous representative democracy, and that would help demolishing individualism, capitalism, and selfishness, all of them evil principles deriving from capitalism, materialism, and consumerism (Zúquete, 2008). Some measures taken by his government were, among others, the creation of participatory institutions, mainly through the settlements of communal councils, repeated referendums, and constant dialogue between the leader and its followers (De la Torre, 2013; Zúquete, 2008).

[2] *Cooperativismo*: see lexicon in appendix I. To show the magnitude of this movement in the country, Gandica (1998) reports a raise of more than 700% of the activities of the cooperatives between 1993 and 1998. SUNACOOP (2013) accounts at 180,000 the number of active cooperatives in the country in 2013, and at 5% the amount of the population affiliated to at least one cooperative.

cooperatives, since the change in the Cooperative Law in 2001 allowed them to open up the Central to other forms of organizations (Escuela Cooperativa CECOSESOLA, 2010).

SUNACOOP[3] (n.d.) defines a cooperative as 'a new and different form of organization in order to produce goods or services, characterized by a new culture of work' (p. 2, author's translation). It defines the cooperatives as organizations based on democratic management of their members, and where the means of production are in the hands of the worker-members. However, Cecosesola seems to go beyond traditional limits of participation. As a matter of fact, the entire network operates without any hierarchical structure or fixed work appointment since 1980 (Cecosesola, 2007). Open participation is fostered, along with equal conditions for all and absolute transparency. Jobs rotate, no fixed rule exists, decision-making assemblies are public, incomes are redistributed according to the needs, workers earn more than in equivalent capitalistic enterprises, and all profits are reinvested. Community orientation is so central that some goods are even sold at a loss. Still, rather than answering the needs of the people, they aspire for a greater goal, i.e. a fundamental change in social relationships (Exner, 2013).

Such levels of participation, transparency, and self-reflection capture the attention. One question comes naturally: *How?* How does Cecosesola manage to keep this high level of participation, after so many years of operation, with that many worker-members, and while running very different business units? In other words, which processes have they implemented, which structures are they using, and what are the features that characterize their organizational mode?

1.b   The resurgence of cooperatives

Switching to the picture of our modern society, it has recently been assumed that there is a link between group-based decisions challenging hierarchical models and the reduction of organizational problems correlated to capitalism (Cheney, Santa Cruz, Peredo, & Nazareno, 2014). On that account, cooperatives, as enterprises based on social equality and self-management, have suddenly become of growing interest (Exner, 2013). Their participatory practices and democratic specificities make them the most quoted example of alternative form

---

[3] The Venezuelan National Superintendence of Cooperatives, created in 1966 as an initiative of the government to promote the *cooperativismo* in the country.

of organization (Gand & Béjean, 2013). Further, this renewed attention on cooperatives has been confirmed by the appointment of 2012 as International Year of Cooperatives by the United Nations.

After a period of disregard during which they were considered as a relic from the past (Barberini, 2014), cooperatives came back to the front stage with a simple postulate: how can a democratic state function in the long run if it is exclusively relying on the undemocratic economy (Dahl, 1985)? This idea is not that a shift to a more democratic economy would solve each single problem of our modern society but that it is crucial to recognize the numerous virtues of cooperatives, such as the creation of employment, the reduction of poverty, the fostering of social integration, and the building of a better global economy (Cheney et al., 2014; Webb & Cheney, 2014).

For instance, there is some evidence that in the context of the recent global economic crisis, some cooperatives, in particular worker-owned-and-governed, have been outperforming traditional investor-owned enterprises (Birchall & Ketilson, 2009). Many authors point out the correlation between the multiplication of cooperatives and adverse economic conditions[4]. The survival of those alternative forms of organizations in such inhospitable environments is linked to specific characteristics inherent to their very same nature; for instance the ability to adjust earnings per hour instead of adjusting hours or workers (Ben-Ner & Jones, 1995; Pencavel, 2012). In the Basque country, at the Mondragon Cooperative, such collective decisions about wages directly contributed to saving a significant number of jobs over the last few years[5]. Jones and Svejnar (1982) go even further and maintain that cooperatives do not only safeguard employment, but also create jobs.

The next illustration of cooperatives virtues involves employees' welfare, the provision of an appropriate work environment, and healthy work relationships (Cheney et al., 2014; Defourny, 1990). Nobel Prize Stiglitz (2009) perfectly framed the issue when he declared that 'people are a country's most important assets, and it is important to make sure that every person can perform up to their potential' (p. 351). Indeed, empirical evidence shows that participation and shared equity enhance the involvement of the workers within the

---

[4] See for instance Cheney et al., 2014; Defourny, 1990; Latinne, 2014; Pencavel, 2012.
[5] While average unemployment in Spain reached 25% by 2012, it was only of 12-13% in the Basque Country, and less than 5% in the valleys where Mondragon conducts its main activities (Webb & Cheney, 2014).

organization, leading to greater overall performance (Cujes, 1989; Pencavel, 2012; Stiglitz, 2009).

A later merit is the recent idea of democratic cooperatives as being a cornerstone in the development of solidarity economies[6] (Exner, 2013). This recalls the initial idea of self-management as a tool for social change (Defourny, 1990). As a matter of fact, Stiglitz (2009) considers the social cooperative economy as having a role of third pillar, essential in the development of a more balanced economy, i.e. a plural system not only based on markets and governments, but also on non-profit organizations and cooperatives – the one true way to avoid a global collapse.

Hence, the cooperative organization is recognized as a crucial factor for economic and social development (Lifelong Learning Programme, 2007). Besides, the assumption has also been made that cooperatives provide room for the development of more sustainable and environmentally responsible practices (Webb & Cheney, 2014)[7]. In short, the resilience of such alternative forms of organizations and their intrinsic characteristics have shown that cooperatives are able to provide answers – at least partly – to some of the biggest economic, social and environmental problems of our modern world. As a result, encouragements and incentives for the development of the cooperative sector worldwide have been multiplying[8].

The crucial lesson of all this is that the present interest on cooperatives is mainly linked to the participation of workers in the decision-making process – and more broadly in the overall life – of their organization. In the academic literature, scholars regularly report and analyze cases of successful worker-owned-and-governed cooperatives and employee-owned businesses. For example, common European cases are the aforementioned Mondragon Group in the Spanish Basque Country (see for instance Heras-Saizarbitoria, 2014; Johnson & Whyte, 1977; Latinne, 2014; Storey, Basterretxea, & Salaman, 2014), the co-operative networks Legacoop

---

[6] According to Laville (2010), a solidarity economy relies on both (socio)economic and (socio)political dimensions and "underlines the need for associative, cooperative and mutualist experiments to influence institutional commitments" (p. 37). By essence, initiatives of the solidarity economy both involve and share power between multiple parties, and provide services to the collectivity.
[7] No systematic study has been conducted on the issue, but the hypothesis remains reasonable. The link is growingly stressed and, recently, the Imagine 2012 Declaration suggested the addition of an environmental clause to the co-operative principles of the International Co-operative Alliance (Webb & Cheney, 2014).
[8] For instance, 55 UN Member States decided by consensus in 2009 to support cooperatives' development and sustainability worldwide (Lifelong Learning Programme, 2007). Stiglitz (2009) also encourages the USA and all Western governments lents to promote alternative models of economic organizations.

and Confcooperative in Italy (see for instance Menzani & Zamagni, 2010; Smith, 2001), the SCOP[9] form of enterprise in France (see for instance Halary, 2006; Smith, 2001), or the John Lewis Partnership in the United Kingdom (see for instance Storey et al., 2014).

In this way, the relevance of cooperatives for the present research is that they represent authentic laboratories for self-management practices.

1.c __The present research__

Social transformation is the essence of self-management. It is the suppression of the separation between executives and operators and the claim that men are capable of collectively organizing (Mothé, 2006). Self-management inspires new perspectives, different organizational modes, as well as redesigned collective functioning (Verhoeven & Wustefeld, 2014). By modifying the way they work, behave, and relate to others, people taking part in the processes of self-management also transform the society. Even though this only concerns individual and collective initiatives inside delineated experiences, all of them encompass a true potential for social change (Verhoeven & Wustefeld, 2014).

As a matter of fact, self-management – as promoter of democracy and participation – is at the core of the notion of alternative form of organization. However, those enterprises have the reputation to be unworkable as they risk, in the long run, the domination of economic goals over social considerations, or simply economic failure (Meister, 1984; Webb & Webb, 1921). The cooperative spirit is 'a sort of plant the care and cultivation of which requires the pampering of many factors' (Lifelong Learning Programme, 2007, p. 3).

Thus, avoiding the loss of participatory and democratic characteristics over time is for a self-managed organization a major management challenge (Pencavel, 2012). Nonetheless, very little research has been done on alternative ways of organizing the economy and the society (Stiglitz, 2009). Consequently, nothing appears more important than a new source of empirical evidence of long-lasting and broad scale self-management. Two key actions therefore reveal of crucial importance: identifying participatory organizations that show signs

---

[9] The SCOP are the *Sociétés Coopératives Ouvrières de Production*, found in France. For an insight into this form of enterprise, see Defourny (1990).

of success, as well as diagnosing features and experiences that may be transferable, not only to cooperatives but also to other forms of organizations (Cheney et al., 2014).

In this regard, Cecosesola, because of its size and age, represents a true laboratory for self-management. Playground for social experimentation (Verhoeven & Wustefeld, 2014), considered by the World Bank and the Inter-American Development Bank as one of the eight best experiences of community management in Latino America (Gandica, 1998), referred to as 'one of the most successful examples of cooperatives working inside or outside Venezuela' (Michelutti, 2012, p. 16), Cecosesola is one of the five examples that Exner (2013) describes as a 'radical innovation, none of them successful enough to change a global regime, but each offering an insight into the possibilities and pitfalls of higher-level cooperation as a meta-innovation' (p. 231).

As a consequence, there is no doubt that Cecosesola's recipe for long-lasting and broad scale self-management makes it an interesting research topic. In-depth consideration of the structures, features and processes set up by Cecosesola during its 47 years of experience can be considered of extreme value in understanding the functioning of alternative forms of organizations. Evidently, a rational supposition would be that the more central the cooperative is in the workers lives, the strongest the incentive is for them to participate and be efficient (Webb & Cheney, 2014). Relying on this single assumption appears nonetheless as a simplistic approach. Therefore, this research focuses on the specific structures and mechanisms set up by Cecosesola in order to avoid the inevitable reduction of participation over time, as well as the domination of economic priorities over social considerations.

The analysis relies on a three-months in-depth ethnographic study of the organization, during which the author worked at the cooperative and practiced observant participation (Moeran, 2009), collected archival data, conducted interviews, and took part in uncountable informal conversations, both inside and outside of Cecosesola's premises. The author was given access to a considerable amount of sensible data, both because of the transparency policy of the organization and the workers' ability to self-reflect and self-criticize, and because of the several invitations she received from workers to stay at their homes. Therefore, she was able to collect data almost 24 hours a day, 7 days a week, from different working sites, from different homes, as well as from non-work-related social events.

10

In addition, secondary data was also collected from the scientific literature; the Venezuelan written press; online reports and surveys; independent blogs, websites and magazines; organizational and in-house publications; as well as videos recording interviews with worker-members. Overall, particular attention was drawn to the question of the coherence between practice and principles, to the internal conflicts and external tensions endured by the organization, and finally to the specificities directly related to the management pattern of the organization.

Through an enrichment of the case study of Cecosesola with the literature on workplace democracy and participatory practices, the purpose of this work was to build a model for sustainable participation in the workplace. The findings reveal several interconnected and interdependent structures and mechanisms, as well as a complex management pattern which does not only rely on concrete structures to be established within the organization but also on many self-sufficient processes implemented at the heart of the organization.

In summary this study, by describing – based on Cecosesola's case study – the structures and mechanisms that may help alternative organizations sustain participation over time, contributes to the regeneration literature. It explains how participatory organizations, as hybrid enterprises combining several forms and features, may resist tensions and pressures from their internal as well as external environments and sustain participation over the long run. Starting from a complex subject and an extensive case study, this research aims at a better understanding of alternative forms of organizations.

Nevertheless, what is given hereby is far from being a magic formula. It can only be a guide, a sort of mentor-book. The keys will always lie in the organization itself and in the hands of each of its workers.

1.d   Work structure and conclusion

Chapter 2 reviews the existing literature on alternative forms of organizations, i.e. models of democracy and participation. To start with, both degeneration and regeneration thesis are considered. Then, the concept of social enterprises as mission driven, as well as hybrid organizations, is described. Finally, some theoretical prospects and practical examples of the

tensions and limitations that such alternative organizations face are presented, as well as some of the recommendations given by scholars to overcome those tensions.

The focus of chapter 3 is on the details of the methodology used to gather the necessary information on Cecosesola. Consecutively, some of the most important tensions and conflicts that Cecosesola has endured since its foundation in 1967 are reviewed in chapter 4. After a brief explanation on their outcomes, a detailed scheme of the distinctive structures and mechanisms of the management pattern of Cecosesola is described.

In continuity, chapter 5 suggests a model for sustainable participation in the workplace: Management by Collective Creativity and Collective Discipline. Those two notions are defined and discussed through an enrichment of the field results with the literature on workplace democracy. Next, the point of attention is on the theoretical and managerial implications of this study. Finally, the limitations of the research are pointed out and some recommendations are given for further research on the topic.

Outline

In the management literature, calls are made for further research on alternative organizational models; in other words, enterprises moving away from traditional capitalistic firms and applying democratic and participatory practices in their workplaces.

On the other hand, the literature also shows that such models are prone to degenerate, meaning either to abandon democratic functioning or to fail economically. Still, while acknowledging the potential of the degeneration process, several scholars have conceptualized ways in which participatory organizations can engage into processes of regeneration, for instance through hybridization or through the practice of cooperation.

In order to deeply understand the complexity of the issue, an insight into the concept of social enterprise as mission-driven and hybrid organization is useful. Furthermore, an outline the main paradoxes of workplace participation and the difficulties that hybrid organizations face – especially when related to their mission, their financial resources, and their human resource management – is also necessary. Finally, some recommendations to overcome or balance those tensions are reviewed.

2.a   Alternative models of organizations

Most Western governments have directed their efforts in the last decades towards one particular model of enterprise, i.e. the profit-maximizing firm (Stiglitz, 2009). However, the threatening bankruptcy of the capitalistic economy, the latest market failures, the negative consequences of globalization, the revelations of unethical practices, and the legitimacy crises that traditional firms growingly face, among others, have led to a renewed interest in alternative types of enterprises (Doherty, Haugh, & Lyon, 2014; Gand & Béjean, 2013; Hernandez, 2006; Latinne, 2014; Storey et al., 2014). Many scholars, such as Stiglitz (2009), agree today on the fact that models of enterprises based on market fundamentalism do not properly work.

One of today's biggest challenges, to pull away from the target of short-term financial profits and the self-interest of a few of this world, is based on two main justifications. First, a large number of people are cut off from the capitalistic economy, while it would be necessary to

give them the opportunity to become the protagonists of their own lives (Meira, 2014). Second, these days companies that organize uniquely around the goal of maximal productivity invariably appear to encounter problems such as conflicts, breakdowns, bad communication, unexpected divisions, insubordination, free riders, and so on – all problems that seem to be linked with the very same human nature (Sainsaulieu, 1987).

However, a few scholars only have tried to describe alternative models of organizing[10]. To give an example, Rothschild-Whitt (1979) develops, based on the case study of five cooperative workplaces, a worthy 'ideal type model of collectivist-democratic organization' (p. 510). She specifies what he calls external and internal preconditions for democracy[11]: preconditions that she represents via eight dimensions. *Authority*, which means that collectivist organizations are enterprises without hierarchy, where each member has a right of equal participation, and where all major decisions are decided by the collective on a consensus basis. *Rules*, meaning that there is no fixed rule or procedure, and that decisions are made based on substantive values applied consistently. *Social control*, as those organizations rely on the personality and the ethic of people, and apply subtle and indirect third-level control as they select their personnel in a homogenous way in order to achieve consensus more easily. *Social relations*, in the sense that personal contacts are fostered. *Recruitment and advancement*, as recruitment is based on friendship and social-political values, with a special attention on committed and multitalented personnel who must be able to co-manage the organization and who do not conceptualize work as a career. *Incentives structure*, as those organizations rely primarily on purpose incentives (such as value fulfillment, or control over their work), then on solidarity incentives (such as friendship), and finally on material incentives. *Social stratification*, as egalitarianism is central and is achieved particularly through informal relations, job rotation, task sharing, equal pay, collective decision-making process, and characteristics of the physical structure of the workplace. Finally, *differentiation*, which is minimized as work roles are kept as general as possible through task rotation, job sharing, teamwork, and the internal education of members.

---

[10] See for instance Pabst (2014) and his model of Civil Economy: 'instead of free-market fundamentalism or bureaucratic statism, it is individual and corporate members of civil society who collectively determine the norms and institutions governing production and exchange' (p.16). His civil economy alternative promotes enterprises with social purposes and profit sharing conditions.
[11] Democracy is central in her model, as she characterizes alternative institutions as 'parallel to, but outside of, established institutions and which fulfill social needs without recourse to bureaucratic authority' (p. 510).

Even though the academic literature lacks detailed descriptions regarding alternative models of organizations, scholars agree to define such organizations as enterprises breeding democratic processes and participatory practices (e.g. Gand & Béjean, 2013). Further, Storey et al. (2014) say, there are only *alternatives* if organizations pursue their goals in different ways and with different structures, procedures, and modes of decision-making.

The present work aims at describing one particular case of alternative organization; an enterprise in which there is no hierarchy and where participation is promoted at its maximal level. In order to get a better understanding of the two concepts of workers' participation and workplace democracy, those notions are reviewed in the following section, along with some of the main organizational forms that are said to be traditionally better suited to support them.

2.b Democracy and participation in the workplace: some definitions

Participation

Sainsaulieu (1987) very logically frames the dual concept of participation. Participation means, firstly, diminishing the shareholders weight on the economic decisions by distributing shares to the workers who now have an economic interest in their enterprise. The extreme case of this can be found, for instance, in the SCOP, where the workers are the only shareholders. Then, it also means the effective participation of workers (or their direct representatives) to the management of the production, often through the setting up of various committees. Ben-Ner & Jones (1995) also refer to this duality while describing employee participation as being the combination of two central rights: return rights (financial participation) and control rights (participation in decision-making).

Defourny, Estrin & Jones (1985) slightly differently define participation as they use the concept of *degree of participation*; in other words, the degree of the workers involvement in their enterprise. According to them, at the lower level workers participate in the profits of the organization (thanks to wage bonuses), at the next level there is personal commitment (for instance through equity stake or medium-term loans), and at the last level the workforce is highly involved (through participation in the decision-making process). In a similar way, Bernstein (1976) identifies three dimensions in which workers can be part of the decision-making; namely, the range of issues on which the workers have control, the degree of their control, and the organization level at which they can exercise their control.

Thus, to frame it by and large, a culture of participation is present when at least some efforts are made to democratize the process of work, even though the motives and the degrees of those efforts are variable across all organizations (Doherty at al., 2014).

Democracy

Gand & Béjean (2013) differentiate democratization projects and democratic organizations. The former are only initiatives to rebalance the power within conventional organizations, for example when the employees are made part of the board. The latter, for instance autonomous teams or empowerment experiences, imply a true involvement (direct or indirect) of the workers in the governance and in the running of the company. In addition, Blasi, Mehrling, & Whyte (1984) stress that participation and democracy in the workplace are more likely to be sustainable if they are supported by some kind of *organizational infrastructure*: value systems; legal, financial and technical support; advice; and so on.

Main organizational forms

Cooperatives[12] are often presented as the best model of democratic organization (Hernandez, 2006). However, as Webb & Cheney (2014) suggest, 'if the purpose of the co-operative is to meet member and community needs then the question *Who are the members?* is a vital one in order to understand the different types of co-operatives and their governance' (p. 68). Indeed, with cooperatives, the residual power lies with the members. Accordingly, Pencavel (2012) recalls the dual concept of participation by advancing that workers cooperatives combine both worker management and worker ownership. However, several other forms of democratic cooperatives exist; for instance productive cooperatives (Drimer & Drimer, 1973 quoted by Cujes, 1989), worker-owned-and-governed cooperatives (Cujes, 1989; Webb & Cheney, 2014), or solidarity cooperatives (Girard & Langlois, 2009).

In reality, framing the entire category of democratic organizations is challenging. Even if cooperatives are mostly mentioned, other enterprises have developed democratic practices (Gand & Béjean, 2013). Therefore, it is crucial to base the present literature review not only

---

[12] The International Co-operative Alliance (2013) defines a co-operative as 'an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity'.

on legal organizational forms, but also on alternative practices within conventional corporate frameworks. As a matter of fact, this work tries to pull away from specific cooperatives features, and to encompass mechanisms that have the potential to be established within heterogeneous organizational forms.

Several forms of alternative organizations are mentioned in the literature; for instance democratic-member-owned enterprises (Spear, 2004), self-managed enterprises (Stryjan, 1989), democratic labor-managed enterprises (Luhman, 2006), worker-owned enterprises (Cheney et al., 2014), employee-owned businesses (Storey et al., 2014). All of these terms have in common the notions of democracy and participation. However, there is an extensive literature that contests the ability of such alternative organizations to persist over time. The next section approaches the concept of *degeneration* of the participation and complements it with several *regeneration* possibilities encountered in the literature.

2.c   Degeneration and regeneration thesis

In the twentieth century, several scholars[13] have contested the sustainability of democratic organizations and have pointed out their inevitable failure over time. They sustain that democratic organizations present a life cycle in which degeneration progressively appears (Storey et al., 2014). They have established *degeneration patterns*, leading either to economic failure due to an insufficient economic performance or to the transformation of the enterprise towards a more conventional form of organization, through the progressive abandonment of the democratic functioning (Cheney et al., 2014; Gand & Béjean, 2013). In the last decades however, scholars have called into question this degeneration thesis, both on empirical grounds[14] (with the help of several examples of democratic organizations that have managed to survive over time) and theoretical grounds[15] (with the conception of various regeneration thesis).

While acknowledging the threat of degeneration and recognizing that it may regularly occur, these scholars have developed patterns through which democratic organizations can engage

---

[13] See for instance Potter (1890); Webb & Webb (1921); Michels (1915); Meister (1984); Vanek (1975); DiMaggio & Powell (1983); Ben-Ner (1984); Miyazaki (1984); and Bonin, Jones & Putterman (1993).
[14] See for instance Batstone (1983); Estrin & Jones (1992); Gand & Béjean (2013); Hernandez (2006); Jones (1975); and Storey et al. (2014).
[15] See for instance Cornforth (1995); Cornforth, Thomas, Lewis & Spear (1988); and Stryjan (1989, 1994).

into a *regeneration process*. As a matter of fact, at least three possible outcomes of the degeneration process can be identified in the literature:

1) Degeneration or bankruptcy: either the organization faces a phenomenon of *goal degeneration*, *goal displacement,* or *mission drift,* and increasingly prioritizes profits and growth as traditional capitalistic firms, or it slowly falls into economic failure (Meister, 1984; Michels, 1915; Potter, 1890; Webb & Webb, 1921).

2) Hybridization: several scholars who criticize the degeneration thesis have developed theories of regeneration, in particular through the concept of *hybridization* (e.g. see Battilana & Dorado, 2010; Battilana & Lee, 2014) described further in the section.

3) Integration: Gand & Béjean (2013), inspired by Follett (1924), have developed the concept of regeneration through the design of a new model of cooperation; referring to a voluntary and collective action that will last as long as the cooperation is efficient and the workers are satisfied. There are two elements in this *integration*[16] option: bringing conflicting points of view face to face in order to increase common knowledge and finding a situation that satisfies both or all sides. However, this solution, which actively promotes organizational learning, is not always possible.

An important point of the regeneration literature is that democratic organizations can be understood if assimilated to places where the contestation between democratic and oligarchic forces are never resolved (Estrin & Jones, 1992; Hernandez, 2006; Storey et al., 2014). Some scholars argue that the contradictions with the context – as the organization is placed into a mostly non-democratic environment – and the tensions between the different goals of the organization may never be resolved: they may simply coexist, and shape the entire organization[17] (Hernandez, 2006; Varman & Chakrabarti, 2004).

As a matter of fact, Westenholz (1999) approaches these contradictions and tensions under the appellation *paradoxes*. He affirms that the theories of organizational change have always had a tendency to suppress paradoxes and inconsistent categories, thus leading to the emergence of inconsistent theories. In this line of study, Stohl & Cheney (2001) explain, as further

---

[16] *Integration* is opposed to the pattern of *domination*, with a quick and unstable solution, as well as the pattern of *compromise*, where both parties are dissatisfied (Follett, 1924).
[17] Considering the importance of these postulates, this study examines in chapter 4 several main tensions and conflicts endured by Cecosesola along its 47 years of operation, and discusses some of the consequences for the past and the present.

described, how the participatory paradoxes may be understood, produced, reproduced and managed within democratic organizations.

Linked to this idea, the neo-institutional theories define the concept of hybridization. They maintain that alternative organizations have the capacity to treat and integrate different conflicting institutional demands and logics as they *hybridize* (Battilana & Dorado, 2010; Pache & Santos, 2010). Hybrid organizations are 'by definition, sites of contradiction, contestation, and conflict' (Doherty et al., 2014, p. 425). Battilana & Lee (2014) define hybrid organizing as 'the activities, structures, processes and meanings by which organizations make sense of and combine multiple organizational forms' (p. 397). This notion is highly relevant for the present research, as Cecosesola, in order to survive, must self-organize in a way that both fulfills its social and economic expectations. As the enterprise combines very distinct organizational logics, it fits into what the literature calls *hybrids*.

Pache & Santos (2010) also maintain that organizations face institutional influences through rules, regulations, social expectations, normative prescriptions, and cultural logics. The powerful actors exerting these influences may be, for instance, the major funders of the organization, the regulatory authorities, or the educational and professional organizations. However, a problem stems from the fact that by satisfying some of those demands, others are disregarded. Undeniably, organizations face conflicting demands as they operate in diverse and contradictory institutional spheres (Pache & Santos, 2010). Thus, Pache & Santos (2010) have put forward the role of the organization in filtering and resolving the conflicts between contradictory institutional demands. They argue that in some cases those demands can shape the entire structure of the organization.

In parallel, Battilana & Dorado (2010) point out that hybrid organizations are enterprises which combine several institutional logics in an unprecedented way, and which manage to maintain their hybrid nature despite the absence of standard schemes when handling such tensions. They argue that in order to survive, such organizations must generate a common organizational identity that maintains the balance between the contradictory logics inside the enterprise.

Those theories are related to our case study in the way that they contribute to a better understanding of the answers of Cecosesola to the diverse institutional pressures that it is or it

has been coping with. The beginning of chapter 4 is dedicated on examples of Cecosesola's responses to such constraints.

Thus, to summarize, the literature talks about several outcomes to the difficulty of maintaining a participatory organizing pattern: either a *degeneration process* – meaning the economical failure of the enterprise or its transformation into a more capitalistic enterprise –, or a *system of hybridization* – that is a combination of multiple organizational forms, goals and/or logics –, or finally a *model of cooperation* – where conflicting points of view are confronted and integrated, then a solution satisfying both parts is set up through the sharing of knowledge on the matter. Then, we have seen that several obstacles and problems appear when managing alternative types of organization. Theories on paradoxes (Westenhol, 1999), contradictions and tensions between opposed goals (Hernandez, 2006; Varman & Chakrabarti, 2004), as well as conflicting institutional logics and demands (Battilana & Dorado, 2010; Pache & Santos, 2010) may help recognize the several tensions and conflicts encountered by the organization, as well as their outcomes.

In order to deeply understand the complexity of the issue and the difficulties that alternative forms of organizations face, the next section will give an insight on the concept of social enterprises, and particularly social enterprises as mission-driven and hybrid organizations.

2.d   Social enterprises as mission-driven organizations

Several scholars present the *social economy sector*, beside the public and the private sectors, as essential for the equilibrium of the global economy (Ferreira, 2004; Stiglitz, 2009). In most European countries, the social economy sector rallies among others foundations, mutual societies, non-profits, and cooperatives (Defourny & Nyssens, 2010), so-called social enterprises. Such organizations generate and/or trade goods and services in order to take advantage of opportunities for social value creation (Santos, 2012). They generate positive social and environmental externalities – a dimension that is disregarded by other institutional actors.

Defourny & Nyssens (2010) highlight that the social impact on the community is not a side effect; it is the real motive of such organizations, their social mission. In fact, the mission reflects the very same identity of the organization and its ultimate goals. It explains who will

be the beneficiaries and what are the means behind it (Miller & Wesley, 2010). Social enterprises are created to serve a selfless social purpose, not to be profit seeking or State-controlled (Cornforth & Spear, 2010), and therefore the credit of the social mission is that it gives a moral legitimacy to the venture (Miller & Wesley, 2010). Indeed, the difference between social enterprises and more classical commercial ventures lies on the central place that the social mission takes within the market offering of the enterprise (Santos, 2012).

However, organizations show different levels of focus on their social mission. Miller & Wesley (2010) argue that some enterprises are *mission centric*, meaning that their unique purpose is to serve their social mission. Some are *unrelated to mission*, because profit is their main purpose and the social need is only marginally fulfilled. This last option, though, may create dissonance inside the organization, potentially leading to diverse conflicts, such as conflicts over roles and identity (Golden-Biddle & Rao, 1997). This issue, which recalls the previously discussed *mission drift* or *goal degeneration,* will be discussed in a following section.

In addition, Battinala, Sengul, Pache, & Model (2014) argue that the *social imprinting*, namely the founders insistence on the execution of the social mission, has an important role to play in facilitating the preservation of the mission-focus.

In line with the *mission centric* option, Mintzberg has developed in his theory of configurations[18] a model of organization called *Missionary configuration*. He explains:

> 'When the mission of an organization is (a) clear and focused, so that people are able to identify easily with it, (b) distinctive in purpose or execution, thereby depositing the organization in a niche, and (c) attractive or inspiring, to some people at least, so that they are drawn to that niche to identify with the mission, then a power configuration called the Missionary is likely to emerge' (Mintzberg, 1983, p. 368)

The *Missionary* is a configuration where goals and mission correspond to one another, meaning that the function of the organization in the society matches the intentions behind the actions of the organization. Thus, all decisions and strategies are motivated by the desire to preserve and consolidate the organization mission. People join the enterprise because they identify to its primary purposes and goals, its ideology. In this configuration, the mission and the ideology must be defended at all costs. The power lies with all the members, as the key is

---

[18] For a better understanding of the theory of configurations, see Nizet & Pichault (2001).

the loyalty towards the ideology – one that everybody must share – and the hierarchical line is quite short. Another characteristic is the *ideological standardization*, which is a set of values and beliefs that are diffused and shared across the entire organization, with only a few formal rules. The control is exerted through ensuring that the actions are in line with the values (Mintzberg, 1983, 1989, 1991).

Mintzberg (1983) also states that the Missionary organizations will either dissolute over time due to their inability to adapt to outside demands, or transform into other forms of configurations, abandoning their ideology. This of course recalls the degeneration thesis previously discussed. Besides, he reports that missionary configurations are subject of diverse pressures towards other configurations, which brings us the next section, the discussion of social enterprises as hybrid organizations.

2.e   <u>Social enterprises as hybrid organizations</u>

As previously discussed, neo-institutional theories of hybridization state that alternative forms of organization hybridize, in other words, they adopt unusual combinations of multiple forms of organization in order to resist conflicting institutional demands and logics (Battilana & Dorado, 2010; Battilana & Lee, 2014; Doherty et al., 2014; Pache & Santos, 2010). Furthermore, social enterprises appear to be an ideal form of organizations to study hybridity, because of their particular combination of both economic and social features (Battilana & Lee, 2014; Doherty et al., 2014). Many social enterprises, such as the present case Cecosesola, do not fit in the traditional categories of private, public, or non-profit organizations, because they pursue social and/or environmental missions while going on the market to seek their financial sustainability (Doherty et al., 2014). Therefore in this case of figure, such hybrids are new forms of organizations that challenge the traditional conceptions of the economic firm, as they are designed to achieve market success while creating social value (Doherty et al., 2014).

In conclusion, an insight into *mission-driven organizations* and *hybridity* was necessary to encompass the true reality of the organization analyzed in this study. The reader now understands that *hybridity* questions the unified nature of organizations, and gives space to a wide range of innovative organizational forms. However, those new organizations are not free from conflicts and tensions that challenge their very own sustainability (Battilana & Lee,

22

2014; Doherty et al., 2014; Kraatz & Block, 2008). Moreover, even though hybrids are objects of disorder and conflicts, it is also important to bear in mind that they trigger creativity (Battilana & Lee, 2014).

Accordingly, the next sections examine more in details some of the paradoxes that hybrids and alternative forms of organization traditionally encounter (Smith & Lewis, 2011; Stohl & Cheney, 2001). The review of theories on paradoxes will help get a better understanding of the responses, presented in chapter 4, of Cecosesola to the diverse institutional pressures that they are/were enduring. The main challenges and tensions (Battilana & Lee, 2014; Doherty et al., 2014), pressures (Webb & Cheney, 2014), constraints (Rothschild-Whitt, 1979), and more generally difficulties that participatory organizations face are key dimensions that will be presented in section g. In parallel, recommendations to overcome or balance those tensions are discussed.

2.f   <u>Paradoxes of workplace participation</u>

As previously mentioned, Stohl & Cheney (2001) bring to the fore the way paradoxes of workplace participation are understood, produced, reproduced and managed in democratic organizations. They classify those paradoxes in four categories: *power*, *identity*, *agency*, and *structure*. They also determine the several options that individuals and groups can have in response to these paradoxes. First, *exit, secession* or *spin-off*, meaning that the paradox is considered so important that departure or dissolution of the enterprise are seen as the only options. Then, *voice*; routines of debates and discussions are set up. Next, *loyalty, rededication,* and *adaptation*, which refer to the idea that the tie to the organization is being perceived as inviolable, and that individuals or groups will continue to work within the boundaries of acceptable limits. Then, *neglect or determined ignorance*, meaning that there is attachment to the organization but loyalty is not relevant anymore; individuals or groups do not exactly see the paradox seriously. Finally, *synthesis, reframing,* and *living with or within paradoxes*, implies acquiring the ability to observe the paradox from a new perspective, and to bring forward a constructive change. In this last option, *synthesis* creatively combines conflicting aspects in a status quo position. While *reframing* can be defined as adopting a new attitude toward the paradox and observe it under another level of analysis, *living with or within the paradox*, the most difficult one, conveys the idea that participation is synonym of

fragmentation of goals and practices. This is best accomplished when there is regular practice of deep self-assessment inside the organization.

2.g **Difficulties within hybrids and democratic organizations**

Doherty et al. (2014) identify three features of hybrid organizations, i.e. the social mission, the financial resource mobilization, and the human resource management.

The social mission facet

The first feature that Doherty et al. (2014) identify involves major challenges: achieving social and economic goals simultaneously, handling the demands of the various stakeholders, as well as developing relationships with partners working with different logics.

Accordingly, the tensions that may arise are the risk of the mission drift, the opposed demands of clients and other stakeholders, as well as disagreements on priorities held by several groups (Doherty et al., 2014).

The authors mention the case where several stakeholders assent to the objectives of the enterprise but not to the process to achieve them; or worse, where the stakeholders do not agree on the very objectives that the organization should pursue. On that account, Battilana & Lee (2014) emphasize that hybrids may face a conflict of organizational identity. Miller & Wesley (2012) evaluate that those tensions of identity can only be alleviated through the strengthening of the link with either the social or the economic sector. As an example, Heras-Saizarbitoria (2014) reports the case of the Spanish Mondragon Cooperative, where he observes not only the decoupling of the foundational principles that are part of a governance code but also the daily activities that are becoming increasingly alike traditional enterprises.

Slightly differently, Battilana et al. (2014) propose to assign responsibilities of the social and economic tasks to different groups, and to organize *spaces of negotiation,* i.e. areas to allow interaction and discussion between staff members which will foster coordination and agreements on how to maneuver the daily trade-offs between social and commercial activities. In correlation with this idea, Battilana & Dorado (2010) suggest recruiting members with little preconceptions regarding the methods of the organization and who lack connections with the sources of institutional conflict.

In parallel, Doherty et al. (2014) recommend hybrids to use their dual mission as a sort of *impression management,* meaning that they should seek and achieve legitimacy through the construction of different marketing communications adapted to the diversified expectations of the stakeholders. This way, they would be using their mission in a way that the social value created would become a source of competitive advantage and profitability.

The financial resources facet

The second feature of hybrid organizations that Doherty et al. (2014) identify is related with the financial institutions. Indeed, hybrids must prove that they are viable clients by giving them a good understanding of the sort of business they conduct and the internal policy they promote.

Tensions may stem from different factors: the importance of earned incomes versus other incomes, the ethical issues linked to some sources of financing, the conflicting demands of diversified stakeholders, and the financial constraints that emerge from the lack of resources (Doherty et al., 2014).

Bonin et al. (1993) also mention several barriers found in hybrid organization, related to financial resources. First, a lack of entrepreneurial skills; then, specific income variations that cannot be deleted and that lead to risk-aversion; next, a high cost of capital because financial institutions are not familiar with such organizations; and finally, a moral concern that affects outside equity participation. Then, Webb & Cheney (2014) also highlight the danger to rely only on capital with investor-owned behaviour and characteristics.

Doherty et al. (2014) propose to initiate creative mechanisms to overcome these tensions, among which to leverage and build strong relationships with the stakeholders in order to gain a better access to capital, as well as to create cooperative working arrangements. Accordingly, Mair & Marti (2006) believe that strong relationships with volunteers, customers, campaigners and activists can help leverage access to capital. On that account, Webb & Cheney (2014) report often-insufficient rewards for members and clients.

Doherty et al. (2014) also propose to generate enough surpluses to be reinvested into the operations, to balance financial resources from philanthropic and commercial sources, to look for social investors that accept to lend lower than the market rate capital, and finally to adopt new legal forms in order to encourage investments. However, Estrin & Jones (1992) draw attention to the fact that older cooperatives that have become capital rich may be unwilling to consume their accumulated capital in internal growth, leading to over-accumulation of collectively owned assets as well as to under-utilization of outside debt.

The human resource facet

The last feature that Doherty et al. (2014) identify, the human resources, leads to numerous challenges: restricting salaries and wages due to poor finances, lacking skills and competencies in the workforce as well as in the management, and finally figuring out how to attract and keep valuable volunteers. On this last matter, they propose to use non-monetary incentives and rewards. On the other side, Webb & Cheney (2014) observe the heavy reliance on traditional management in cooperatives, while Varman & Chakrabarti (2004) point out the lack of skills in workers' cooperative when taking informed decisions.

In consequence, tensions may arise from the difficulty to manage as well as to motivate employees and volunteers, from the perception that volunteers do not have the necessary skills, and from the need to balance commercial and social focus among board members (Doherty et al., 2014). On this matter, Webb & Cheney (2014) point out the traditionally weak educational trainings programs for members and volunteers, and the unreasonable recruitment of talents and skills from outside the cooperatives. Varman & Chakrabarti (2004) detect an absence of individual accountability towards the organization, as well as a strain to coordinate individual initiatives and organization objectives. Sainsaulieu (1987) also highlights the difficulty to integrate and retain members. On that account, another key governance issue is the management of the size of the membership in order to keep a strong degree of participation. As a solution, Webb & Cheney (2014) advance the formation of cooperative networks – as it is the case in Emilia Romagna, in Italy – where cooperatives can act together as a consortium and submit bids for contracts that none of them could have done on their own.

In addition, Rothschild-Whitt (1979) identifies several constraints in achieving a true democracy, each of them leading to very high social costs. Firstly, democracy takes time, especially with regard to organizational matters such as meetings. Then, the consensus – essential component for democracy – requires a high degree of homogeneity. Next, the face-to-face communication required by the system is emotionally threatening. Last but not least, some individuals may not be suited for participatory practices. On that account, Cornforth (1983) highlights the difficulty to dictate cooperative ideals from above, while Webb & Cheney (2014) accentuate the challenge to find a consensus on values. As for Varman & Chakrabarti (2004), they spot the common ignorance towards cultural aspects identified in cooperatives. Subsequently, Rothschild-Whitt (1979) also reports the high environmental pressures that the organization undergoes – from legal, economic, cultural, and political spheres – as alternative organizations have a different position vis-à-vis mainstream institutions. Finally, she puts an emphasis on the individual differences – meaning that people have different skills, talents, knowledge, and personality – which may prevent the organization to realize its egalitarian ideals.

Finally, Bernstein (1976) and Varman & Chakrabari (2004) both diagnose that overemphasis on participation can lead to confusion in decision-making. Such *overparticipation* can trigger too many interruptions within the democratic process due to minor details. Thus, Bernstein (1976) advises, in order to avoid such inefficiencies, to find the adequate balance between managerial authority and democratic control.

As a closure, Webb & Cheney (2014) and Varman & Chakrabarti (2004) state that in order to be sustainable, cooperatives must create mechanisms such as communication processes, committees, network structures, as well as other systems for decision-making, and they must identify exactly what they need to put in place in order to consolidate their organization.

2.h Conclusion

To sum up, this chapter has taught us that *alternative models of organizations* is a vague categorization, but all definitions have in common the notions of democracy and participation. *Workplace participation* means both return rights and control rights in the hands of the workers. Thus, a *democratic organization* is defined as an enterprise where there is a true involvement of the workers in the running of the organization, not just some isolated

initiatives. Then, the *degeneration thesis* highlights the danger that democratic enterprises will either fail economically or abandon their democratic practices in the long run. However, one possible *regeneration pattern* is through *hybridization*, another through *cooperation*. Next, it has been pointed out that democratic organizations can be understood if assimilated to places where the contestations between oligarchic and democratic forces are never resolved. Those contradictions are called *paradoxes*. Moreover, those organizations face several institutional influences, which explains why *hybrids* are enterprises that combine different institutional forms, goals and logics. *Hybrids* are places of disorder, but also of creativity. They often face pressures and resolve them in unprecedented ways. Finally, the *social mission* is for social enterprises the true motive, not just a side effect. For this reason, several difficulties that democratic organizations encounter may be linked, in addition to the financial resources and/or the human resources, to the social mission.

The careful study of those difficulties has contributed to a better understanding of the management challenges faced by Cecosesola. It has also allowed the construction of a more realistic scheme including the distinctive features of its functioning, and has guaranteed that the selected structures and mechanisms in chapter 4 are directly related to the organization's recipe for sustainable workplace participation. Ultimately, scholars' recommendations to sustain workplace democracy have been necessary for the construction of the model for sustainable workplace participation, presented in chapter 5. The next chapter provides additional information about the case under study, Cecosesola, and details the methods used for data collection and analysis.

3.a   <u>Cecosesola</u>

Cecosesola, officially named *Organismo de Integración Cooperativa Cecosesola* since the change in the Cooperative Law in 2001, was originally a cooperative of cooperatives (a second-order or second-tier cooperative) bringing together fourteen cooperatives (ten legalized and four in constitution) at the date of its constitutive assembly, in December 1967. Today, they account for more than fifty community-based organizations.
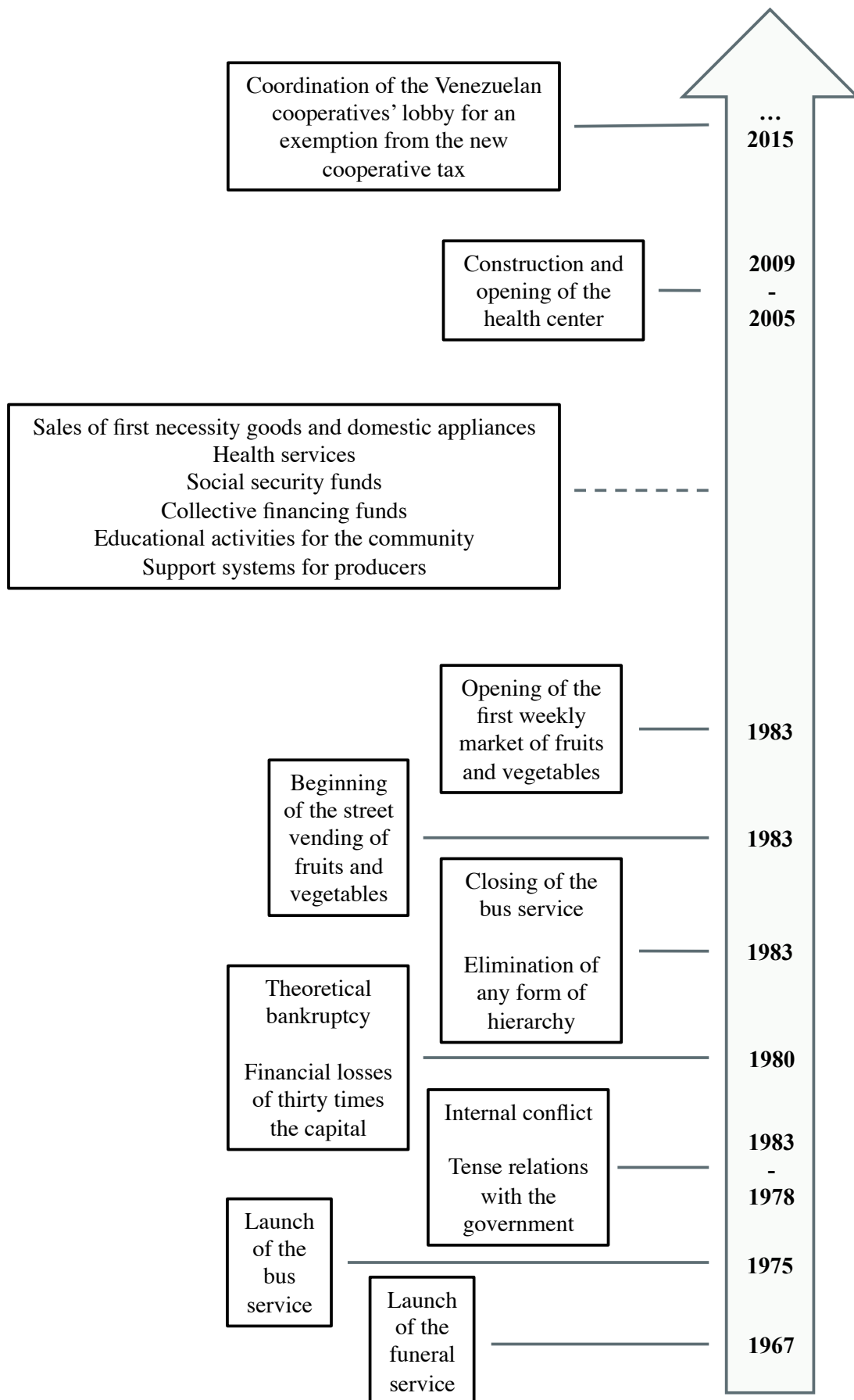
The expressed purpose of this cooperative network is to find effective solutions to the biggest necessities of the community. Its activities cover a wide diversity of sectors, such as agricultural production, agro-industrial handicraft production, supply of first-necessity goods, funeral services, and health services. The aggregated network integrates more than 20,000 members, counts around 1,300 worker-members, and generates an annual turnover of BsF 1.3 billion[19]. Almost 60,000 households buy each week from the *ferias*[20]* of the network, and 17,000 families benefit from their funeral services. Prices are not based on market values but on a fair price criterion, resulting in health units operating at fifty to sixty percent lower than private establishments, procurement units dispensing provisions, fruits, vegetables, cleansers, and house appliances at an average of thirty percent lower than the market, as well as the cheapest funeral home of the country. The annual savings for the community are valued at BsF 900 million, and the number of inhabitants of the Region directly benefitting from the network is estimated at around 300,000 (Cecosesola Organismo, 2015, February 17).

Cecosesola is intended to be a school for citizenship; a place where you learn to live within a community. Its true motive is the generation of a process of transformation, expressed by new relationships of transparency, trust, respect and responsibility. Its motto is to build – all together and at a small scale – the society that they aspire to, through work cohabitation

---

[19] Venezuela, being 'arguably the world's worst economy' (Gillepsie, 2015, para. 4), knows several exchange rates for his national currency (Valzu, 2015). The country's currency, if calculated based on the parallel exchange rate, has lost half of its value between May 2015 and the firsts of June 2015 (Gillepsie, 2015). Thus, it is complicated to give a euro-equivalent of this turnover. However, using the SIMADI exchange rate, meaning the rate at which any natural or legal person can buy Euros legally inside Venezuela, without restriction, at the date of 22th June 2015, this turnover would amount for €6.01 millions (Valzu, 2015).

[20] *Feria de Consumo Familiar:* see lexicon in appendix I. See lexicon for additional information on the concepts with an *.

Coordination of the Venezuelan cooperatives' lobby for an exemption from the new cooperative tax

...
2015

Construction and opening of the health center

2009
-
2005

Sales of first necessity goods and domestic appliances
Health services
Social security funds
Collective financing funds
Educational activities for the community
Support systems for producers

Opening of the first weekly market of fruits and vegetables

1983

Beginning of the street vending of fruits and vegetables

1983

Closing of the bus service

Elimination of any form of hierarchy

1983

Theoretical bankruptcy

Financial losses of thirty times the capital

1980

Internal conflict

Tense relations with the government

1983
-
1978

Launch of the bus service

1975

Launch of the funeral service

1967

Figure 1. Chronology of Cecosesola's activities

and thanks to their own personal transformation. 'We do not want to be given fish, or even to be taught how to fish. What we want is to fish together' (Escuela Cooperativa Rosario Arjona, 2003). Indeed, Cecosesola advocates work rather than ideology. Michelutti (2012) reports the words of several worker-members, all of them explaining that they develop *cooperativismo* through a great deal of work, as their aim is to create new relationships – new ways of working and living together.

Cecosesola initiated in 1967 with a funeral service. In 1975, they started operating a bus service covering the entire city. In 1983 though, after a tough fight with the government, a harmful internal conflict, and a debt that amounted to 1 billion[21] bolívares, they started the first *feria*, a weekly market of fruits and vegetables (Gandica, 1998). Today, in addition to the fresh products sold at the *ferias*, they also sell first necessity goods and domestic appliances. Finally, they operate health, financial, as well as educational services. Those services target both the cooperatives' members and the broader community.

The age and the magnitude of Cecosesola's experience were the main reasons for the choice of this case study. However, Cecosesola is also interesting for another reason. As Jones & Svejnar (1982) underline, it is highly more desirable to get inspiration from an enterprise that was born with democratic aspirations than from capitalistic enterprises that were falling apart and that were forced to reorganize into self-managed organizations. Cecosesola started as a traditional enterprise and by 1971 it had become totally bureaucratic. However, very soon, young volunteers that nurtured the ambition to help the organization drive away from traditional management models and to develop participatory practices joined the movement (Ferreira, 2004; Jensen & Isaacs, 2009). The organization thus had democratic ambitions since its early ages[22].

The network of *ferias* is today the most popular and profitable activity of Cecosesola (Michelutti, 2012). Since their very beginning, the objective was to restore the dynamic of *cooperativismo* as community-based and autonomous organization, a tool for personal and social transformation. Accordingly, they opted for an activity with high growth potential, and

---

[21] At the value of the bolívar in 2003 (Escuela Cooperative Rosario Arjona, 2003, p. 42)
[22] Even though in 1983 the organization gave end to a harmful internal conflict that started in 1976, and which opposed the defenders of a fully participatory project to a handful of workers looking for power and responsibilities. When this last branch left the organization in order to join the government, the former finally had the chance reinforce the democratic ideals and participatory design that have been germinating in the workers' head since the foundation of the cooperative (Gómez Calcaño, 1998).

with the ability to stimulate an extensive educative process. It was a strategic project aiming at strengthening and boosting the spontaneous self-organization of popular communities (Gómez Calcaño, 1998).

In 2015, the network of the *ferias* mobilizes around 10 tons a month (vegetables, fruits, basic food and commodities) in 25 selling points. They operate directly with a group of around 400 small agricultural producers and craftsmen, who find within the network a secured and fair market, and function with around 550 worker-members directly in Barquisimeto (Cecosesola Organismo, 2015, February 17). This system of *ferias* is undeniably an economic success, but not only. Several academic references report the unique achievement of developing a collective participative dynamics that both comply with a high level of economic efficiency and a high quality educative process (Exner, 2013; Gómez Calcaño, 1998; Michelutti, 2012).

This study mainly concentrates on the structure of the *feria*. However, the reader must never forget that *feria* is part of a broader, interconnected and self-supporting network, aiming at a same purpose: a social transformation through work.

3.b   **Data collection**

The first source of data used in this research is empirical, gathered during three months of intensive ethnographic fieldwork (from 15th August 2014 until 18th November 2014). As Jones & Svejnar (1982) explain:

> 'How can "academics", men and women of science, "descend" to actual work with workers, building of new productive units and even manual work? My answer is, who else will if we do not? We may be the only ones with a sufficient strong motivation and consciousness as well as comprehension of the problems involved to do it.' (p.326)

Organizational ethnography, as 'the art of exploring the complexities of everyday organizational life through immersion' (Ybema & Kamsteeg, p. 103), is essential if one seeks to study 'how organizations are socially and materially constructed through activity and effort' (Nicolini, 2009, p. 120).

The purpose of this work being the understanding of the specific mechanisms and structures that enable sustainable participation of workers in the organizing process of Cecosesola, primary data was therefore collected through participant observation; the study of archival data and organizational publications; the conduct of two interviews; as well as uncountable informal conversations with workers, both inside and outside the premises of the organization.

The intensive nature of the fieldwork allowed the researcher to experiment a shift from being a *participant observer* to being an *observant participant*. Observant participation, as explained by Moeran (2009), reflects the researcher's ability 'to see beyond the social front that informants present to strangers in their everyday lives, to know that there is a difference between what Erving Goffman (1990) refers to as "front stage" and "back stage" behavior, and to have ready access to that backstage' (p. 148). This position qualifies the researcher to capture a more nuanced, or critique, understanding of the organization under study.

Such shift has been made possible as the researcher was invited by several workers to stay at their homes during her stay. In total, she lived in four different homes. This allowed her, among others, to gather uncountable hours of observation outside of the organization premises; to listen and take part to informal discussions between workers after working hours; to witness discussions between workers and their family members and friends; to ask for additional explanations and clarifications about episodes of the day; and to ask workers about sensible questions in a relaxed atmosphere.

Initial access was acquired when the researcher met three worker-members on a tour through central Europe to talk about their self-managed experience, in June 2013. Because of previous experiences in Spain and Latin America, the researcher is fluent in Spanish and is familiar with the Latin American way of life. Therefore, her integration in the country and the first contacts with the workers have been relatively smooth and easy.

The official agreement, and what most of the workers knew of the researcher, was that she was there for the practical training of her master degree. Nonetheless, it was also obvious that she had chosen this particular organization because she was interested in its peculiar organizing process. Therefore, most of the workers were always mindful to share with her information on what was going on and to ask her if she understood everything.

The researcher initially started working in the department where the first worker she was living with was working. After two weeks, she moved to another department as she moved to another worker's home. In the course of the second month, she was still living at the same worker's place, but she started moving on her own to other departments to work and assist to meetings. During the last month she continued moving workplaces, often coming back to the first two she had been in, and she occasionally stayed at the homes of two other workers.

Access to the four workers homes came naturally, as the researcher was friendly invited to stay at their places instead of going to the guests' apartment of the organization. Access to new departments was due to snowball effect; for instance when the researcher was participating to one meeting or activity, and introduced to new people, who suggested her to go to that other workplace, meeting, or activity, or simply to come with them to work the next day. Interviews were also unplanned. The first one, non-structured and non recorded, took place when the informant and the researcher were working together in a back office, balancing cash inflows of the day, and started a detailed conversation about the specificities of the organization and its specific work procedures and mechanisms. The second interview, semi-structured and recorded, took place when the researcher unexpectedly met one of the founders and ex-president of the organization, who asked her if she wanted to know something about the history of the organization.

Her role in the organization was initially one of intern, or new worker needing to be socialized to Cecosesola's process – that is, a *participant-researcher* role. The last two weeks however, she stopped working in the several departments, and started investigating the archives and internal documents of the organization. As she was given free access to the archives room and to the secretary office, her role therefore shifted to an *observant-researcher* role.

In short, the field investigation included the participation to a total of 225 hours of meetings, divided into various types and taking place in the many business units of the network Cecosesola[23]; active observation during almost three months; participation to very diversified tasks within the different *ferias*, the accountancy department, the X-Ray department, the

---

[23] For an easier referencing in chapter 4, the meetings are listed and codified in appendix II, for an easier referencing in chapter 4.

several producers' cooperatives, the UPC[24] called *8 de marzo*, as well as to acupuncture, cooking, and bio-construction workshops; annotation on notebooks of what appeared as relevant, for instance some worker-members' statements in the meetings; a high number of informal talks with worker-members of all age, gender, and years of service, during and outside operating hours; two interviews; participation to one *vivencial*;* and the investigation of the archives, registries, and organizational publications of Cecosesola.

The second set of data used in this research comes from the scientific literature (4 documents); the Venezuelan written press (1 document); online reports and surveys (3 documents); independent blogs, websites, and magazines (11 documents); organizational and in-house publications (29 documents); as well as online videos recording interviews with worker-members (12 videos)[25].

To summarize, data has been triangulated on three aspects: regarding sources, informants, and observation sites. For both data sets, particular attention was paid on the presence of coherence between principles and practices. Relevant facts on the conflicts and tensions that Cecosesola endured were also gathered, along with information on their outcomes. Then, the distinctive practical aspects related to the management of the organization were another focal point. Finally, any interesting abstract from the data set was translated into English so that it could be used and quoted in chapter 4 as well as in the lexicon (appendix I).

The below section explains the methodology used to translate the data collected first into a pyramidal scheme related to Cecosesola and secondly into a management model unrelated to the organization.

3.c   **Data analysis**

Although data has been ethnographically collected – which allowed the production and gathering of many documents extensively describing the management pattern of Cecosesola – it was analyzed using grounded theory method. According to Pettigrew (2010), 'these two methods combined may produce a level of detail and interpretation that is unavailable from other methodologies' (p. 260). First, thick description served to highlight around fifty

---

[24] *Unidad de Producción Comunitaria.* See lexicon in I.
[25] Each of the documents that were used is listed and codified in appendix II.

elements representative of Cecosesola's functioning. Then, the procedure of grounded theory analysis permitted the emergence of links and connections between those elements. It also enabled the enrichment of those elements and links with theoretical concept from the literature on participatory organizations in order to obtain a more generalizable model for sustainable workplace participation.

In the first step of the analysis, the researcher looked for connections, links, and associations of all sorts between the fifty elements identified. It appeared that the social mission was linked in one way or another to all of the other features. Then, it appeared that part of those elements were linked to the behavior of the worker-members (i.e. the organization engenders, pushes to, allows for, and creates such behaviors of those individuals) and that another part was linked to the values and the perceptions of the organization (the individuals – customers, patients, worker-members, and the community – experience those elements – opinions, feelings, and perceptions – towards the organization). Then, it appeared that some elements were of a tangible and concrete nature (e.g. job rotation, reinvested profits…) when others were more intangible (e.g. commitment, sense of belonging…). It also appeared that most often, the tangible elements were preconditions in order for the intangible elements to appear and be sustained. For instance, time and spaces for reflection are necessary for the establishment of a climate of reflexivity, which in turn is necessary to enable and sustain collective learning.

During this first step, the researcher started her literature search on participatory organizations and the degeneration/sustainability of participatory work processes. Previous to that moment, the researcher was unfamiliar to all kind of academic discussion on the topic of participation, as well as on more theoretical discourses about hybrids, organizational tensions and paradoxes, mission-driven enterprises, and so on.

The literature search allowed the enrichment of the emerging pyramidal model with the existing literature on alternative and democratic organizations, such as detailed descriptions of participatory processes or ideal types of democratic organizations. The final model contains all the elements that have been identified as necessary in order to sustain participation over time in an organization.

The following chapter gives a detailed description of the research findings. First of all, three of the main crises experienced by the organization are described, along with information on their outcomes. This helps get a better appreciation of the organization's operating mode as well as of its relationship with the external environment. The rest of the chapter refers to a diagram (appendix III) portraying the distinctive elements of Cecosesola's particular management pattern. All elements of the diagram, and the links between them, are described and explained.

4.a   Three main crises

In this section, three major crises of Cecosesola history are reviewed[26]. First, in 1980, the organization saw its working tools (128 buses) seized by the government. This happened after four years of turbulent relationships with the local and national authorities, and while internal conflicts were dividing the organization. This event marked a turning point for the organization as the workers were able, through a long reflexive process, to draw valuable lessons out of the situation. In the following years after the seizure, the organization structure was completely reshaped, as well as its area of operation and its management practices. The self-organizing process that defines today the organization took unprecedented magnitude at that precise moment. 'It was like a rebirth' said a 67-year-old member (G3). The bus episode also demonstrated the extensive propensity of Cecosesola to mobilize the community and to support actions of nonviolent resistance. Two other examples attesting this tendency are also described: first, the fight for the acquisition of the *silos* of Barquisimeto, and second, the current opposition to the new cooperative tax provisions.

Bus seizure (1976-1983)

Several internal and external factors jeopardized the economic success of Cecosesola initiative, in the 70s, to respond to the poor situation of the bus service in the city of Barquisimeto. First of all, the organization faced opposition from the owners of the urban public transport companies, along with the hostile position of the Chamber of Urban Transport. Then, their loan solicitation was accepted up to only 23.8 percent of the requested amount, which led to the distortion of their entire cost structure. Next, as Cecosesola started operating its bus service at a price 50 percent lower than the other companies – which were all subsidized by the government –, they asked for a subsidy to be able to maintain such a price. Their request was denied, along with a demand from the Superintendence of Consumer Protection to raise their price to align with the other providers' rates. Subsequently, and in order to pressure the government to reconsider their solicitation for a subsidy, the organization called for a bus strike and started a public awareness campaign.

---

[26] References: Bus seizure (A5, D3, E1, E3, G2, G3, G7, G11), fight for the Silos (E1, E3, G3, G7), opposition to new tax provisions (A8, A9, G1)

In response, the government initiated a propaganda campaign and extensively used the media to manipulate the public opinion against Cecosesola. One night of 1980, members of the government and the local police arrested several cooperative members, and confiscated their facilities along with their 128 buses. Exactly 140 days later, after several demonstrations and a long march to the capital, a court order constrained the government to return the confiscated buses. However, by the time they could be returned, the organization had accumulated financial losses amounting to thirty times its capital[27].

On top of this fight against the government, the organization also suffered a damaging internal conflict: several workers (supporters of the government) created disorder inside the organization and intentional bus crashes. Moreover, some workers misinterpreted the trust and openness necessary to foster participation as an organizational weakness and an opportunity to obtain personal benefits and privileges. The dissension started in 1976 and was extensively reflected in the media, inspiring public mistrust in the organization. Therefore, the relations with the Municipal Council deteriorated while the ones with the credit institution simply stopped.

Despite all this, Cecosesola's workers affirm that the transportation crisis has taught them several valuable lessons, which are still deeply present in the minds today – even in the youngest ones. Hence, the economic failure did not gainsay the value of the experience. On the contrary, it brought up, among others, new dynamics of collective reflectivity. It also reinforced their conviction that other ways of organizing were possible. The people involved in this crisis realized that power consumes energy, since once you obtain some power you must dedicate your energy to maintain it rather than to build, produce or invent. As a long-date worker-member and former president of the organization explains, it required all their creativity, skills and solidarity in order to compensate for the lack of material resources (G3). This is how the first *feria**[28] emerged in 1983.

This episode also compelled the worker-members to undertake a deep analysis on the internal and external conditions that must be encountered in order to make a communitarian initiative like this one a true success. As the workers were deprived of their buses, they had plenty of

---

[27] Equivalent to almost 5 million dollars at the exchange rate of the time
[28] See lexicon for additional information on the concepts with an *

time to meet, reflect on their situation, and communicate openly on their ideas. Thus, this crisis completely transformed the content and the purpose of the meetings taking place at Cecosesola. It also helped build a solid organizational identity, as they extensively reflected on who they were as an organization and who they wanted to be in the future.

An additional lesson they learned from that crisis was the danger to rely on subsidies and loans. Indeed, the subsidies could easily become means of blackmail and political control. Regarding the loans, one of the founders of the organization gives a thorough insight on the topic: 'if you want to bring down a communitarian organization, the best way is to give it plenty of money' (G11). Their willingness to entirely self-finance their activities originated from this reflection.

Finally, workers also concluded that collective activities, combined with personal contacts and teamwork, were preferable than isolated work (such as driving buses). Last but not least, they understood that each opportunity to participate is synonym for greater responsibilities.

Fight for the Silos (1994-1997)

The experience of the *silos* demonstrates once more the ability of Cecosesola to deploy important community mobilization. Because of the need for storage and space, the organization decided in 1994 to buy a place called Silos for the extension of one of their *ferias**. As some people were opposed to the transaction, Cecosesola organized several actions during more than four years in order to obtain the *silos*. Among others, the organization collected 36,000 signatures; formed a human chain of 4,000 people; occupied the *silos* facilities; gained support from the State Governor, the President of the Legislative Assembly, and the Mayor of the city; organized an information campaign; visited the Investment Fund in order to put pressure on its direction; and collected 397 million bolívares – equivalent to around 200,000 US dollars at the time – necessary for the purchase of those required facilities. Finally, in 1997, Cecosesola became the owner of the place through direct bidding.

Opposition to new tax provisions (2015-)

The last of the three crises is still currently ongoing in 2015 and results from the recent Venezuelan government vote on new legal provisions for cooperatives, due from the end of

year 2014. As Cecosesola's workers estimated that those taxes would place cooperatives in a disadvantaged financial position compared to other capitalistic enterprises[29], Cecosesola promptly engaged into a campaign against this new legal disposition. The organization wants the Government to recognize the social impact of the self-managed cooperatives sustaining activities with a social welfare purpose. The *cooperativistas** exhort the government to acknowledge their distinctive managerial mode and their benefits for the society, which is the main reason why they ask for a tax exemption.

In an attempt to secure its rights, Cecosesola launched a wide range of initiatives. Among other examples worth mentioning, the workers leveraged their relationships in order to meet with some political leaders; organized a peaceful civil resistance along with cooperatives of the entire country; gathered support from communitarian organizations outside Venezuela; launched an information campaign in the papers, radio, and television; organized a pacific march in the city; organized one *feria* in Caracas; and gathered 200,000 signatures. Finally, fifty *cooperativistas** had a meeting with representatives of the National Assembly on 14th July 2014. Consecutively, the National Assembly named a special commission 'with the scope to find a solution fitting the standpoint of the cooperative movement which is against the new cooperative laws as they disadvantage the cooperatives in front of other profit-oriented enterprises' (A8).

To sum up, Cecosesola has endured (and is still enduring) some severe crises since its creation in 1967. The government, afraid of the organization's ability to rally the crowds, has sometimes voluntarily spoiled its plans via communicational, political or economic barriers. The network also suffered some internal conflicts, with the consequence of destabilizing the group and damaging the organizational relationships with external institutions. However, despite those barriers and tensions, Cecosesola has reached an unexpected economic success and managed to sustain a very high level of participation over time.

In what is reported above, several features linked to their ability to overcome those pressures stand out. Among them, the use of past social struggles to draw lessons from; the solidarity;

---

[29] Cooperatives in Venezuela must provision 1% of their gross income (A6, art. 54) and pay tax provisions of 0.5% in addition the VAT percentage, on their gross income. With the new disposition, they must also pay 34 percent of income tax. Provided that cooperatives do not give salaries to their workers but *anticipos**, which are advances on surpluses and thus are not considered as expenses in the balance sheet, this new disposition indeed places all cooperatives in a disadvantaged position with respect to the classical for-profit enterprises.

the creativity; the capacity of innovation and adaption; the belief in the process; the mechanism of self-assessment and self-reflection; the need to meet and communicate; the building of a solid organizational identity; the preference for self-financing; the ability to work with minimum capital; the necessity to develop collective actions; the importance of personal contacts and team work; and finally the recognition that participation comes hand in hand with greater responsibilities.

The next section brings together the most distinctive elements of the management pattern of Cecosesola. Each of the described structures and mechanisms has an influence on the way the organization is sustaining workplace participation over time.

4.b   The management pattern of Cecosesola

Organizational mission

Cecosesola's mission[30] is at the core of its management pattern. The workers express the desire to co-exist while sharing their goods and having respectful relationships, through a process of ample participation in the workplace, permanent reflection and deep analysis of their daily working experience (A5). The essence of the mission is to find new ways of organizing without any separation, hierarchy, and individual power, through the sharing of knowledge and wealth produced in the organization (A3). In addition, thanks to the development of their network and their presence in the community, workers aspire to produce a cultural change; a transformation by exposing new approaches and practices promoted in Cecosesola, not only with the direct participants but also within the attended population (E3). A long-date worker-member mentions, 'it is an organization which fosters our transformation as individuals and as a society' (M27).

According to the organization, the key to great sustainability hinges on its management style, i.e. the *gestión solidaria**, an approach nurtured by a set of values and a series of practical guidelines. It is a long process of trial and error, in which people must above all learn to cease to be bosses and stop being employees (A1). In Cecosesola's opinion, the decline of a self-managed experience appears when the group freezes 'in the world of the things' (A4) and stops nurturing the internal process of human relationships. The worker-members often recall

---

[30] The mission, as stated in the bylaws, is explained in the lexicon (see *misión* in appendix I).

that their process is not a series of steps to follow, in the sense that it is not a homogeneous method but mostly a constant flux between many interrelated elements with no lineal cause and effect link. It is a process still taking its first steps, without any fixed schedule (A4, A5, G7, G9). 'Very often we say that we are a non-structured self-managed organization, as the organization tends to develop on its own while we are being loyal to its history and its own purpose' (A4). As a matter of fact, the coherence inside the organization is ensured, among others, by establishing the system of *análisis**. This is a collective watchdog process undertaken anytime conflictive situations arise, or when a member is reported not to act in accordance with the *criterios colectivos**. Those criteria, collectively determined, have the purpose of empowering the workers to make individual decisions in their daily work. Decisions, if taken within the framework of the *criterios colectivos*, are said to be consensual.

Despite the inconstant nature of Cecosesola's management pattern, several structures and mechanisms stand out. It can reasonably be assumed that no self-management organizing process could be kept from falling apart without the institution of the following series of elements. Among the dynamics created by Cecosesola are an educative process about skills and knowledge, a climate of reflexivity, a disposition for cooperation, an ambiance of collective learning, and an atmosphere of collective creativity. All these enable the organization to constantly innovate and adapt according to its needs as well as its internal and external constraints. Other features set up by Cecosesola are the non-monetary incentives, the solid organizational identity, the strong identification of the workers and the community to the organization, the climate of mutual monitoring, the formative process about objectives and values, the dynamics of collective discipline, as well as the sense of individual and collective responsibility. This second set of elements guides the individuals taking part in the process towards a strong commitment to the organization, as well as a personal transformation which will ultimately be reflected beyond the work relationships sphere.

Those mechanisms and structures are presented in a diagram in appendix III. In continuity, they will be reviewed and explained separately in order for the reader to get a better understanding of each of them and how they relate to each other.

Educative process

A constant and broad educative process takes place inside the organization. As a long-date worker-member (G10) reports, if the educative proceeding goes well the economic proceeding will thrive, whereas the contrary is most of the time false. Within Cecosesola, knowledge is shared with all workers and member organizations. For example, the producers exchange agricultural techniques, and the different sales units share the procedures they have experimented. Skills and technical abilities circulate, and the organization permanently tries to expand, first and foremost, its knowledge on internal resources. As a worker-member explains, 'what I know, I teach to others, so that there is no dependency' (H1). Another example, a young worker arrived as a first level nurse and learned within the organization to be a surgical nurse (M19).

However, this is not an academic type of education (G7). Rather, the concretization of this educative process passes through teamwork, permanent training, and diverse workshops[31]. To work by teams, or also known as commissions, has the advantage that no one holds power over anyone (E3, G10). Within Cecosesola, education is also fostered by the process of *rotación de tareas**, i.e. job rotation. Moreover, even though everybody is assigned to a main task, they all participate in other activities (G11). The members recognize that job rotation implies some degree of inefficiency, waste of time, and high learning costs (E3). However, they also recall its many advantages. First, rotation means sharing of information, which allows the members to learn, take responsibilities, and be proactive (G5). The aim is to gain a holistic view of the organization (E3, G9) and to valorise each task (A2). It also demystifies specialized work (G2) and brings in flexibility, as everybody becomes replaceable (A2, E3, G11). Moreover, it creates respect for the work of others and prevents the emergence of power around an area of specialization (E3, G2). Rotation also makes the work more diversified and satisfactory (E3). Finally, it is a way to get together (G9), to create relations of equity and trust (E1).

Climate of reflexivity

There are, within Cecosesola, dynamics of permanent questioning, self-reflection, and self-assessment. In parallel, a wide mechanism of constant gatherings and conversations is clearly visible. The *reuniones** taking place at Cecosesola (almost 1,000 a year) enable a permanent

---

[31] For instance healthy cooking workshops, bio-construction workshops, savings workshop, and so on.

and open exchange of information. In addition to those meetings, informal communication is highly encouraged. As a worker explains, 'there are things that you discuss in the meetings and others while sorting out the eggs' (M3). Indeed, to avoid paralyzing the organization, the workers have learned to resolve little issues through informal gatherings and personal talks.

Participation is compulsory as stated in the bylaws[32]. During the meetings, the members often discuss about behaviours or events that may hide power signals or power relationships. Being able to gather and discuss their experience, think about it, and learn from it is an essential aspect of their everyday life. Together, they review the mistakes but also the good things that came out unexpectedly well.

When someone commits a fault, it is not about apologizing, it is about understanding what happened exactly, and what are the reasons behind it. Cecosesola has developed, over the years, a natural process of self-analyses in order to unfreeze and even move the conflicting situations forward (G11). This is being referred to as *análisis**.

Cecosesola promotes the questioning of its dynamic and permanent evaluation in order to develop the ability to bounce back on incidents and to turn any circumstance into an opportunity to learn (E3, G11). The worker-members have established cyclical dynamics of feedback (A5) and cultivate an open mind for criticism. It is everybody's right to give its honest opinion as long as the approach is legitimate and constructive (E3). Moreover, any decision can be subject to reconsideration at any time and by anyone (A5, G9). Workers encourage spontaneous objections and remarks, as they sustain that everybody can make mistakes: they prefer to get back on track as soon as possible rather than run into a wall.

In addition, workers have instituted regular monitoring processes and systematic collection of data. Often, they display performance information[33] and launch a brainstorming session around it. Besides, there is, within Cecosesola, no dogma or permanent rule. There are only *criterios colectivos** which are subject to reconsideration at any moment. Those common criteria are discussed during the meetings and communicated across the organization.

---

[32] Anyone – individual or organization – passive for more than three months, loses his/its function as a member. Passivity means not attending, without a valid excuse, the meetings to which one is committed (B1).
[33] For instance, the percentage of surgeries at the hospital, the total amount of car repairs for the last months, the cost of the food supplies, and so on.

Cooperation

Cecosesola is a wide and connected network, composed by mutually supporting business lines and integrated organizations. Silos do not exist, as everyone should be aware of what is happening in other departments. As stated in the bylaws, it is the responsibility of each business line to inform the other sections on their most important pieces of management information. It is also their duty to participate in meetings of other sections in order to exchange key facts and figures (B1).

The *Escuela Cooperativa** is the department in charge of the coordination of all activities that cannot be handled in any other departments. Over the years, the organization has grown organically through the integration of several communitarian organizations. They have also helped groups self-organize and join the network.

As per the bylaws, 'the decisions, tasks, and activities of whichever nature that we realize as cooperative movement are decisions, tasks and activities of each of the integrated organizations' (A1). Integration means sharing a common objective and destiny, learning from one another, backing up one another, and coordinating activities and efforts (B1). Integration emerges when responsibilities get shared, *criterios colectivos* are built together, communication is effective, trust is cultivated, and when solidarity in production appears (A4).

As a matter of fact, the diverse sections of the network are mutually supporting one another: the mutual benefit between the *ferias* and the producer organizations is an evident example of this success. A long-date worker-member explains, 'we are an organization composed by several small organizations, and we form one single entity, but not in a uniform way as we all have different evolution paces' (G5). Indeed, when some members of the group encounter difficulties, a process of support and solidarity arises. First, a backing during the *análisis* process is set up in order to help the group find the causes of the problem. Then, further exchanges between the group and other groups are carried out. Finally, if necessary and justified, a financial support is arranged (A4).

As for the financial solidarity among the sections and the integrated organizations, several funds have been set up throughout the years. The department of *Apoyo Mutuo** runs some

funds for projects of improvement and expansion of the network activities. The department *Ayuda Mutua** has budgets dedicated to finding solutions in the health area. Support is also provided to individuals that may need it. In the case of a relative requiring urgent hospitalization, for instance, spontaneous human and monetary support is often triggered.

In addition to financial and resource solidarity, the cooperative dynamics happening within Cecosesola also foster the exchange of experiences. On that account, the *vivenciales** are a recent initiative of the organization. A *vivencial* means a week during which around forty participants of the entire organization travel inside the network and share other work realities.

In reality, workers see integration more like a gathering and exchange event than an administrative burden (A2). Cecosesola stimulates the reproduction of its own communitarian experience. Even though they believe that their experience cannot be replicated mechanically (A4), they consider that it important to share the theory that one could extract from the field experience (G9).

Collective learning

All previous paragraphs could be quite simply summarized: Cecosesola has established in its workplace an environment of collective learning. Everything is about learning at work, through exchanges, gatherings, and open communication (E3). As a worker explains, 'we have to unlearn what we learned in order to be able to learn again' (M7). The essence of their education is the ability to learn from their own mistakes, but also from the mistakes made by others. One of the keys of the sustainability of participation in the workplace is the establishment of a procedure of constant experimentation. A member of the network outlines, 'here, we do one step forward and one backward. It is productive as long as the step forward is longer' (M36).

Thanks to collective learning, the bureaucratic procedures are no longer needed. Problems that would have requested in traditional enterprises the creation of complex structures are solved thanks to job rotation, internal-resource knowledge, adequate assessment, effective reflexivity, exchanges of experiences, and solidarity mechanisms (A2).

Collective creativity

Therefore education, reflexivity and cooperation all lead to collective learning, which in turn brings in dynamics of collective creativity. This dynamics enable organizations to find their own management and operational solutions (A2), such as it was the case of the bus transportation service. At the time, Cecosesola organized an assembly with the community and assessed collectively which directions they should take and who the workers should be (G10). It was also the case of the *ferias,* which originated from the need to repay the accumulated debt.

A long-date worker-member explains, 'there is a collective tendency in our society to wait for people to resolve our problems. What is being done within Cecosesola is to enable the community to collectively resolve its problems' (M12). Of course, this process of collective creativity is only possible since each member has access to the necessary information and has acquired multifunctional aptitudes.

Two elements encourage this particular process: incentives for personal initiatives and a decision-making process based on consent. As a worker highlights, it cannot be only about protests. It is expected that workers not only bring in propositions but also take initiatives (A5, G2). Personal initiatives are also a way to ensure that meetings do not replace managers (A5). Based on *criterios colectivos*, the workers must make their own decisions. A worker evokes, 'Cecosesola allows you to develop individually inside a communitarian and collective circle' (M8).

The decision-making process within Cecosesola is based on *consenso**, meaning that one single person can make a decision as long as it is in line with the *criterios colectivos* shared by the organization at that moment. Workers that do not take initiatives, or do not make decisions when needed, trigger questions and doubts (G9). When an individual takes a decision and another member disagrees with it, a collective discussion is conducted in order to find another solution that satisfies everyone. Consent is, according to the organization, the best system as a vote would create division. As a worker says, what truly matters is the path taken to reach the collective agreement, not the agreement per se or the long hours of discussion (G2).

Permanent organizational transformation

Kliksberg (C1) argues that Cecosesola is an *organization that learns*, or an *intelligent organization.* The network has a flexible organization mode and is able to absorb and share crucial information – which all in all enables quickly detection and correction of errors. The members argue, 'we are neither vertical, nor horizontal, we are an ever changing organization' (A3); 'it is a permanent transformation, starting from what we are today' (G9); 'our whole organization is constantly moving and changing' (G3); 'the process could flourish without establishing limits, without a previous design or a final goal to be reached' (A5); 'a process where we are constantly reinventing the organization' (A3); 'we hope that this process will have no end. We hope that, within ten years, we will be laughing of the way we are doing things today, as today we are laughing of the way we were doing things ten years ago' (H3).

Each perturbation in the environment or inside the organization brings in the need for new ways of organizing and restored coherence (A4). A sign of this transformation is the fact that 200 out of the 529[34] workers of the *Feria* have been there for less than two years. A worker-member reports that if someone goes on holiday for a few weeks, when (s)he comes back the organization is completely transformed (M8).

This flexibility confers a temporary nature to all departments, as commissions are immediately dissolved and specific meetings are abandoned once they stop being useful (E3). The only formal structure of Cecosesola that never changes is the existence of regular meetings. However, neither their content nor their dynamics are always the same. In fact, the result of the collective learning process is an extreme flexibility, a strong adaptation capability, and an ability to constantly innovate. These are crucial factors as the organization is evolving in a competitive economic environment and an unstable political display (E3). However, as a worker outlines, 'in the flexibility, there is also manipulation and power. Thus, we must find an intermediate way. And we find it through permanent conversation' (M13). Hence, personal initiatives and experimentation must always be coupled with questioning and monitoring.

---

[34] The business unit *Producción y Abastecimiento** had 529 worker-members at the date of 30th June 2014 (B3).

Non-monetary incentives

It is clearly worth mentioning that the organization is self-financing, operates with minimum capital (A2, E3), purposely aims at a maximum one percent of net surplus (G11), runs very low margins (see *precio justo**), and reinvests all its profits. In the case of the *feria*, the workers report the lack of economic resources as a stimulus to improve the productivity, to come up with innovative solutions, and to find their own revenues. It has also been the key for the development of solidarity and of the participatory process as a whole (A2) as it has forced them to work with maximal sobriety and transparency (E3).

Despite this shortage of resources, the organization has always relied on several non-monetary incentives in order, among others, to motivate its workforce. For example, participating to a project based on a set of values; being part of a democratic process and working in a non-authoritarian environment; having access to workshops and training programs; constantly enhancing one's knowledge; disposing of credit opportunities (see *Caja de Ahorro**); benefitting of health coverage (see *Ayuda Mutua**); participating in leisure and holiday activities; travelling outside of Barquisimeto, and sometimes outside of Venezuela…

Cecosesola's identity

'*Feria* is something else. *Feria* has its own face, its own temper. It is a way to humanize relationships' says a long-term member of the organization (M18). Several factors influence the development of Cecosesola's strong identity.

First, the organization has its own language. *Grupismo*, faltantes*, nivelar*, precisar*...* is the very specific vocabulary of Cecosesola. Sometimes those words have been invented, sometimes they exist but they do not have the same meaning outside of the organization. Then, the organization speaks with a single and uniform voice. The bylaws explicitly mention that any of the actions and decisions coming from any of the integrated organizations are the actions and decisions of all of them (B1). As a matter of fact, the worker-members most often express themselves in 'we'.

The *criterios colectivos* also contribute to shaping the organizational identity. As all decisions have to correspond to the criteria, they shape the entire organization. However, the criteria

change, as does the organization. Therefore, their organizational identity metamorphoses all the time (A4).

In addition, Cecosesola has developed a strong enterprise culture over the years. The past social struggles – the bus transportation experience for instance, or the fight for the *silos* – contribute to the construction of this culture. Freitez (D3) defines the organizational culture of Cecosesola as follows, 'it aims at promoting and favouring participation; self-responsibility; transparency; criticism and self-criticism; social, group, and self-commitment' (pp. 112-113). According to him, such culture penetrates the daily existence of people, which is one of the success factors of the organization. For one of the long-date worker-members, their culture relies in the fundamental educative process of building relationships of trust, transparency, respect and responsibility. This culture is constantly pointed up, and the organization has set up a course, *integración de los nuevos**, aimed at newcomers in order to explain them, among others, the enterprise culture and its overall process. Finally, the organization mentions the importance of such an identity in the process of building trust and fostering communication (A3).

Identification

Thanks to its non-monetary incentives, its social focus, and its solid organizational identity, Cecosesola has managed to establish a strong sense of belonging. The worker-members and the overall community believe in the process, and they identify themselves with it. 'People come here because we are different' (M18).

The worker-members report fewer thefts in *ferias* than in supermarkets (M9). In addition, the behaviour of the customers at the *feria* seems different than the one within traditional markets (D2), as they rather show willing to help and cooperate (E3, D2). For instance, the community makes an important financial contribution to Cecosesola's projects – the building of a hospital, the purchase of a mammography device, etc. – thanks to the piggy banks displayed next to the checkouts. In fact, the sense of belonging felt by the community and the workers are a strong stimulus for productivity (C1).

In addition to identification, belonging and belief in the process, the members also show a clear organizational lucidity. The community is very conscious of how Cecosesola has been

transforming the dynamism and the living conditions of its neighbourhood (G3). Moreover, the worker-members have a clear view of their objectives and the reasons surrounding them (E1, D2). On that account, job rotations as well as the constant exchange of information and experiences highly contribute to this clear-sightedness.

Climate of mutual monitoring

One of the most important mechanisms set up by Cecosesola is the climate of mutual monitoring which clearly appears necessary due to the absence of formal hierarchy, and can be visible through the cultivation of equity, mutual respect, transparency and trust. One of the former president of the organization reports that, at the time, they thought 'we are going to get rid of hierarchies. And simply, we are going to try to come to agreements. We are going to integrate ourselves' (G10). This is the essence of the *criterios colectivos*.

In that perspective, an important collective agreement concerns the *anticipo societario** and the bonuses. The participants clarify that what matters is not the same salary for all, but rather the fact that the redistribution of income has been collectively determined (E3). Other participants explain, 'it is not true that we do not have hierarchy' (M11); 'it is because we share the hierarchy, we blur it' (M17); 'sometimes some people take more responsibility than others. But this does not make them bosses, because they do not have any power to give orders' (N1).

The first enabler of mutual monitoring, equity (*equidad**), is not to be confused with equality. Some workers say, 'equality would trigger a situation where nobody could make a decision before first taking it to a meeting' (A3). In fact, equity is, for them, more a concept than a concrete item. Equity means that everybody shares everything; e.g. old people sit with young people and competition is absent. A worker says, 'it is a new way to connect, without competing with each other' (M4). Indeed, some workers refuse to tell how long they have been in the organization, as they want to avoid creating a power relationship.

The second aspect that facilitates equity is mutual respect. A long-date worker-member explains, 'there is the deep feeling, not of tolerance, but of respect towards each other when living all together' (G9). Respect means understanding the others from their perspective and their life experience (E3). As a matter of fact, one of the most inviolable common criteria is

that no one talks of politics or of religion, except for commenting news events. A worker justifies, 'we do not let these things get in the way of the organization. If we were caught up in politics and religion, it would create divisions and we would fall apart' (G3). In addition, the members try to create consciousness of the richness of each and the complementarities of everyone's differences.

Finally, transparency and trust also facilitate mutual monitoring. An example of transparency is the fact that workers display accounting results or operational data on large sheets of paper and hang them on the walls for days and weeks. Everybody can read them if they wish to, even the patients at the hospital. As there is a sincere confidence in the system, the costs traditionally associated with the lack of trust are generally absent (C1), such as supervision and control costs.

Nevertheless, it is obviously acknowledged that sometimes controls are necessary, as for example with new groups integrating the network, or simply because they help make appropriate decisions. In order to be efficient, controls should stay marginal and be used as a simple tool (A3). In the *ferias*, there is no camera to look after thieves. In the accounting department, many workers do not have a diploma. Even though attempted frauds are frequently detected, Cecosesola refuses to use control devices that could create separation and lead to mistrustful relationships.

The cooperative wants to promote a high degree of freedom (A5) and has set up a mechanism of collective monitoring (C1). It means that the workers should always let their work clean and tidy, so that another colleague can come and inspect it. Controls have been replaced by information sharing, which allows quick detection of individual frauds and organizational blockages (E3). The workers collectively watch out any aspect of the organization (A2). 'And from the confidence emerges, we say, a collective strength. This is the main reason why we are able to move mountains' (a long-date worker-member, quoted in G9).

One last sign of trust is the relative independence of the several business lines. Each sector and organization manages its own activities and administrative paperwork (A5, H1). However, 'the autonomy, when misunderstood, separates and divides' (E1). Thus, the workers recall that each business line should be as transparent and open as possible as they are all part of one same group (A2).

Last but not least, the workers understand thoroughly the concept of collective ownership. As one of them says, 'it must hurt you if something is wrong, dirty, or broken, because all of this is yours' (M9). They also assert that 'the organization belongs to the workers, but also to the community, i.e. to the people who come to shop at the *Feria*' (M18).

Formative process

In order for the worker-members to effectively monitor one another, each of them has to have a clear organizational comprehension. This passes through a formative process about values, objectives, history, identity, and cooperative culture. 'The educative process requires each one of us to be coherent' (M30). Indeed, if acts and words are inconsistent, a worker may very likely lose credibility in front of his fellow colleagues. As Cecosesola encourages, the contradictions between the ideals that they prone and the way they truly behave must always be a motive for reflection.

Their entire process relies on the connection between the attitude and the central values of the organization. The latter are, as stated in the bylaws (B1), respect, solidarity, equity, criticism, responsibility, commitment, communication, transparency, and honesty. Everybody within Cecosesola is expected to act accordingly to this code of behaviour (E3). A long date worker-member reports the importance of inspiration by example. He recalls that bad behaviours spread very easily (M26). As a matter of fact, Cecosesola is a community that cares for its values and human relations above all (G11). As explained by a member of an *UPC**, even recruitment is partly based on these values (M39).

In addition, everybody in the organization must be aware of the objective and the mission of the organization. In fact, workers often collectively reflect about their true identity, their wishes for the future and the action plans they are currently undertaking, which facilitates the coherence between their ideals and their collective actions. Cecosesola 'finds order by being true to its organizational history and purpose' (A5). Thus, the organization often communicates about its history – to the newcomers, to its worker-members, and to the outside world. They also promote the cooperative culture, as stated in the bylaws, and 'explain its fundamental principles to the people, organization, and institutions who would request such a piece of information' (B1).

Collective discipline

The aim of the formative process is to lead to a collective discipline inside the organization. This way, collective actions take place in a self-sufficient fashion. Within Cecosesola, it is commonly agreed that no one is allowed to give orders. In the *ferias*, the system is based on the task diversification: when a precise need emerges, for example in case of sudden insufficient cashiers, another worker will spontaneously give a hand on the task. However, as a worker recalls, 'the lack of hierarchy entails a power gap. Thus, it appears crucial to take care of this gap with collective discipline. And as there is no bosses, we, all of us, have to be the guardians of this discipline' (M22).

The discipline is, according to the bylaws, the observation of personal and collective decisions being made. It is in line with the overcoming of the personal and collective mistakes (B1). Moreover, it can also be described as 'a discipline based on the common criteria that we collectively construct, and which materializes in a flexible and changing game plan according to the needs of the organization and the evolution of the process' (A3). Thus, the discipline within Cecosesola, instead of stemming from the hierarchy, arises from the very same workers (A3).

Responsibility

This collective discipline naturally leads to a strong sense of responsibility. The participants are completely responsible, in any case, of the decisions in which they take part (B1) – including economic costs, e.g. the *faltantes**. Responsibility and accountability are central management aspects within Cecosesola. The feeling of individual and collective duty reaches its maximum in order to fill in the hierarchic void. In addition, the more the individuals act in a responsible manner, the less the mutual monitoring process is necessary.

Within the organization, when a fault is committed the workers take a significant amount of time to reflect on the reasons, the root causes and the role they played. The workers also take responsibility on all ongoing processes that are taking place in the rest of the organization (A4). This aspect is crucial as people sometimes think that participation means asking, as it was the case with the bus transportation troubles. They do not foresee the other side of the coin; the fact that along the participation also come responsibilities (A3, G11), and that with

responsibility comes strict requirements. Even when recommending someone for a job in the organization, it is clearly implied that the worker-member is held responsible for this person for several months and even years (see *recomendación**). However, it is tremendously important to point out that responsibility differs from guilt, as it is understood as a part of an accountability in all undertaken actions, whether productive or not.

Personal transformation

Finally, 'sharing responsibilities has become an important tool to facilitate the emergence of renewed relationships, thus supporting our personal transformation' (A3). Within Cecosesola, everything is about fulfilling its commitments. Making a decision implies a commitment in the sense that there is a need to be responsible of all actions. Taking an initiative always means pursuing it to the very end. Above and beyond, the commitment to the organization is clearly pointed up in the way that workers perceive their task as being part of a far more important experience. One of them reports, 'it is not a job, it is an educative process' (M19). People within Cecosesola experience high motivation; they feel useful, which lead them to responsible participation (E1). 'The job stops being a job, the salary stops being a salary, and it not only results in an economic productivity, but also a productivity which gets another content' (A4). As they put it themselves, they produce goods, but also relationships (H2).

4.c   Conclusion

To sum up, the management pattern of Cecosesola is based on both organizational and personal transformations, which in turn should lead – in line with the mission – to a cultural transformation.

The first main point of their process is a constant and broad educative process, which is about sharing knowledge, workshops, teamwork, and job rotation. Then, there is a climate of reflexivity with permanent questioning and assessment as well as mechanisms – formal and informal – for gatherings and conversations. Moreover, there are no permanent rules, only collectively determined criteria – subject to change – so that any kind of individual decisions can be made at any moment. Next, there is the wide and connected network, and the mutually supporting business lines, leading to integration, solidarity, and cooperation. Therefore, education, reflexivity, and cooperation contribute to collective learning. This learning, in turn, brings in collective creativity, thanks to which the organization is able to find its own

management and operational solutions. It also enables the community to solve its own problems. To facilitate this creativity, personal initiatives – always in line with the common criteria – are fostered. Therefore, Cecosesola can be described as an *intelligent organization*, or an *organization that learns*. One of the keys to sustainability is its permanent transformation: flexibility, adaptability, and innovativeness.

Contemporaneously, because of the many non-monetary incentives and the solid organizational identity, people identify themselves with the organization. They have developed a strong feeling of belonging, whether in the organization per se or in the process in particular, showing therefore a clear understanding of the reasons behind any decisions. In parallel, a climate of mutual monitoring is promoted through an atmosphere of equity, mutual respect, transparency and trust. However, in order for the workers to effectively monitor one another, each of them has to have a clear organizational comprehension, which involves a formative process about values, objectives, history, identity, and cooperative culture. The aim of the formative process is to point the way to a collective discipline, which would fill in the power gap due to the lack of formal hierarchy. This discipline is based on the respect of the collective criteria, the examination of all decisions made, and the surveillance of the coherence between principles and actions. Moreover, this collective discipline naturally leads to a strong sense of individual and collective responsibility. Fulfilling its commitments – regarding decisions, initiatives, and behaviours – is requested. The work at Cecosesola is more than a job; people see it as a way to create renewed relationships. As stated by the bylaws, the mission of Cecosesola is to produce a cultural change in the community thanks to their specific work management pattern.

As last remarks, all those mechanisms are interconnected as they need one another in order to sustain participation via an emulative effect. Then, it is also worth mentioning that it cannot be implemented by decree (A5), as it is a process where 'the path is made by walking' (A2). Finally, the relationship with the outside environment has not been explicitly emphasized in this section. However, it can be argued that Cecosesola has developed several defence mechanisms in case of threatening pressures: a true capacity of innovation and flexibility; a dynamics of adaptation to minor external changes; as well as a strong belief in the process, a deep motivation, a general commitment towards the cooperative, and a strong understanding of the process, which all together lead to a wide mobilization capacity.

The next chapter presents a model for sustainable workplace participation based on the findings on the management pattern of Cecosesola as well as on a careful study of the literature on workplace democracy and participatory practices.

Chapter 5   Discussion and Conclusion

5.a   <u>Cecosesola in light of the theory</u>

The reader is now able to capture the dual concept of employee participation, i.e. a combination of return rights and control rights (Ben-Ner & Jones, 1995) in the operational pattern of Cecosesola. Return rights are materialised in particular through the *anticipos societarios**, and control rights in the permanent blurring of the hierarchy along with mutual monitoring. Workers are involved at the highest degree of participation (Defourny, Estrin & Jones, 1985), as they fill in the three following conditions: they participate in the profit of the organization, show personal commitment and are highly involved in the decision making process.

In addition, as the ambition of the organization is to pursue its social quest (i.e. a social transformation of the community in which the organization is embedded) and all activities are focused toward the realization of this purpose, the social mission clearly takes precedence over the rest and therefore Cecosesola can be qualified as mission centric (Miller & Wesley, 2010). The organization corresponds closely to Mintzberg's missionary configuration (1983, 1989, 1991) in the particular way that it puts its mission above all, shows a very low labour division (horizontal as well as vertical), strongly relies on ideology, promotes standardization of norms and values, and fosters informal communication.

Moreover, the organization has developed mechanisms that can be associated with the cooperation approach in response to the menace of degeneration (Gand & Béjean, 2013). Inspired by the integration pattern from Follett (1924), this solution suggests that conflicting points of view are brought face to face and a solution that satisfies both parties is found through confrontation of information on the issue. In fact, Cecosesola seeks integration both internally through its collective learning process (including permanent gathering and conversation, sharing of knowledge and exchange of experiences) and externally (as exemplified by their reaction regarding the new tax dispositions: trying to open the dialogue with the authorities and explain why that measure would be dramatic for cooperatives, and trying to reach mutual understanding and a common ground for agreement).

However, in the course of its life Cecosesola has faced paradoxical institutional demands (Pache & Santos, 2010), for instance when it was denied the transportation subsidy and was told by the Superintendence of Consumer Protection to raise its tariffs. In this case, complying to the external demand was not possible, as by increasing their prices they would have failed their cooperative purpose of providing a cheap service for the people. By satisfying the demand they would have violated their own purpose, and thus potentially jeopardized their organizational legitimacy (Pache & Santos, 2010).

As Varman & Chakrabarti (2004) underline, contradictions with the context are most of the time inevitable, often revealing themselves inside the organization. This is best exemplified by the contradictory forces pressurizing the organization, among which the objective to establish a collectively owned and managed bus transportation services opposed to the pressures of raising the prices and conforming to the traditional operating mode of transportation private companies. Other opposed dimensions include damaging internal conflicts between the partisans supporting a fully democratic management pattern and their opponents in quest of power and personal benefit.

In order to resolve such paradoxes, Cecosesola has set up a dynamics of gatherings, conversation and reflexivity. Over the years, the organization has learnt to resolve its workplace participation paradoxes by reframing them, in other words they have looked at the tensions and problems through a new perspective and have used them to learn and to achieve constructive organizational change (Stohl & Cheney, 2001). Cecosesola always tries to transform incidents into opportunities and fosters innovation and adaptation. This is closely linked to the approach of learning paradoxes, which appear when the systems transform and innovate, and involve 'building upon, as well as destroying, the past to create the future' (Smith & Lewis, 2011, p. 383).

As a social enterprise and as a hybrid organization – namely organizations that combine different organizational forms (Battilana & Lee, 2014) and goals (Doherty et al., 2014) –, Cecosesola triggers creativity. An example of this is the start of the *feria* system in 1983, which was conceived in order to repay the huge amount of debts accumulated with the transportation crisis. Since that moment, the organization has been ensuring that it meets on its own the totality of its capital needs, for instance by working with minimum capital,

achieving maximal efficacy in their operational mode and totally self-financing their activities.

To summarize, this study has highlighted so far several structures and mechanisms that Cecosesola has set up throughout its 47 years of operation in order to prevent degeneration, i.e. the domination of economic concerns over social and participatory goals, or the economic failure of the organization. This study has also showed how those mechanisms are connected to one another and interdependent. In the next section, the focus moves away from Cecosesola and describes more general aspects of those structures and mechanisms necessary to sustain over time a process of workplace participation.

5.b Structures and mechanisms

A diagram outlining the main points of the enrichment of the findings with the literature is displayed in appendix IV.

Educative process about technical abilities

DiMaggio & Powell (1983) establish that the more a sphere of activity is specialized, the more the organizations undergo institutional isomorphic changes, meaning that they strategically copy the organizing patterns of entities that they perceive as more successful or more legitimate in the field. Accordingly, the findings have highlighted the importance of a constant educative process with the aim of achieving universal competencies, concretized through teamwork, permanent training, workshops and job rotation. In addition, workforce diversity and occupational differentiation lead to competing normative pressures inside organizations (Pache & Santos, 2010). Therefore, as hybrids combine institutional logics in an unprecedented way (Battilana & Dorado, 2010), work roles in alternative organizations should be kept as general as possible, and specialized work should be demystified.

Rothschild-Whitt (1979) explains that the elimination of the labour division (both manual and intellectual) may be achieved in three ways: task sharing or teamwork, job rotation, and internal education of members. The first two techniques make use of internal-resource knowledge whereas the latter refers to the diffusion of specialized knowledge, according to the Lifelong Learning Programme (2007), both through technical-professional training courses (formal learning) as well as courses, seminars, and workshops about specific technical

and institutional knowledge, such as services of accounting and legal issues (non formal learning).

As a concrete example of educative process, the Mondragon Group, a well-known laboratory for studies on workplace democracy, mainly because of its magnitude and age (Webb & Cheney, 2014), includes Alecoop, an organization enabling part-time working and part-time learning (Latinne, 2014). On the contrary, the socialist self-management experience during the 1950s in Yugoslavia, which took place after a period run by a highly centralized economy and State and was supervised by the Communist Party, never managed to arrange the problem of the division of labour. This, coupled with other factors, led to the failure of the experiment (Ferreira, 2014).

Climate of reflexivity

Several scholars assimilate alternative organizations with places of never-resolved contestation between democratic and oligarchic forces (Estrin & Jones, 1992; Hernandez, 2006; Storey et al., 2014). Therefore, permanent self-reflection and self-assessment appear necessary in order to regulate this paradox and balance both influences, as evidenced in the findings section. In addition, as alternative organizations evolve in largely non-democratic contexts (Varman & Chakrabarti, 2004), questioning and constant analysis are crucial in order to avoid mimetic processes inciting the imitation of enterprises considered more successful or legitimate in the sector (DiMaggio & Powell, 1983).

This aspect of collective self-reflection and perpetual questioning, also highlighted by Meira (2014) and Verhoeven & Wustefeld (2014), materialises through attitudes of inquisition, interrogation, critical thinking, avoidance of preconceptions, recognition of own limits and search for in-depth analysis (Bernstein, 1976). This affirmation is consistent with the process of self-analysis established by Cecosesola in order to unfreeze conflicting situations. In addition, Stohl & Cheney (2001) show the importance of voicing opposition and discussion of serious concerns. Therefore, a self-critic safeguard policy should be established by allowing spontaneous constructive and motivated criticism in order to prevent disconnections between principles and practices (Heras-Saizarbitoria, 2014), as well as by regular examination of performances (Cornforth, 1995). Hence, based on Cecosesola's model, enough time and places for gatherings and conversation should always be provided.

In fact, as democratic organizations also face tensions between contradictory goals (Hernandez, 2006), Battilana et al. (2014) recommend the organisation of spaces of negotiation for discussion, with the attribution of social and economic responsibilities to separate teams and the coordination of the trade-offs between commercial and social activities. Those spaces, aiming at resolving the structural tensions emerging from the members whose interests are in competition require two conditions for effective functioning: the common understanding of the primary goals of the organization and the recognition of mutual interdependencies. They also need deep socialization processes and adequate internal communication. The maintenance of those spaces of negotiation, even though being resource consuming, is necessary for achieving a sustainable balance between economic and social goals.

Accordingly, Sainsaulieu (1987) justifies the need for meeting structures based on the fact that collective projects require the transformation of collective vision through sustainable confrontations on subsidiary organizational goals. However, as highlighted in the findings, the primary goal of the meetings is to allow intense communication, constant flow of information and regular feedback. Accordingly, Bernstein (1976) and Hernandez (2006) stress that a primordial condition for effective participation is employee access to information and proper circulation of data. Those who do not have access to managerial-level information will not be able to make accurate decisions (Verhoeven & Wustefeld, 2014). In addition, the workers must be capable of manipulating this information. This puts forward the previously discussed need for specific training (Bernstein, 1976).

An open information network must be promoted through formal and informal structures, in order for everybody to feel concerned by the organizational issues, as it is the case within Cecosesola. On that account, Ferreira (2014) underlines that the Yugoslav self-management experience has been disappointing notably due to a very low level of coordination of the information system.

Subsequently, deep self-assessment brings the possibility of reframing the paradoxes (Stohl & Cheney, 2001) and turning the incidents into opportunities for learning, as explained in the previous section.

Finally, Hernandez (2006) establish that apathy and absenteeism conduct to a decline of democracy. Therefore, as within Cecosesola, participation should be mandatory. However, Bernstein (1976) and Varman & Chakrabarti (2004) underline the issue of overemphasis on participation, which may occur if too many minor details are debated and leads to organizational inefficiencies. In order to avoid blockages due to over participation, they propose to establish work standards. Those common criteria, as within Cecosesola, replace the permanent and fixed rules traditionally encountered in bureaucracies.

Integration and cooperation

A barrier to participation clearly appears to be the size of the membership, since organizing discussion processes becomes increasingly challenging and costly as the size of the membership increases (Battilana et al., 2014). However, Webb & Cheney (2014) point up that cooperatives face pressures to grow in dimension in order to achieve a competitive size and rival traditional investor-owned firms, as it has been the case for the Mondragon Co-operative Corporation. They advance that one of the solutions to achieve such competitive size is the formation of a network, like in the Trento Region and in Emilia Romagna in Italy.

Indeed, co-operatives are more able to defend their interests when organized in federations (Simmons & Birchall, 2007) and therefore dispose of secondary support organizations plus inter-trading possibilities, which allows them to deal effectively with adverse markets and other resulting issues (Cornforth, 1988). Johnson & Whyte (1977) report that the founders of the Mondragon Group believe that a true cooperative spirit could be maintained only within small organizations, therefore as soon as a branch of the group develops a production line that could be separated from the main enterprise, it is detached. The construction of a wide and connected network of integrated organizations is also the strategy adopted by Cecosesola to maintain effective participatory dynamics.

In addition, Cornforth (1988) reports that the Mondragon Group achieves economies of scale through joint ventures and central services. As a matter of fact, such integration of alternative organizations can for example materialise in mutually supporting services such as banks, manufacturing departments, education facilities (Johnson & Whyte, 1977) and empower the organizations through coordination of activities and mutually reinforcing action plans

(Cornforth, 1988; Kania & Kramer, 2011), as it also appeared in the study of Cecosesola functioning.

In addition, organic growth, through sharing of ideas and encouragements for replication, appears to be an effective solution to avoid problems linked with the increase of the membership in participatory organizations (Doherty et al., 2014). Moreover, the study of Cecosesola has indicated that networks and federations should be open to the outside world and willing to share ideas with other self-management experiences.

Hence, larger networks present better survival parameters (Baum & Oliver, 1991) and enhanced ability to gain resources – both tangible (i.e. information, money…) and intangible (i.e. authority, emotional support…). However, as Latinne (2014) points out with the case of Mondragon, the growth of the network may slowly transform direct democracy into indirect democracy. Therefore with large networks, a clear focus should always be on avoiding the creation of silos and the isolation of business lines. In order to do so, the network can promote exchanges of experiences or worker swaps between the diverse organizations, as Cecosesola does.

Depending on the time and context, the needs of members and the types of resources sought through networking will change (Simmons & Birchall, 2007). Still, financial and resource solidarity as well as the creation of collective funds appear to be one significant motive for the creation of networks or federations. Indeed, one of the key features of the Mondragon organisation is their *Caja Laboral*, founded in 1959 to financially support the Group (Cornforth, 1988; Latinne, 2014). For instance, the fund covers the first two years of the new members' deficits (Johnson & Whyte, 1977). In addition, the Group also created health insurance services (Latinne, 2014). Such initiatives coincide with the collective funds created by Cecosesola.

In addition, Webb & Cheney (2014) mention the existence of solidarity cooperatives, which are developed around interdependent members playing different roles but sharing through the organization common interests and goals. As a matter of fact, the analysis of Cecosesola has shown that integration means sharing – between different actors – a common objective and destiny, learning from one another, coordinating efforts and showing mutual support.

Nevertheless, Prades (2005) suggests the importance that mutual aid is not transformed into dependency.

Collective learning

As evidenced by the findings, alternative organizations should organize structures promoting constant experimentation and collective learning, in the sense that it is vital to learn from your own mistakes but also from the others'. Indeed, Cecosesola has sustained a participatory dynamic through learning at work. The disposition for collective learning is materialised via constant exchanges, gatherings and communication. Verhoeven & Wustefeld (2014) insist on the importance of collective learning, also referred to as experimentation, which goes hand in hand with participation. As a matter of fact, Simmons & Birchall (2007) explain that the purpose of networks can be relational (aiming at establishing sustainable relationships with other organizations) or narrative (the ambition of sharing common roots, world-views, ideas, remembered stories, and expected futures). This last option is driven by the development of collective meaning as a guide for collective capability, and collective learning as a driver for performance.

Collective creativity

As a matter of fact, the findings have revealed that alternative organizations should give their workers access to the necessary information, as well as incite them to acquire multifunctional aptitudes and take personal initiatives, in order to enable them to find their own management and operational solutions when dealing with recurrent problems. Accordingly, Buck & Endenburg (2010) propose a management model called dynamic governance, or sociocracy, which enables organizations to manage themselves in organic wholes. The technique can be implemented in any organizational structure and gives voice to each sub-part of the enterprise within the management of the enterprise. It promotes creativity and collective resolution of problems while engaging and using the energy and the creativity of every member throughout the organization.

The sociocracy dynamics relies on several governing principles, among which consent and circles. Consent – in other words when there is no argued objection to a suggested decision – facilitates collective creativity, as presented in the findings. Consent is also different from

consensus, since with the latter broad agreement or giving permission must be reached; with consent there is no agreement, simply no reasoned objection (Joyce, 2011). The findings have shown that voting has to be avoided as it creates division inside the organization. In addition, the principle of circle meeting eliminates the possibility of ignoring (Buck & Endenburg, 2010). On that account, Stohl & Cheney (2001) mention that neglect or determined ignorance as employees' answers to workplace participation paradoxes is the most disruptive organizational response to such tensions.

As a matter of fact, incentives for personal initiatives also facilitate collective creativity, as evidenced in the findings. Personal initiatives help ensure that meetings do not replace managers, since workers make individual decisions based on the work standards collectively established. Finally, Battilana et al. (2014) confirm that the establishment of spaces of negotiation encourages collective resolution of problems.

Permanent organizational transformation

Sainsaulieu (1987) remarks that it is illusory to rely on a pyramidal organizational chart if what the enterprise is looking for is organizational imagination, namely creative involvement of its members. In fact, alternative organizations are locus for creativity (Battilana & Lee, 2014), thus they trigger innovation and constant reinvention. As the findings have demonstrated, participatory organizations are intelligent organizations (Kliksberg, 2001). Accordingly, Buck & Endenburg (2010) mention that sociocracy, as a model of self-management governance practices, speeds adaptation and change. Indeed, the processes known by social enterprises are flexible and adaptable, as they do not follow ideal types and therefore are not pre-designed from the beginning (Meira, 2014; Varman & Chakrabarti, 2004).

However, Thévenet (1993) supports that adaptation alone is not enough: what should be sought is personal investment, i.e. initiatives, dedication and commitment in order to ensure collective efficiency; this matter was distinctly highlighted in the findings. As a matter of fact, participatory organizations should be able to absorb information and share it in order to provide quick responses to detections of management failures. In fact, each perturbation inside or outside the environment brings in the need for new ways of organizing, which implies that all business lines must have a temporary nature and that the coherence must

permanently be restored. In order to do so and to avoid the formation of power due to high flexibility it is recommended to organize permanent monitoring and questioning during meetings. Finally, as highlighted by the findings, regular meetings should be the only totally permanent structure of a self-managed organization.

Organizational identity

Battilana & Lee (2014) point out that hybrids may face identity conflicts. Those are struggles on central features that define the organization's self-image in the eyes of the members, such as key values, practices, labels, products, services, etc. (Gioia et al., 2013). Therefore, a clear and consistent organizational identity is necessary to unify and orientate workers towards collective actions (Smith, Gonin & Besharov, 2013) and is a vital element for the organization viability (Gioia et al., 2013). The case of Cecosesola also confirms that a strong identity supports the development of trust and effective communication inside the organization.

The literature identifies three internal resources that organizations can leverage to build an identity: the beliefs and values of the leaders and founders, the past experience of the members, and the organizational narratives (Gioia, Patvardhan, Hamilton, & Corley, 2013).

The first resource will be discussed in the next section through the notion of social imprinting. The second resource concerns historical memory and past social struggles, as resistance and activism support effective participation (Bernstein, 1976; Hernandez, 2006). Strikes, plant occupations, militant actions, and effective staff representation promote other power relationships as well as other possibilities for dialogue and information sharing. Social struggle is a relational experience, which triggers renewed social relationships, norms and values (Sainsaulieu, 1987); it connects people through relations of reciprocity (Exner et al., 2013).

The third resource for identity construction is the way the organization narrates those stories as well as the common vocabulary they develop. In fact, a major difficulty for democratic enterprises concerns the modalities to integrate and retain their members. On that account, Verhoeven & Wustefeld (2014) observe that participatory structures often implement integration methods aimed at new members, in which they convey and explain in details the norms, values and history of the collective. Battilana & Dorado (2010) also support that an

integration approach, i.e. hiring policies (defining the membership conditions) along with socialization policies, contributes to maintaining a sustainable identity. As a matter of fact, the development of a collective identity relies on the emergence of a patrimony of reference, or mental schemes, which enables the confluence of a multitude of actors towards a common vision (Sainsaulieu, 1987).

Therefore, in order to survive and balance contradictory logics and institutional demands, hybrids must generate and convey a common organizational identity, which prevents the formation of subgroup identities inside the enterprise (Battilana & Dorado, 2010).

Ben-Ner & Jones (1995) comment that an emulative behaviour is likely to appear with the establishment of work standards, along with methods to be implemented and the mechanisms to enforce them, which reduce the free-ridership issues. Those standards of production, communication, control and decision-making, coupled with a willingness to undertake collective projects, knowledge of common history, and a feeling of belonging to the same human society, generate a common enterprise culture (Sainsaulieu, 1987).

The culture as an approach of the organization is defined as follows: a set of references shared among the organization and built along its history as answers to the problems encountered by the enterprise. An organization is not only a sum of individuals; it is an entity in its own rights. Therefore, its culture is a significant resource to use in case of complications, which controls and unifies individual behaviours towards the accomplishment of a common goal by giving members mental representations that are at the source of their behaviours. The enterprise culture is a social process in constant development as it results from the interactions between the organization and its environment (Thévenet, 1993). Finally, the enterprise culture fosters the development of an internal process of creativity, based on the recognition of the differences and the emergence of new identities (Sainsaulieu, 1987).

As a conclusion, identity has a major role in establishing the organization legitimacy (Smith, Gonin, & Besharov, 2013), which is the major purpose of organizations (Oliver, 1991) and appears critical for its survival – especially the new ones (Gioia et al., 2013). On that account, Doherty et al. (2014) recommend that hybrids reinforce their double identities through what they call an impression management, i.e. the formation of different marketing communications matching the divergent expectations of the stakeholders. Therefore, the

social mission constitutes an essential resource for the organization in order to achieve legitimacy, which in turn can be leveraged with internal and external stakeholders.

Social imprinting

Goal dissonance can lead to conflicts over roles and identity inside the organization (Golden-Biddle & Rao, 1997) as the mission reflects the identity of the organization (Miller & Wesley, 2010). Therefore social imprinting, i.e. the founders early emphasis in the execution of the social mission, is an essential element for hybrids because it prevents goal displacement (Battilana et al., 2014). Social enterprises founders' and leaders' claims influence the structure of the organization (Doherty et al., 2014) as well as its identity formation process (Gioia et al., 2013). Social imprinting has a strong influence on the organization commitment to the social mission and directly increases the social performance of the firm. However, it also indirectly decreases it through negative relationships with economic productivity. Therefore, Battilana et al. (2014) suggest managing the imprinting legacy, meaning departing from the imprinting legacy and introducing new ones during crises.

In addition, in order for a enterprise to survive beyond its founders, it must establish policies to retain profit shares in the accounts of the organization rather than paying them out in cash (Johnson & Whyte, 1977); reinvest its surpluses into the operations (Doherty et al., 2014); or allocate them to provisions (Prades, 2005). On that account, Webb & Cheney (2014) develop the concept of co-operative breed of capital, i.e. a capital with different characteristics and behaviours than investor-owned funds. This capital fairly meets human needs, operates within the boundaries of co-operative values (openness, social responsibility, honesty and caring for others) and co-operative principles (open and voluntary membership, autonomy and independence, democratic member control, education, training, information, member economic participation, cooperation and concern for the community), pays a fair and limited return, pays back equity upon request if it keeps the cooperative in the clear, and enables the creation of a pool of indivisible and collectively owned capital.

Finally, social enterprises are most of the time resource-constrained; therefore they should rely on non-monetary incentives in order to motivate their staff (Doherty et al., 2014), as demonstrated by the management pattern of Cecosesola.

Identification

The findings have shown that thanks to several non-monetary incentives, a strong social focus, and a solid organizational identity, organizations are able to instil in people a deep sense of belonging, which is a strong stimulus for productivity. Accordingly, Mintzberg (1983) highlights that people join enterprises structured with missionary configuration because they identify with their goals and ideology. Buck & Endenburg (2010) also report that people have a strong feeling of belonging with enterprises using sociocracy. Latinne (2014) adds that participation depends on whether members see their contribution useful and effective, as shown in the findings: an important factor for participatory organizations is that their members and the outside community believe in their process.

Hence, in such organizations, the mission and ideology must be defended by all means (Mintzberg, 1983). The literature also reports that a better access to capital can be achieved by creating strong relationships with volunteers, customers, campaigners and activists (Doherty et al., 2014; Mair & Marti, 2006).

Finally, participation supposes that each member gains the ability to understand the technical, social, cultural and legal complexities of the organization. Therefore, it requires a good common understanding of the organizations goals (Battilana et al., 2014; Sainsaulieu, 1987). The findings have indicated that such organizational lucidity can be achieved notably through job rotation and constant exchange of information and experiences.

Climate of mutual monitoring

Because in participatory organizations there is not only low or no formal hierarchy but also low controls and low supervision, mutual monitoring by employees is necessary to enforce the collectively chosen work standards. The analysis of Cecosesola attests that such monitoring is allowed through the promotion of equity, mutual respect, transparency and trust. Accordingly, Rothschild-Whitt's model (1979) of collectivist-democratic organization relies on the principle of social control: the organization depends on the ethic and personality of its members. In his approach of clans as solution to bureaucratic failures, Ouchi (1980) associates performance evaluation with subtle reading of signals by co-workers, which consecutively are turned into explicit and verifiable data.

In addition, Rothschild-Whitt's model (1979) contends that the organization should select its personnel homogeneously in order to achieve consensus more easily. Similarly, heterogeneity in beliefs, as well as employment of hired labour, puts democracy at risk (Hernandez, 2006).

In fact, there are three prerequisites for effective mutual monitoring. The first one is to guarantee absolute protection from reprisal for voicing criticism against the fellow members or the organization policies and for showing disagreements. It is also established via the absence of betrayal feeling when making observations about colleagues (Ben-Ner & Jones, 1995; Bernstein, 1976). Without such protection, open dialogue would be frozen and upward evaluations would always be ineffective.

The second one is a return right for employees' monitoring and work efforts (Ben-Ner & Jones, 1995): guaranteed economic return on surpluses are essential for successful participation (Bernstein, 1976). The Yugoslav proclaimed self-management demonstrates the opposite situation, as only the management of the plants was transferred to workers, and not the propriety itself (Ferreira, 2004). On that account, Cheney et al. (2014) underline the importance of the awareness of the collective ownership, i.e. the psychological ownership in the sense of accountability and belonging to the organization, as well as feelings of efficiency and making a difference.

Return rights can also come from calculation of present performance compared with past productivity or from the organization's annual profits. They can be given in cash, used for construction of recreational centres and health departments, or distributed as time off from work without any pay decrease. However, they will be effective only if the following conditions are respected: they belong to the workers by right, they are directly linked with employees' activities, they are distributed to the entire group, they are distinct from the basic wage, and they show the members what is their contribution to the organization. Therefore, they are different from the traditional bonus incentive plans or profit sharing encountered in traditional enterprises (Bernstein, 1976).

Ben-Ner & Jones (1995) maintain that high return rights lead to the dependence of the individuals' wellbeing on the health of the organization, which in turn enhance its commitment to the organization and its identification to the mission, thus finally bringing

greater individual and organizational performance. In addition, the findings have shown the importance of deciding collectively the salary and the return rights details. Collective decisions about return rights may be achieved by the system of the *anticipos laborales*, i.e. advances on surpluses, as it is the case in Mondragon (Latinne, 2014; Prades, 2005) and in Cecosesola. Pencavel (2012) also mentions that, as a response to disturbance in its environment, participatory organizations can adjust earning per hour instead of quantities.

A final remark on return rights concerns the link between those rights and work standards: if the standards are collectively chosen by employees who are linked to the organization through guaranteed return rights, it will benefit both employees and the organization, as employee will choose standards that satisfy them the most within economic constraints (Ben-Ner & Jones, 1995).

Finally, the third condition for effective mutual monitoring is solid social relations binding employees, i.e. caring about others, being receptive to colleagues' needs and making sure to internalize other norms of their group (Ben-Ner & Jones, 1995; Bernstein, 1976). What is essential is to acknowledge the role of each member (Sainsaulieu, 1987) in a climate of trust, transparency, respect and absence of competition. For instance, criticism should arise in an environment enabling mutual respect and recognition of the fellow workers, as reflected in one of Cecosesola's criterias regarding the avoidance of political and religious discussions.

The self-management experience of the Kibbutz in Israel relied on absolute egalitarianism (Broda, 2010). This central notion, materialised through job rotation, task sharing, equal pay, informal relations and collective decision-making process (Rothschild-Whitt, 1979), is also at the core of the sociocracy concept (Buck & Endenburg, 2010). However, Rothschild-Whitt (1979) highlights that the diversified skills, knowledge, talents and personalities of the individuals can be a barrier to egalitarian ideals in democratic organizations. In addition, the findings indicate that equity is preferable to absolute equality.

Finally, mutual monitoring can be eased thanks to the decentralization and high autonomy of business lines. Indeed, autonomy fosters innovation and creativity (Webb & Cheney, 2014) and division of responsibilities for social and commercial work can help mitigate tensed relationships between them (Battilana et al., 2014). For instance, in the sociocracy approach, one of the four governance principles is the establishment of circles with their own objectives

and freedom to organize, lead and measure activities. Each circle has its own memory system, decision-making structure, and development mechanisms (Buck & Endenburg, 2010).

In conclusion, in participatory organizations information sharing and collective watch-out by the workers may replace the controls. This requires protection from reprisal when voicing opposition, guaranteed return rights, and strong social relations binding employees.

Formative process enabling control of the coherence

The findings have shown that in order for the members to effectively monitor one another, there must be a formative process about values, objectives, history, identity and cooperative culture, in addition to a clear organizational comprehension. Latinne (2014), analysing the Mondragon Group, reports that behind a semblance of social commitment there is a multinational organization regularly infringing its ideals. In reality, organizations relying on ideology should exert control to ensure that their actions stay in line with their values (Mintzberg, 1983).

Thévenet (1993) asserts that the enterprise culture is a tool that, by creating solid mental references, prevents the disconnection between actions and principles. However, this organizational coherence is like an endless quest, a dimension that is in permanent construction and which requires confrontation, discussion and explanation. Therefore, as discussed earlier, the members of alternative organizations need to have an integrated vision of the process of their enterprise and the nature of the business, i.e. some organization lucidity. This requires a formative process (Webb & Cheney, 2014) in order to achieve harmony of interests and objectives, as well as shared values and labels (Sainsaulieu, 1987). Mintzberg (1983) theorizes this into a control mechanism called ideological standardization, which translates into the diffusion of a set of values and norms across the organization, with very little formal rules.

Whyte, Mehrling & Blasi (1984) conclude from their analysis of several self-managed experiences (Mondragon, the Yugoslav self-managed sector and the Kibbutz) that the values that develop from the enterprise structure as well as its social and technical processes should be shared across the organization. Related to that, Simmons & Birchall (2007) identify an instrument of power in the networks, suasion, which consists in persuading members from

other networks to join the cooperative by promoting its traditions, standards, expertise, values, norms, ideas, identification, etc. Indeed, the building of shared standards is a source of elaboration of collective projects (Sainsaulieu, 1987). Common beliefs, norms and values harmonize the interests, which in turn prevents the gap between individual goals and global organizational objectives, and reduces the need for auditing of performance (Ouchi, 1980).

Therefore, a control focused on coherence appears vital in democratic organizations. Coherence is achieved through informal learning: the reproduction of the elements defining an identity, the management of the imprinting legacy, the internal communication about history, the education about values, and the reinforcement of the cooperative culture. Informal learning means transmission of knowledge from one generation to another, through day-to-day work and active participation in the activities of the organization (Lifelong Learning Programme, 2007), since the very same organizational life creates adequate learning context (Sainsaulieu, 1987).

By confronting difficult situations, the organization finds adequate responses and creates step by step a set of reference schemes leading to an overall enterprise culture (Thévenet, 1993). A self-managed experience calls for new concepts, values, and principles (Buck & Endenburg, 2010) that must be managed, strengthened and reproduced precisely through internal communication and formation (Lifelong Learning Programme, 2007). However, ideals are extremely difficult to dictate from above (Cornforth, 1983), therefore the role of the enterprise culture appears highly meaningful: as a rallying project, it transforms the organization in an institution able to diffuse standards of behaviours and mental representations (Sainsaulieu, 1987).

Collective discipline

The study of the management pattern of Cecosesola demonstrates that the natural result of this formative process is the establishment of a climate of collective discipline, where collective actions take place in a self-sufficient fashion. The aim of this collective discipline is to fill in the power gap created by the absence of hierarchy. Members are both creators – through collective establishment of work criteria – and guardians of this collective discipline – through mutual monitoring.

This discipline materializes in a changing plan according to the upcoming needs of the organization and the evolution of the process. The discipline is, in the case of Cecosesola, the constant observation and analysis of the collective and individual decisions made inside the organization. Collective discipline is also a central notion in sociocracy (Buck & Endenburg, 2010).

As the individuals dispose of references to guide their behaviours towards the goals and values of the organization, dynamics of self-sufficient activities arise inside the self-managed enterprise. Subsequently, Thévenet (1993) demonstrates that the globalization of activities, the decentralization of business lines and the organizational flexibility limit the transaction costs borne by the organization.

Finally, Ben-Ner & Jones (1995) underline that collective emulation emerges when such discipline is present, reducing consistently the free-ridership problem that is likely to appear in such participatory enterprises with low controls and supervision.

Commitment and responsibility

Thévenet (1993) points out that organizational capacity of adaptation is not enough to ensure sustainability: it is also essential to engage the commitment of the individuals, via initiatives and personal investment. Commitment is, among others, a result of organizational legitimacy (Oliver, 1991). It requires strong organizational coherence (Thévenet, 1993), good access and interpretation of the information (Ferreira, 2004), and the ability to embody concrete objectives (Sainsaulieu, 1987).

In addition, the findings attest that along with participation come responsibilities: when individual and collective responsibilities are at their maximum, the need for mutual monitoring is reduced. Indeed, the refusal to transfer responsibility is an enhancer of effective participation (Bernstein, 1976).

Moreover, motivation is another condition for effective participation. Behavioural studies have demonstrated that a strong factor for creation of motivation is workplace autonomy (Webb & Cheney, 2014), which consecutively leads to productivity and innovation. However, hybrids have shown difficulties in managing and motivating their staff and volunteers

(Doherty et al., 2014). It was also the case in Israel, where the second generation of Kibbutz have manifested substantially reduced motivation (Broda, 2010). In addition, Ben-Ner & Jones (1995) advance the argument that the greater the return rights awarded to employees, the greater their commitment and motivation to work. Finally, Rothschild-Whitt (1979) expresses that members see work in the collectives as a labour of love.

5.c Model for sustainable workplace participation

The confrontation of Cecosesola's case study with the literature shows that the management pattern of the organization presents many similarities with the existing literature on workplace democracy and participatory organizations. However, the careful study of Cecosesola's functioning reveals four particularities of workplace participation that are not precisely emphasized in the literature.

First, the findings evidence that the structures and mechanisms necessary to sustain participation in the workplace are interdependent and require one another in order to be effective. Rather than a list of necessary conditions to sustain participation, this study highlights the complex links and connections between diverse structures and mechanisms and articulates them into a model.

Then, the analysis of Cecosesola highlights that sustainable workplace participation does not only rely on the establishment of a set of structures and concrete elements (e.g. workshops, meetings, work standards, collective funds, incentives for personal initiatives, specific language, non-monetary incentives, return rights, elimination of managers and supervisors, and so on), but also on the implementation at the heart of the organization of several self-sufficient mechanisms (e.g. educative process, climate of reflexivity, integration and cooperation, collective learning, collective creativity, organizational transformation, mutual monitoring, control of the coherence, collective discipline, and so on).

Next, this research shows that establishing a participative process does not only take time and needs to be accomplished without any rush (Bernstein, 1976), but that it also relies on another dimension: equilibrium. Sustaining participation in the workplace is about finding a constant balance between values and practices, between autonomy and coordination, between personal

initiatives and collective actions, between capital creation and social mission alignment, between mutual respect and mutual honesty, and so on.

Finally, the findings bring to light the double and parallel concept of collective creativity and collective discipline. This research argues that a possible management pattern to sustain participation in the workplace relies on a concurrent pattern of Management by Collective Creativity and Collective Discipline. Figure 2 presents a simple scheme of the proposed model for sustainable workplace participation, whereas the complete model can be found in appendix IV. The model can be summarized as follows.

First, the organization has to organize a broad scale **educative process** in order for the workers to acquire universal competencies. Then, it has to encourage a deep **climate of reflexivity**, allowing for permanent questioning, analysis and self-assessment. Third, it has to invest time and means in order to further develop the **integration and cooperation** with other alternative organizations for mutual support, coordination of activities and exchange of experiences. Those three tools empower the organization to benefit from a **climate of collective learning**. In turn, this collective learning will enable the organization to rely on a self-managed dynamic of **collective creativity**. Creativity is nurtured by personal initiatives and supported by a decision-making process based on consent, which allows individual decisions to be made at anytime, as long as they are in accordance with the work standards collectively established. In consequence, creativity engenders **permanent organizational transformation**, i.e. constant reinvention of the enterprise, because of its ability to show flexibility, adaptation and innovation.

Simultaneously, the organization has to cultivate a solid **organizational identity**, which involves enterprise culture and organizational legitimacy. It also has to look after its **social imprinting** and to develop a capital aimed at supporting the organization and its mission. Those two resources will trigger a feeling of **identification** of the workers, the members and the community with the organization and its process. In parallel, the enterprise has to facilitate the development of a climate of **mutual monitoring** so as to fill in the hierarchic void. However, in order to implement effective monitoring, members must engage into a **formative process enabling control of the coherence** between principles and actions. This training is necessary to understand the values, objectives, history, identity, and overall organizational perception, and enables the organization to self-manage through **collective discipline**. This

Figure 2. Management by Collective Creativity and Collective Discipline
MODEL FOR SUSTAINABLE WORKPLACE PARTICIPATION
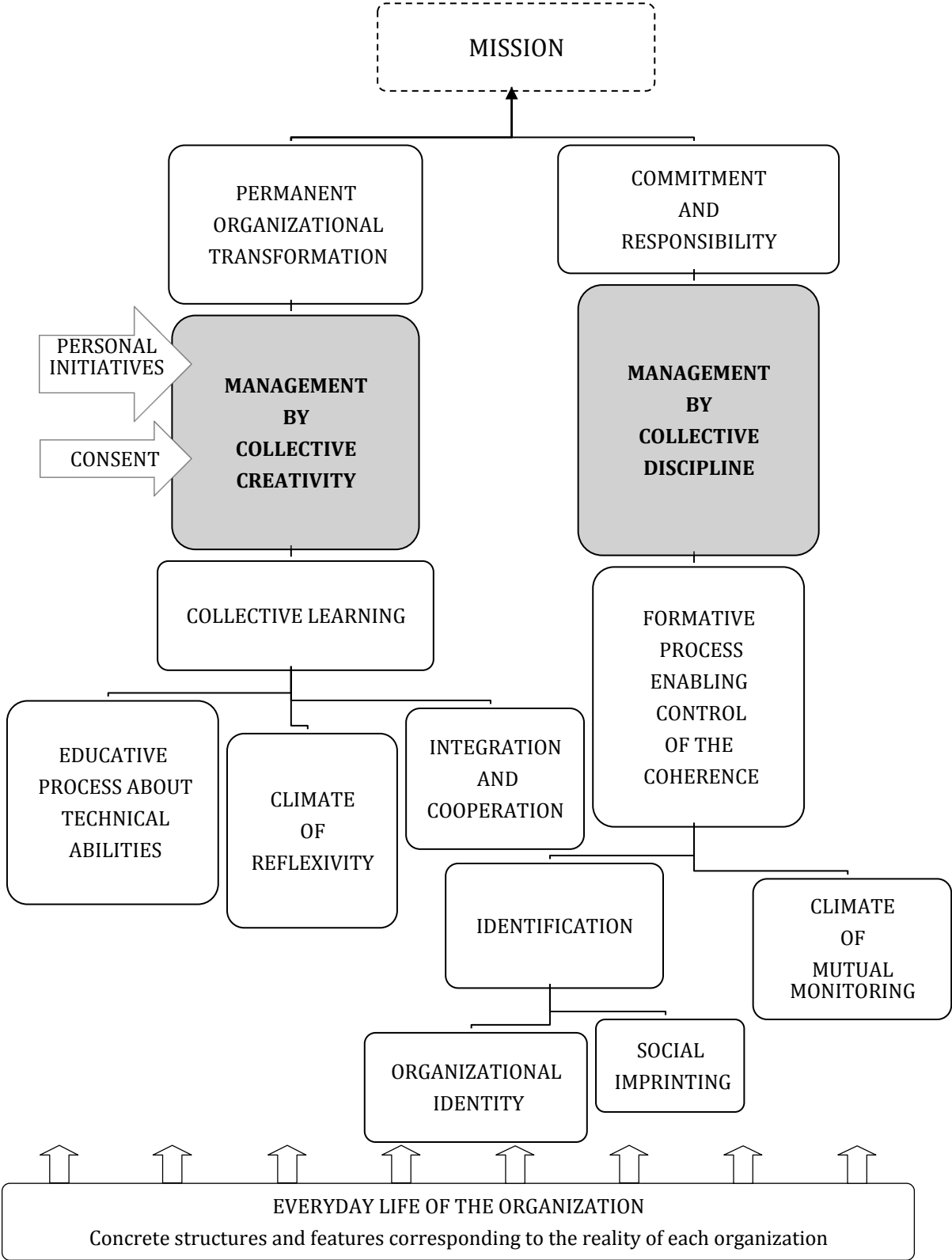
also translate into self-sufficient activities and an emulative effect on the participants. Finally, this discipline fosters a strong feeling of individual and collective **responsibility** as well as a deep sense of **commitment** towards the organization and its ultimate goals.

When implemented all together, these structures and mechanisms empower the organization to sustain participation over time.

In conclusion, participation is not innate; it stems from constant individual and collective learning. Participation cannot be reduced to assembling people around an objective capable to mobilize collective actions (Sainsaulieu, 1987). It also requires giving the workers the tools, i.e. the structures that they need, in order to engage into a never-ending process of blurring the hierarchy. However, establishing solely specific structures is not sufficient to generate an effective participatory dynamics. In reality, an operative democratic process requires the establishment of several self-sufficient mechanisms at the very heart of the organization, such as collective creativity and collective discipline.

5.d <u>Theoretical and managerial implications</u>

This research contributes to the regeneration literature. It shows, through the case study of Cecosesola, how a democratic organization can avoid the degeneration process and sustain participation over time through the adoption of a model named Management by Collective Creativity and Collective Discipline. The aim of this work has been to assess which structural factors and dynamic mechanisms play a role in shaping the organization's participatory management pattern.

Considered by several scholars as valid alternatives to capitalistic enterprises (Dahl, 1985; Stiglitz, 2009), especially in a context of multiple global crises, democratic enterprises are a clear source of inspiration (Verhoeven & Wustefeld, 2014). According to Jones & Svejnar (1982), the right method to generalize self-management practices is through education and popularization of practical experiences. Therefore, it appears natural that the present work could serve as a tool to generalize and facilitate the adoption of a participatory management style by organizations. As Hernandez (2006) outlines, official policies and property rights alone are insufficient to effectively sustain workplace democracy. Through the example of the Yugoslav experience, Ferreira (2004) shows that the cooperative and self-managed

movements cannot be successfully implemented 'from above' without initiatives stemming from the bottom. Therefore, workplace democracy requires an overall understanding of the internal mechanisms enabling participation (Hernandez, 2006) and this work may perhaps help organizations and individuals in such quest for understanding.

Moreover, this study has demonstrated that temporary managerial efforts to foster participation and workplace democracy are bound to fail. As a matter of fact, participation is a social process in constant construction, which requires continuous attention, careful monitoring and permanent accurate self-assessment. A participatory process is a set of structures and mechanisms that will only be effective if established as a whole. The objective is for the mechanisms in place to be self-sustaining and self-sufficient. For this, it requires constant vigilance and reflexivity, among others, on the coherence between the values, the principles and the day-to-day activities.

Finally, the most difficult practical aspect of the establishment of a participatory dynamics is based upon a remark made by Stryjan (1994) about cooperative organizing. His remark suggests that, besides the present model of Management by Collective Creativity and Collective Discipline, lies a myriad of situation-specific solutions that require to be found by the organization itself, according to its own situation, environment and schedule.

5.e Limitations and indications for further research

Although this research extends the knowledge on workplace participation, it also includes several limitations and calls for further research.

A first limitation involves the environment of the organization. As a matter of fact, organizations progress inside a specific human geography, a historical context and a society (Lifelong Learning Programme, 2007). For instance, Vicari (1965) highlights the importance of the territorial homogeneity in a self-management process. In addition, Ferreira (2004) argues that self-management presumes a property reversal from traditional capitalistic authority to social property – which is neither private nor public property.

In the case of Cecosesola, it can be argued that bad economic conditions are a factor that encourages communities to self-organize. It can also be argued that the Bolivarian

government, as a socialist government that projected a renewed direct and participatory democracy, is also a factor acting in favour of the emergence and sustainability of such participatory initiative. Finally, it can be suggested that some aspects of the Venezuelan culture favour the emergence of participation, while others hinder it. For instance, solidarity is a strong value in the Venezuelan culture, especially among families and close-friends circles. Therefore, Cecosesola is using this Venezuelan cultural aspect and extending it to the circle of the organization. However, on the other side, the common behaviour of stealing – not necessarily seen as a bad behaviour by Venezuelan people – and the habit to utilize and redirect things for his/her own benefit may be an obstacle for the adoption and sustainability of a participatory process.

As this research almost did not focus on the link between the organization and its environment, further research would therefore need to explore the influence of the cultural and historical factors on the development of a self-management experience, as well as the role of economic conditions and governmental regimes, in order to assess if such model could be transferable in other environments. In addition, further research could focus on whether the suggested model of Management by Collective Creativity and Collective Discipline could be established in other sectors of activities or within multinational organizations. On that account, an attention-grabbing analysis would be to compare it with the management pattern of the Mondragon Group. In addition, provided that in Barquisimeto the demand for goods and services provided by Cecosesola is much bigger than what the organization can actually provide, a question that emerges is whether the experiment would be successful in a context where the organization would face a much stronger pressure from competing enterprises.

The second limitation of this research concerns the methods used. Thévenet (1993) argues that studies over culture are subject to two risks: intuition and projection. In fact, the explanatory nature of qualitative analysis gives free rein for the observer's interpretations. Accordingly, further research would need to examine in depth the role of the enterprise culture and the organizational identity as motors for effective participation. On that matter, attention must be drawn to the fact that the culture does not refer to individuals but to a collective phenomenon (Thévenet, 1993).

Another point linked to the methods is the idea that 'research on and leading to self-management and participation should also be participatory' (Jones & Svejnar, 1982, p. 327).

Nevertheless, this is an almost impossible task to achieve. In spite of that, some of the sources used in this research are the synthesis of processes of collective reflection and dialogue that have taken place at Cecosesola. This is the case, for instance, of the A1 and A3 documents. Document A1 is a self-critical book that mobilized around 200 members of Cecosesola, in which they tried to 'write down some of the most significant aspects, so that we can keep on analyzing them in order not only to create, all together, based on our experience, a vision on what we intend by *gestión solidaria**, but also in order to strengthen this process among us' (A1, p.1, author's translation). Therefore, these documents were used with the concern to partly palliate the 'nonparticipatory nature of research' (Jones & Svejnar, 1982, p. 328).

Another limitation concerns the lack of analysis of the influence of older members within Cecosesola. Webb & Cheney (2014) remind that 'a genuine commitment to democratic process means openness to the possibility that a new wave or generation of employees will decide to alter the system in significant ways' (p. 78). However, democratic organizations are not immune to the phenomena of unofficial leaders and hidden power relations. As a result, further research should investigate the emergence of informal leaders within Cecosesola and the role they play in the organization's management.

Another limitation is that data hasn't been collected from unhappy ex-workers of the organization. Although the data set included an anonymous letter sent to the organization trying to create disorder, division and mistrust between workers, the researcher couldn't be provided direct access to such kind of informant.

As next limitation concerns the contradiction of constructing a pyramidal model in order to map the functioning of a non-hierarchical organization. The model hereby presented is a theoretical arrangement in order to simplify a very complex management pattern. For this reason, the pyramidal construction, with at the bottom the every-day-life tangible elements and at the top the essential mission that diffuses in any activity and behaviour, simply appeared to be the clearest depiction of the process. In addition, it enables to place side by side, in the middle of the pyramid, the two essential and complementary suggested bases for self-management: creativity and discipline.

A last remark lies with the fact that the proposed model is not verified. Indeed, it is based only on the case study of one organization. Therefore, further research should try to improve,

complement or refute the model by comparing it with data from other self-management or participatory experiences. In addition, an idea could also be to enrich it with the analysis of experiences that failed. This would, for instance, allow the identification of elements that are necessary but not sufficient for the sustainability of workplace participation. Finally, the model may also be contrasted with data from shutdown plants taken over by their employees.

Finally, an avenue for further research would be the influence of the legal organizational form on the self-management process. Cheney et al. (2014) outline the ongoing debate regarding the survival of organizational democracy in traditionally less democratic organizations. Bernstein (1976) argues that the modern world economy is ready to foster a much greater degree of employee participation without requiring a political revolution. However, the question remains whether it requires the promotion of some legal organizational structures in particular. Further research could therefore analyse the link between the cooperative form of enterprise and the sustainability of the participatory process. For instance, it would be interesting to analyse whether some cooperative aspects particularly foster participation, or whether such model could be implemented in other organizational form, such as non-profits. In addition, this model does not apply to organizations that would like to establish some degree of participation in their workplace, but who also wish to keep levels of hierarchy. Therefore, further research should work on adapting this model to fit a more indirect democratic process.

Appendix content

Appendix I. Lexicon

Appendix II. Meetings, interviews, documents

Appendix III. The management pattern of Cecosesola

Appendix IV. Management by Collective Creativity and Collective Discipline

Análisis (E3; A4; A5)

> The process of *análisis* is undertaken when there is a need to examine a conflictive situation. During an *análisis,* any member who wishes explains his or her interpretation of the conflictive facts, and all together the participants reflect on the situation in a climate of mutual respect. The aim is not to classify behaviors as "good" or "bad", but to avoid value judgments. This process takes a lot of time. However, it is considered by the participants as a way to share views and knowledge across the several generations working in the organization. It is also a way to control the coherence between the proclaimed principles and the responsibilities taken in the daily life. Finally, an *análisis* does not only concern individuals behaviors, but may also concern collective dynamics taking place inside sectors of the network.

Anticipo societario (B1; G2; G7; N1)

> The *anticipos societarios* or *adelantos de excedentes* are advances on surpluses, which replace the wages of traditional enterprises. They are deduced from the net income at the end of each accounting period. As Lizeth Carolina Vargas Cambero explains, 'the *anticipo* is something that we are producing now and that we make use of in advance' (N1). Thus, the *anticipo* is an equal share of total surplus. It is the same for each worker, no matter one's job responsibility. However, not everybody receives the same amount in the end, as there is a small difference in bonuses. This additional remuneration is linked for instance to the number of children attending school or to their age. The process of adjustment of the *anticipo* is biannual, and lasts between one and two weeks. First, the financial results of the last six months are presented in the three *reuniones de gestión** of the week. Next, the accounting team, along with those who express the desire to participate, takes out estimates for the next six months and prepare propositions of adjustment of the *anticipo* and the bonuses in a reunion called *reunión de presupuesto**. Consecutively, those propositions are explained in the next three *reuniones de gestión* and, if accepted consensually, they are formally established. If, during the six following months, the economic results do not go as forecasted, the *anticipos* are reviewed. Therefore, constant budget monitoring is essential in the process.

Apoyo mutuo (A3; A4; A5; B2; B3; C1; M14)

The department called *Apoyo Mutuo* runs the several cooperative funds of Cecosesola. Those collective funds are self-financed by the integrated organizations of the network. During the *reunión de apoyo mutuo,* the loan requested by the diverse organizations of Cecosesola are discussed, approved, and monitored. Generally speaking, the *fondos* and *potes colectivos* are created to give more autonomy to the integrated organizations. 'The funds created within Cecosesola are everybody's funds. Thus, if someone does not repay his or her loan, we are all responsible for it' (Gustavo, M14).

Fondo de Financiamiento: constituted by all the organizations of the network, this fund finances the diverse initiatives of the participants of the system of *ferias.* It also supports the operational needs of the network, those in order to expand and grow the activities, i.e. the construction of sheds, the seed and fertilizer purchase, the acquisition of vehicles, etc. Its major source is non-retrievable contributions from the producers and the sales units. Thus, the fund benefits from a high growth capacity as it is not affected by the inflation and it grows at the same time than the weekly invoicing.

Pote Colectivo: constituted by all the producers' organizations integrated in the network. This fund is used for example for the purchase of crates.

Fondo de Protección Vehicular: one of the most recent funds, created in order to self-resolve the problems with the vehicles and all the necessary repairs and maintenance.

Fondo Rotativo para la Construcción de Invernaderos: a new fund created in order to finance the construction of greenhouses in some the producers' organizations.

If one of the producers groups encounters a payment delay, the idea is not to ask them additional interests, but to talk with the producers and try to help them with whatever problem they are facing. Eventually, if the delay becomes too long and affects the loans of other groups, a small contribution may be asked.

Ayuda mutua (B3; C1; E2)

The funds of *Ayuda Mutua* are part of the Health business unit. Those funds have as objective to find solutions in the health area.

Fondo de Ayuda Mutua: this fund covers the workers and their close relatives up to 100 percent of some medical practices, laboratory tests, preventive treatments, and so on. It is made of weekly contributions from the worker-members, voluntary contributions, as well as some surpluses of the *ferias*.

Fondo Integrado de Salud: is another alternative set by Cecosesola in order to cover medical needs. It covers part of the expenses of surgery and hospitalization. It comes from monthly contributions from the *Fondo de Ayuda Mutua.*

Fondo de Protección Familiar: constitutes an economic support for the families of the deceased workers, in the form of a partial or total cancellation of the debts that the members may have had with the organization, in addition to an allowance in proportion of their savings. It is made of contributions of the *Caja de Ahorro*.*

Fondo de Protección Social: covers, among others, the needs of the incapacitated workers (due to their age, partial or total incapacity, and major force) in order to ensure them a decent standard of living. The fund also covers part of the holidays of the worker-members.

Caja de ahorro (N1)

Every worker-member must save a minimum weekly amount of its *anticipo* and deposit it in the *caja de ahorro*. Consecutively, the workers can take a loan from the accumulated savings they have in their saving account. The *préstamo ordinario* is when they take on a loan amounting less than their total savings. The *préstamo especial* is a loan for more than their total savings. Those loans are discussed during meetings and collectively approved. In the case of the credits intended for the purchase of home appliances, the actual criterion is to have at least 30 percent saved on your personal account. The interests of those loans are lower than in financial institutions, and usually the loans are taken for maximum fifty-two weeks. 'The loans are withdrawn from the common fund, therefore there is like an awareness' says Lizeth Carolina Vargas Cambero (N1). However, the length of the loan can always be discussed in a meeting if someone wishes for a longer credit. Finally, one different person each week is responsible for this *caja de ahorro*.

Consenso (N1)

Consenso, or consent, differs from unanimity. To reach unanimity, you need the presence of the entire group. It is equivalent to a vote where everyone agrees. In the case of Cecosesola, decisions are consensual, which means that the only requirement for decisions is that they must be in line with the *collective criteria** that the organization shares at that moment. The process of consent is independent from the fact that the decision is taken individually, or by an informal group, or in a formal meeting. Any decision is subject to reconsideration at any moment if someone does not agree with the sentence or if someone considers that individualistic criteria prevailed during the decision-making.

Cooperativismo (E1; G5; I1)

Defined by Gandica (1998) as 'a tool that allows the communities to participate through day-to-day and continuous work, and leading to the obtainment of a common welfare' (E1, p. 4), the *cooperativismo* is considered by the Venezuelan authorities as the path towards the conversion of the productive assets into collective property as well as the transformation towards a communal economy, i.e. a model of development giving space to participatory democracy. It acts through voluntary adhesion of people with needs, and without privileges or hierarchy. The *cooperativismo* can be understood as a lifestyle – a way to organize – that inspires the union and the fight of the people.

Cooperativista (E1; N2)

'We are cooperativistas when we pass from individuality to solidarity' (N2). The designation *cooperativista* goes much further than just describing someone who works in a cooperative. It indicates someone who understands he is working in an enterprise composed by people and organized in order to solve problems of the community. Cambero explains that when someone thinks like that, he is going to put his money and effort not for his own benefit, but for the benefit of all, and this will reflect on his overall attitude. The process of *formación cooperativista* is a process of personal transformation, which unfolds collectively, and where conversion goes from individual to collective, from selfish to sympathetic, from imposed responsibility to self-responsible, from passive to active participation, creativity and social commitment.

Criterios colectivos (A4; A7; G9; G11)

> Thanks to the *criterios colectivos* (i.e. common criteria collectively established), any worker can make a decision, even alone, whenever there is a need to. This decision, if based on the *collective criteria* shared at this moment by the organization, has the characteristic to be consensual. The criteria are neither fixed rules nor permanent dogma. They are subject to change at any time, as soon as the reality of the organization calls for new criteria or when the perceptions of the participants change. The workers report that it is vital for the organization to be able to detect obsolete criteria as soon as possible. A criterion can be the way to accept the vegetables at the *feria* or the fact that each worker must assist to at least one *reunión de gestión* per week. The *criterios colectivos* are at the base of the joint actions of Cecosesola.

Equidad (A4; A7; M3)

> As reported by the organization itself, equity is a concept that is constantly examined and explored. At Cecosesola, they believe that there is no way to explain equity with concrete and absolute terms. They refuse to reduce 'equity' to a simple and concrete 'equality'. Indeed, 'equality would bring to the situation where nobody could take a decision before first taking it to a meeting' (M3). Therefore, they concentrate on finding *equidad* within good and balanced working relationships, and in the establishment of decent wages (see *anticipo societario*).

Escuela cooperativa (A3; B1; G5)

> The *Escuela*, i.e. 'the School', is the department that is in charge of generating human encounters, as well as facilitating the organization and coordination of the educative processes which take place within the entire network. It also takes care of the institutional relations with public, private, national and/or international institutions that do not relate directly to any of the other departments. In the *Escuela,* there is a constant dynamics of reflection on the personal and organizational transformations fostered by Cecosesola. As explained by two worker-members, 'it is like the crossroad of the network' (G5).

Faltantes (N1)

If a member has been working at the supermarket checkout and there is missing money in his cash register at the end of the day, this missing money is called *faltante*. The member is responsible for it and has to repay the difference from its own *anticipo*. If there is a *faltante* in the main cash desk of the *feria*, everybody is responsible for it as it is impossible to identify the worker behind it. In addition, a common criterion states that one percent of the *faltante* of the weekly *feria*, i.e. one percent of the difference between the inventory on Friday morning out of which is subtracted what has been sold during the three opening days of *feria*, is taken care of by Cecosesola. A fund is made in order to cover this 'normal loss'. The rest has to be supported, collectively or individually depending on the cases, by the workers, i.e. it is retrieved directly from their *anticipo*. With this system, if someone is stealing in the *feria,* it means that this person is also individually stealing from all workers.

Ferias de consumo familiar (A3; A5; E1; E3; G3)

The network of *Ferias de Consumo Familiar* started in 1983 as an initiative to recover from the enormous financial losses arisen from the bus seizure of 1980 (see chapter 4). The few remaining workers of the bus transportation service started using the left buses to run mobile farm markets of fruit and vegetables in the surrounding of the city of Barquisimeto. At the very beginning of the *Feria*, they barely made enough profits to pay for the salaries at the end of the week. After twelve years though, the network had grown so much that the organization was able to pay back the totality of its debts.

The network of *ferias* is an integrated system of production, distribution and retail sale of commodities for household consumption that unfolds in the city of Barquisimeto and its surroundings. The network is composed by: a) 17 producers' cooperatives and associations, b) Ten *Unidades de Producción Comunitaria*, c) the department of *Producción y Abastecimiento** of Cecosesola, which coordinates the reception of the goods and their distribution to the several *ferias*, d) the sales unities, called *ferias*.

The sales units function with two separate sections: one for the fruits and vegetables (divided in two sections: *mini feria* and *feria grande*), the other for the food and provisions. They set up a unique price for *mini feria,* and another unique price for *feria grande* every week; therefore sometimes they must limit the quantity of particular products per customer. They operate massive sale volumes and they represent today one of the major food retailers of the State of Lara. Consequently, they hold a certain influence on the government.

Feria is less a means to solve immediate consumption needs in a very unstable environment (such as Venezuela in the last past years) than an instrument to produce socio-cultural changes. A wide part of the community that shops at the *ferias* is aware of the social concern of the organization and feels identified with the process. An example is the wide contribution of the community to the piggy banks displayed next to the cash registers – aimed, for many years, at the construction of the cooperative hospital, today at the purchase of a mammography device. Another example is the sense of solidarity of the community, for instance when some customers came to help when the organization was short of workers.

The advantages of the *ferias* for a self-managed process are multiple. First of all, the work is carried out in one place in collectivity and through teamwork, which helps know each other better. Then, as they usually only open from Friday to Sunday, it gives them abundant time to meet during the rest of the week. Next, the job rotation is easy as most of the tasks are not specialized work. Finally, the network allows for the integration of agricultural producers and food processing communities into the organization.

Gestión solidaria (A1; E3)

According to Cecosesola, the key to their sustainability is their management style, the *gestión solidaria.* This approach nurtures both from a set of values and a series of practical guidelines that derive from experience. Over their many years of operation, the organization has been looking for an integrated management that would be adapted to the specificities and the objective of their enterprise, instead of copying traditional scientific management methods. They passed into a long process of trial

and error, where the hierarchy got blurred little by little. In their opinion, three main elements must be present, to a greater or lesser degree, in order to sustain a process of *gestión solidaria*: respond to the basic needs of the participants, get fully involved in the process, and build relationships of mutual respect.

As they explain in their publication *Gestión Solidaria*:

« The temptation exists that, because of the pressure towards economic efficiency, we despair and seize the traditional organizational forms and incentives that are within reach, and, by there, we slow down the possibilities of the educative process that we seek. Other times, because we want, in good faith, accelerate the process, we propound, overnight, to have an organization without any hierarchy, as it was something that could be decreed. In this case, we decree the death of the boss without passing through the process of ceasing to be bosses, of ceasing to be employees; we decree the total confidence of ones with others, without initiating the process to start building this confidence, we decree to be a new human being, responsible, cooperative, without starting the formative process that we want to generate » (A1, pp. 11-12)

Grupismo (M3)

The phenomenon of *grupismo* happens when small groups get created inside the organization, and do clandestine meetings. Such groups usually create a lot of trouble, because they divide the network. In Venezuela there is a powerful culture of solidarity between relative, which is a primary and very strong instinct. Therefore, it has to be avoided that inside the organization such groups between relatives or close friends start emerging.

Integración de los nuevos (N1)

It is a course taking place once a week, lasting ten weeks, aiming at new members during which older members tell stories, explain the history of the organization, and expose what process is taking place inside Cecosesola. They also clarify what are the rights and duties that come along a self-management process.

Misión (B1)

In its bylaws, the organization mentions the ambition of coordinating the actions flourishing inside the Venezuelan cooperative sector, as well as the activities developed along with the actors of the social and participative economy, plus the rest of the community. They also aspire to consolidate the social forces that generate processes of transformation in the community, as well as in the economic, cultural and social spheres. Additionally, they guarantee to keep the organization dynamic, open, flexible and diversified. Finally, they engage in promoting, organizing and self-managing in a collective, cohesive and non-profit form any kind of community projects with an educative, social or cultural purpose, as well as developing any economic activity that would aim at responding to the necessities of the community as a whole.

Nivelar (A3; N1)

Nivelar refers to the action of neutralizing someone. It is a complex phenomenon in which, during or outside meetings, one person or several people prevent another person to communicate and talk, by keeping on telling things on that person. 'It is when someone uses an argument which makes you feel bad' (N1). It has to do with the concept of *equity*. 'Say that within Cecosesola we are all equal is not true. *Nivelación* happens when someone keeps claiming that we are all equal and that's it' (N1). The *nivelación* is most of the time an unconscious process, very difficult to detect. However, when such *nivelación* happens, the people practising it are usually trying, consciously or unconsciously, to derive the attention out of their own person or to hurt the reputation of another person.

Precio justo (M12; M18)

Jesús Castillo, talking about the *precio justo* says: 'it is not that we are good people doing charity. It is a win-win: a different way to engage with each other' (M12). Every six months, people from *feria* and the groups of producers meet and calculate the production costs in the *reunión de costos*. They add a thirty percent of margin to those costs i.e. the price that *Feria* will pay to the producers. 'The idea isn't to make money but to have a fair price' (M18).

Precisar (N1)

Precisar is slightly different from criticizing. When you criticize someone, you make him or her a reproach. On the contrary, within Cecosesola, people never openly criticize. They use the process of *precisar* to fight against the free rider phenomenon, and to avoid that some people abandon their responsibilities, or behave inconsistently with Cecosesola principles. It is for them a way to remind that person, with all the due respect, that his or her behavior is not anymore in line with the common criteria and the principle of the organization. If a person does not change its behavior after several comments on the same issue, this becomes a problem and the person may be forced to leave the organization, as this means that there is a lack of confidence in the person.

Producción y abastecimiento (A3)

It is the business unit that gathers all the people that make possible the running of the *ferias*, i.e. around 55,000 families buying goods each week in one of the *ferias*; 45 organizations realizing consumption activities; seventeen producers' organizations; ten *Unidades de Producción Comunitaria** that produce in a handcrafted manner around thirty food products and cleansers; four hundred and fifty tons of fruits and vegetables distributed each week, deriving in majority from the integrated producers' associations; and a sales volume of BsF 70 million a year.

Recomendación (N1)

The process of recruitment of new members is based on the method of the *recomendación.* When the need for more workforce is felt by one of the business unit, members can recommend people they know (usually friends or relatives). The old members who recommend new ones are held responsible of the behavior of the newcomers during the first months of their work in the organization, and sometimes even for longer. This has two reasons. First, because the older members should have taken care of the first-step education of the people they recommended, and should have explained them all the distinctive features of the organization. Next, because this way the older members who recommended someone engage their responsibility on guaranteeing that the new colleague is a trustable and worthy person.

Reuniones (A2; A3; A5; B1; E3; G2; G10; G11; H1; M12)

The meetings (*reuniones*) are the only organizational structure established by Cecosesola. Teresa Correa, a long-time worker-member, explains, 'the meetings are a tool for collective reflection. That is where we evaluate our responsibilities to grow as people and to create common criteria' (G2). People at Cecosesola agree that the meetings enhance the organizational efficiency, as they improve the workers integration; they help spread information; they give space for suggestions and critics in order to improve the overall process as well as the relationships between workers; they bypass the traditional loss of information, time and trust encountered in traditional enterprises. Teresa Correa asked, 'does the time and money we spend on meetings matter if we only save for directors, bosses, etc?' (G2), and Jesus adds, 'in our experience, organizations that do not meet are groups which fail' (M12). Work at Cecosesola is around forty hours per week, plus addition fifteen hours of meetings.

Meetings at Cecosesola are get-together. They are open to all the workers and to whoever else wants to participate, for instance when dealing with a particular matter. Their attendance sometimes reaches 200 people. There is no dress code, no debate moderator, and no PowerPoint presentations. The topics of discussion are very varied, and never set up in advance. Participation comes naturally, and often the participants jump from one topic to another without reaching any conclusion. For an outsider, it is hard to understand when a decision is reached as there is no voting process and decisions are made based on *consenso**. Moreover, decisions are not the scope of the meetings and often a reunion ends up with no decision at all. What is discussed in the meetings though are the *criterios colectivos**, i.e. the common criteria which will enable the workers to take individual decisions in their daily work. As Ender Duarte (G10) clarifies, the intention of Cecosesola is to teach all of them to make decisions. In order to do so, the meetings are spaces where the workers 'feed', from the formation of the collective criteria. This way, the process gives each of them the power to take individual decisions. Through this, people can grow as individuals. Thus, during those meetings, the accent is put on discussing the common criteria, and potentially to adapt them or to create new ones. During gatherings, they also exchange information, create bonds, foster solidarity and trust, reflect, and build a holistic vision of the entire process.

Apart from at least one *reunion de gestión** a week, attendance to meetings is not compulsory. However, several workers report that if you miss some meeting, or if you go on holiday for a week, when you come back everything has changed. Maria, a young member, sheds light on the topic: 'it is not mandatory, it is necessary. In the meetings, we learn. The *Feria* is a school. If we do not go to the meetings, we do not feed on anything and we do not learn anything' (G11). Another worker confirms 'the meetings are a form to educate us all, to learn from one another, to understand from the experience, to mutually help us grow as human beings, both individually and collectively' (H3). This, as states Teofilo, implies that one does not only have to be in the meeting, but also to be part of the meeting (G11). During the meetings, the participants first discuss the most recent events of the organization and pass on the information of the meetings of the departments. Then, they reflect collectively on the functioning of their organization, on the relationships created, on the transformations of individuals and the community, and on the bonds between their own process and the outside reality surrounding them. However, depending on the state of mind of each group, the meetings may adopt very different contents and dynamics.

Presently, there are around 300 joint meetings organized each year, which integrate several distinct participants of the network. In addition, each single group (from the small *UPC** which may count five people to the *Feria* with up to two hundred and fifty people) meet at least once a week. However, this is not a static situation, and some established meetings often give birth to new ones. Some meetings are planned on a weekly basis, some on a monthly basis, some are sporadic, some happen twice a year, while some are unique... In each gathering, there are participants which have assisted to other meetings, and which convey the essential information. Thus, data, common criteria, considerations and points of view are constantly exchanged within the entire network.

Some important meetings, among others, are the following ones:

Reunión de gestión: those meetings are open to all the worker-members across the network. There are three *reunión de gestión* per week, and each worker-member must participate to at least one of them. It is a sort of interface of the organization,

where all important information transits and all meaningful matter, regarding all the sectors, are discussed.

Reunión de sector: each work group plans at least one weekly meeting, to evaluate and organize the work of the sector. In those meetings both operational aspects and work relationships are discussed.

Plan local: this biweekly meeting integrates the different groups taking part to the process of the *Feria*. Its scope is to promote the mutual support between all of them and to discuss the procurement problems.

Reunión de costos: bi-annual meeting that integrates members of the sales units and representatives of all the groups of producers. In this meeting are exposed the production costs calculations of each group, for each production item. Consecutively, the costs are reviewed all together and an average is calculated. In order to fix the price that *Feria* will pay for each fruit and each vegetable, they add to the calculated average thirty percent for the margin and the risk. Those meetings usually last an entire weekend.

Planificación de siembras: gathers workers from the sales unity and representatives of all the producers' organizations. Every six months, they decide together on the specific production items, the volumes, and the terms for each group of producers. This meeting is essential so that there is no competition between the several groups.

Reunión general de asociados: happens twice a year. As Cecosesola does not have any Board of Directors or Management Board, in this meeting are, among other things, appointed three workers to the Representative Team. Those members will, usually for the next entire year, assume the legal representation of the organization.

Apoyo mutuo: see *Apoyo mutuo**

Reunión de escuela: see *Escuela cooperativa**

Reunión de presupuesto: see *Anticipo societario**

Rotación de tareas (A4)

> All jobs rotate on a regular basis within Cecosesola. This includes day and night surveillance, as well as cleaning and cooking duties. The specialized tasks rotate more slowly, as the training period is longer. The personal aptitudes are also taken into account in order to develop a determined activity. Even though, member who entered the organization without school degree may end up in the accounting department. The only limitations lie with the night surveillance and the carrying of heavy loads, tasks saved for men only.

Unidad de producción comunitaria (UPC) (A5, E3)

> The *UPCs* are cooperatives or associations with small membership (between five and twenty-five members), which dedicate to the production or distribution of handicraft food or cleansers, with the intention to be commercialized essentially at the *ferias*. They all share the criteria, values and principles of Cecosesola; they meet once a week to talk about operational and relational matters; they gather with people from the *Feria* once a month to discuss; and they count on the resource and financial support of the central organization. Those organizations chose, from their beginning, to self-organize.

Vivenciales (N1)

> Organized once a month, the *vivenciales* are a recent initiative of Cecosesola. During one week, people from the different part of the network move within several integrated organizations and swap roles. Alternatively, the participants work with one producers' organization, one *UPC*, and two sales units in Barquisimeto. During the week, they also meet several times in order to share their experience and discuss of their impressions. The aim of this initiative is to allow the workers of the organizations to get a better understanding of the other parts of the network, their roles as well as their work realities, in order to get a holistic vision of the organization. It is also a way to meet and connect with people integrated to other units of Cecosesola and to create bonds. Then, it is a means to reflect on the overall functioning of the organization and on its general issues. Finally, it is a method to exchange experiences and learn from other business units.

Appendix II. Meetings, interviews, documents

The meetings attended are listed and codified in the following table. The codes serve as references in chapter 4.

Code	Meeting	Date	Duration
M1	*Reunión del Centro Integral Cooperativo de Salud (CICS)*	15.08.2014	3 hours
M2	*Reunión de Gestión*	20.08.2014	3 hours
M3	*Reunión de Escuela*	20.08.2014	4 hours
M4	*Reunión del CICS*	22.08.2014	4 hours
M5	*Reunión de Terapia*	25.08.2014	4 hours
M6	*Reunión de Feria del Este*	22.08.2014	5 hours
M7	*Reunión de Gestión*	27.08.2014	5 hours
M8	*Reunión de Escuela*	27.08.2014	5 hours
M9	*Reunión de Presupuesto*	28.08.2014	5 hours
M10	*Reunión en Marajabu*	29.08.2014 30.08.2014	10 hours
M11	*Reunión de Gestión (Propuesta presupuesto)*	01.09.2014	5 hours
M12	*Reunión de productores en San Nicolas*	02.09.2014	3 hours
M13	*Reunión del CICS*	05.09.2014	5 hours
M14	*Asamblea General de Asociados – parte 1*	07.09.2014	5 hours
M15	*Reunión de las UPC*	08.09.2014	5 hours
M16	*Reunión de Feria del Centro*	08.09.2014	5 hours
M17	*Reunión de Gestión*	09.09.2014	5 hours
M18	*Reunión del CICS*	12.09.2014	5 hours
M19	*Reunión extraordinaria con los médicos del CICS*	14.09.2014	4 hours
M20	*Reunión de Gestión*	15.09.2014	5 hours
M21	*Reunión de Feria del Centro*	18.09.2014	5 hours
M22	*Reunión de Escuela (espontánea)*	18.09.2014	2 hours
M23	*Reunión de Apoyo Mutuo*	20.09.2014	4 hours
M24	*Asamblea General de Asociados – parte 2*	21.09.2014	5 hours
M25	*Reunión de Feria del Centro*	22.09.2014	5 hours

M26	*Reunión de Gestión*	23.09.2014	5 hours
M27	*Reunión de Gestión*	24.09.2014	5 hours
M28	*Reunión de Escuela*	24.09.2014	4 hours
M29	*Reunión de Costos en Agua Azul*	27.09.2014 28.09.2014 29.09.2014	15 hours
M30	*Reunión de productores en San Nicolas*	30.09.2014	4 hours
M31	*Encuentro de productores en San Nicolas*	05.10.2014	4 hours
M32	*Reunión de Compras*	06.10.2014	5 hours
M33	*Reunión de Feria del Centro*	06.10.2014	5 hours
M34	*Reunión de productores en San Nicolás*	07.10.2014	4 hours
M35	*Reunión excepcional en Barinas*	13.10.2014	5 hours
M36	*Reunión de Gestión*	14.10.2014	5 hours
M37	*Reunión de Escuela*	15.10.2014	5 hours
M38	*Reunión con los productores de Sanare (vivencial)*	20.10.2014 21.10.2014	5 hours
M39	*Reunión de la UPC 8 de marzo (vivencial)*	22.10.2014	3 hours
M40	*Reunión del vivencial*	23.10.2014	4 hours
M41	*Reunión del vivencial*	25.10.2014	4 hours
M42	*Reunión de Gestión*	27.10.2015	5 hours
M43	*Reunión de Feria del Centro*	27.10.2015	5 hours
M44	*Reunión con los productores de Barinas*	04.11.2014	6 hours
M45	*Reunión con los productores de San Nicolás*	05.11.2014	4 hours
M46	*Reunión de Gestión*	10.11.2015	5 hours
M47	*Reunión con los productores de San Nicolás*	18.11.2015	3 hours

Two interviews have been conducted:

N1	Non-structured interview with a long-date worker-member (female)	12th August 2014
N2	Semi-structured interview with one of the founders of Cecosesola, ex-President of the cooperative, and one of the most experienced activist of the cooperative movement in the State of Lara (male)	18th September 2014

The documents used for the findings are listed and codified in the following tables. The codes serve as references in chapter 4.

Organizational publications (A)

A1	Escuela Cooperativa Rosario Arjona (1990). *Gestión Solidaria*. Barquismeto: Cecosesola.
A2	Escuela Cooperativa Rosario Arjona (1991). *El programa de ferias de consumo familiar: Una alternativa de gestión de la economía popular en gran escala desde la organización comunitaria [The programme of 'ferias de consumo familiar' : A management alternative to the large scale popular economy through the communitarian organization]*. Barquisimeto: Cecosesola.
A3	Escuela Cooperativa Rosario Arjona (2003). *Buscando una convivencia armónica. Reflexiones en la búsqueda de nuestra transformación [Pursuit of a harmonious cohabitation. Reflections on the quest for our transformation]*. Barquisimeto: Cecosesola.
A4	Cecosesola (2007). *Construyendo aquí y ahora el mundo que queremos [Building here and now the word that we want]*. Barquisimeto: Cecosesola.
A5	Cecosesola (2009). *¿Hacia un cerebro colectivo? De reuniones…a espacios de encuentro [Towards a collective mind ? From meetings… to spaces for encounter]*. Barquisimeto: Cecosesola.
A6	Escuela Cooperativa CECOSESOLA (2010). *Ley Especial de Asociaciones Cooperativas [Special Law of Cooperative Associations]*. Barquisimeto: Cecosesola.
A7	Cecosesola (2012, May). *Reflexionando nuestro vivir [Thinking about our way of life]*. Unpublished document.
A8	Cecosesola Organismo (2015, February 17). ¿Por qué las Ferias de Consumo Familiar abren solo el fin de semana? [Why do 'Ferias de Consumo Familiar' only open in the weekend ?]. Retrieved from https://www.facebook.com/media/set/?set=a.1673271436243305.1073741847.1673270776243371&type=3
A9	http://www.cecosesola.org

In-house publications (B)

B1	By-laws (2002)
B2	Report General Meeting of 25th August 2013
B3	Reports General Meeting of September 2014 (part I: 7th September, part II: 21st September)

Monography (C)

C1	Kliksberg, B. (2001). *Towards an Intelligent State.* Amsterdam: IOS Press.

Scientific publications (D)

D1	Michelutti, L. (2012). *Small-scale farmers under socialist governments: Venezuela and the ALBA People's Trade Agreement*. London/The Hague : IIED/HIVOS.
D2	Exner, A. (2013). De-growth solidarity: the great socio-ecological transformation of the twenty-first century. In Exner, A., Fleissner, P., Kranzl, L., & Zittel, W. (Eds.), *Land and resource scarcity: Capitalism, struggle and well-being in a world without fossil fuels,* (pp.185-244). London, New York: Routledge.
D3	Freitez, N. (2012). *El desarrollo del cooperativismo en el Estado Lara en el período 1958-2008: proceso histórico y tendencias.* (Unpublished doctoral dissertation). Universidad Central de Venezuela, Barquisimeto.

Nonperiodical Web pages, online documents and reports (E)

E1	Gandica, J. E. (1998). Alianzas entre el sector público, privado, y sociedad civil para la mitigación de la pobreza. Estudio del caso Central Cooperativa de Servicios Sociales Lara (CECOSESOLA). Retrieved from http://www.gestionsocial.org/archivos/00000659/BM_CECOSESOLA.pdf
E2	Girard, J.-P. (2014). *Better health & social care. How are co-ops & mutuals boosting innovation & access worldwide?, vol. 2* (An international survey of co-ops and mutuals at work in the health and social care sector, CMHSC14).

	Montréal: LPS productions. Retrieved from https://previewihco.files.wordpress.com/2014/10/report_lps_vol2.pdf
E3	Gómez Calcaño, L. (1998). *Las Ferias de Consumo Familiar del Estado Lara, Venezuela: Una experiencia de organización participativa* [The Ferias de Comsumo Familiar of the Lara State, Venezuela: an experience of participative organization]. Report for the State and Civil Society Department of the Inter-American Development Bank, Caracas. Retrieved from http://www.urbared.ungs.edu.ar/pdf/pdf-articulos/las%20ferias%20de%20consumo%20familiar%20del%20Estado%20Lara-Venezuela.pdf?PHPSESSID=4816ec5f20e080fa0e098cb116e361c7

Newspaper article (F)

F1	Duran, M. (2015, February 4). Ferias se han adaptado a la realidad actual [The Ferias adapted to the current reality]. *El Impulso.* Retrieved from http://elimpulso.com/articulo/ferias-se-han-adaptado-a-la-realidad-actual

Independent blogs, Web sites, and magazines (G)

G1	Cooperativas de las Américas. (2015). Con 200.000 firmas el cooperativismo venezolano dice no al impuesto sobre la renta [With 200.000 signatures the Venezuelan cooperative movement says no to the income tax]. Retrieved from http://www.aciamericas.coop/Con-200-000-firmas-el-cooperativismo-venezolano-dice-no-al-impuesto-sobre-la
G2	Ferreira, C. (2010). Una cooperativa donde no existen cargos sino tareas a cumplir [A cooperative with no functions but task to accomplish]. Retrieved from http://prout.org.ve/una-cooperativa-donde-no-existen-cargos-sino-tareas-a-cumplir/
G3	Fox, M. (2006). CECOSESOLA : Four decades of independent struggle for a Venezuelan cooperative. Retrieved from http://venezuelanalysis.com/analysis/1793
G4	Gestión Participativa (2012). Organizaciones integrantes de la red CECOSESOLA [Organizations integrated to the network CECOSESOLA]. Retrieved from

	http://www.gestionparticipativa.coop/portal/index.php?option=com_content& view=article&id=317:organizaciones-integrantes-de-la-red-cecosesola&catid=117:organismos-regionales&Itemid=374
G5	Grysol, S. (2013). Cecosesola : la réflexion permamente ! [Cecosesola: the permanent reflection !]. Retrieved from http://cqfd-journal.org/Cecosesola-la-reflexion-permanente
G7	Jensen, E., & Issacs, A. (2009). CECOSESOLA cooperative : An interview with Gustavo Salas Romer. Retrieved from http://venezuelanalysis.com/print/4804
G9	Pillku.org (2013). Entrevista a Gustavo Salas. De la confianza emerge una fuerza colectiva que es capaz de derrumbar montañas [Interview with Gustavo Salas. From trust emerges a collective strength that is able to move mountains]**.** Retrieved from http://pillku.org/article/de-la-confianza-emerge-una-fuerza-colectiva-que-es/
G10	Radio al Reves. (2011). Cooperatives in Venezuela promote solidarity, equality and dignity. Retrieved from http://upsidedownworld.org/main/venezuela-archives-35/2988-cooperatives-in-venezuela-promote-solidarity-equality-and-dignity
G11	Verhoeven, J., & Wustefeld, E. (2013, May-June). Cecosesola ou l'autogestion totale [Cecosesola or the absolute self-management]. *Le Monde Libertaire, 40*. Retrieved from http://www.autogestion.asso.fr/wp-content/uploads/2013/04/cecosesola.pdf

Online videos (H)

H1	Collectif Engrenages (2015, May 12). *Cecosesola: vidéo principale* [Online video]. Retrieved from https://vimeo.com/127574194
H2	Collectif Engrenages (2015, May 12). *Cecosesola: questions à Gustavo 4* [Online video]. Retrieved from https://vimeo.com/127576170
H3	Collectif Engrenages (2015, May 12). *Cecosesola: questions à Gustavo 5* [Online video]. Retrieved from https://vimeo.com/127576171

Others (I)

I1	SUNACOOP (n.d.). *Cooperativas en Venezuela.* Unpublished document.

MISSION

PERMANENT ORGANIZATIONAL TRANSFORMATION

Adaptation, innovation, flexibility

PERSONAL TRANSFORMATION

Commitment, motivation, seen as more than a job

COLLECTIVE CREATIVITY

Collective resolution of problems, incentives for personal initiatives, multifunctional aptitudes, decision-making process based on consent

RESPONSIBILITY

Individual and collective responsibility, accountability

FORMATIVE PROCESS

Control of coherence, shared values, common objective, internal communication about history, reflection about identity, revitalization and reinforcement of the cooperative culture

COLLECTIVE LEARNING

Learning from experience, dynamics of experimentation

IDENTIFICATION

Sense of belonging, belief in the process, organizational lucidity

CLIMATE OF MUTUAL MONITORING

Equidad, no competition, trust, mutual recognition, respect, transparency

---

Permanent blurring of the hierarchy, collective decisions about *anticipos*, a-politics, a-religious, no supervision, low controls, relative independance of the business lines, collective ownership
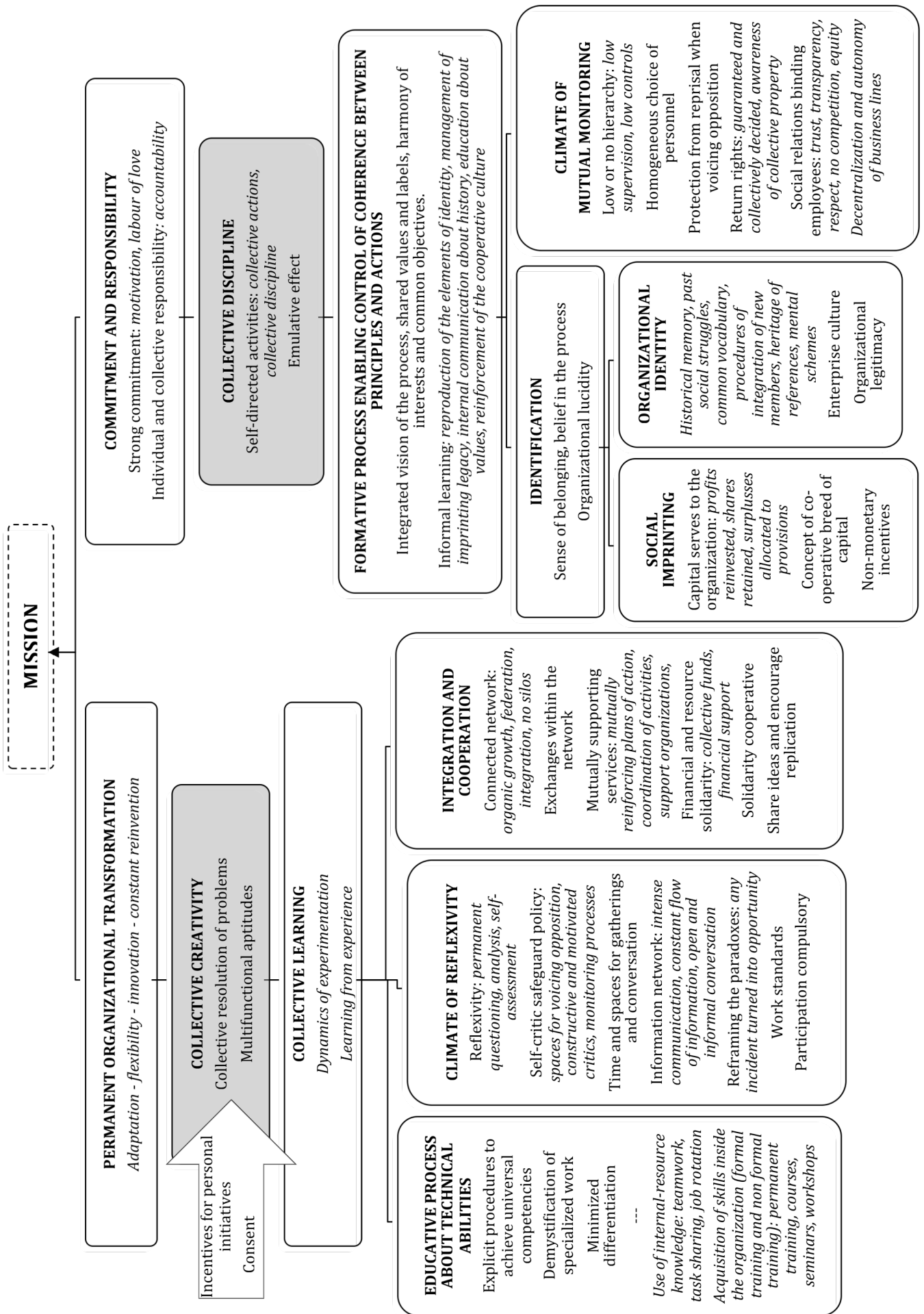
EDUCATIVE PROCESS

Sharing of knowledge, diffusion of skills and technical abilities, use of internal-resource knowledge

---

Rotación de tareas, teamwork, no specialization, permanent training, workshops

CLIMATE OF REFLEXIVITY

Permanent questioning, self-reflection, and self-assessment; Permanent gatherings and conversations; constant flow of information; incidents turned into opportunities; openness to criticism; monitoring processes

---

Reuniones, process of *análisis,* open and informal communication, open participation, no dogma or permanent rules, *criterios colectivos*

COOPERATION

Mutually supporting business lines, integration, coordination of activities, exchanges of experience, financial and resource solidarity

---

Organic growth, wide and connected network, no silos, share ideas and encourage replication, exchanges, *vivenciales, financiamiento solidario.*

NON-MONETARY INCENTIVES

Work with minimum capital, maximum 1% net surplus , low margins, *precio justo*, profits reinvested, self-financing, loans, leisure activities,...

CECOSESOLA'S IDENTITY

Single and uniform voice, enterprise culture

Own language, *criterios colectivos, integración de los nuevos,* past struggles

MISSION

COMMITMENT AND RESPONSIBILITY
Strong commitment: *motivation, labour of love*
Individual and collective responsibility: *accountability*

COLLECTIVE DISCIPLINE
Self-directed activities: *collective actions, collective discipline*
Emulative effect

FORMATIVE PROCESS ENABLING CONTROL OF COHERENCE BETWEEN PRINCIPLES AND ACTIONS
Integrated vision of the process, shared values and labels, harmony of interests and common objectives.
Informal learning: *reproduction of the elements of identity, management of imprinting legacy, internal communication about history, education about values, reinforcement of the cooperative culture*

CLIMATE OF MUTUAL MONITORING
Low or no hierarchy: *low supervision, low controls*
Homogeneous choice of personnel
Protection from reprisal when voicing opposition
Return rights: *guaranteed and collectively decided, awareness of collective property*
Social relations binding employees: *trust, transparency, respect, no competition, equity*
Decentralization and autonomy of business lines

IDENTIFICATION
Sense of belonging, belief in the process
Organizational lucidity

ORGANIZATIONAL IDENTITY
Historical memory, past social struggles, common vocabulary, procedures of integration of new members, heritage of references, mental schemes
Enterprise culture
Organizational legitimacy

SOCIAL IMPRINTING
Capital serves to the organization: *profits reinvested, shares retained, surplusses allocated to provisions*
Concept of co-operative breed of capital
Non-monetary incentives

PERMANENT ORGANIZATIONAL TRANSFORMATION
Adaptation - flexibility - innovation - constant reinvention

COLLECTIVE CREATIVITY
Collective resolution of problems
Multifunctional aptitudes

Incentives for personal initiatives
Consent

COLLECTIVE LEARNING
Dynamics of experimentation
Learning from experience

INTEGRATION AND COOPERATION
Connected network: *organic growth, federation, integration, no silos*
Exchanges within the network
Mutually supporting services: *mutually reinforcing plans of action, coordination of activities, support organizations,*
Financial and resource solidarity: *collective funds, financial support*
Solidarity cooperative
Share ideas and encourage replication

CLIMATE OF REFLEXIVITY
Reflexivity: *permanent questioning, analysis, self-assessment*
Self-critic safeguard policy: *spaces for voicing opposition, constructive and motivated critics, monitoring processes*
Time and spaces for gatherings and conversation
Information network: *intense communication, constant flow of information, open and informal conversation*
Reframing the paradoxes: *any incident turned into opportunity*
Work standards
Participation compulsory

EDUCATIVE PROCESS ABOUT TECHNICAL ABILITIES
Explicit procedures to achieve universal competencies
Demystification of specialized work
Minimized differentiation

Use of internal-resource knowledge: teamwork, task sharing, job rotation
Acquisition of skills inside the organization *(formal training and non formal training)*: permanent training, courses, seminars, workshops

Scientific Articles

Batstone, E. (1983). Organization and orientation: A life cycle model of French cooperatives. *Economic and Industrial Democracy, 4*(2), 139–161. doi:10.1177/0143831X8342002

Battilana, J., & Dorado, S. (2010). Building sustainable hybrid organizations: The case of commercial microfinance organizations. *Academy of Management Journal*, *53*(6), 1419-1440. doi:10.5465/AMJ.2010.57318391

Battilana, J., & Lee, M. (2014). Advancing research on hybrid organizing. *The Academy of Management Annals*, *8*(1), 397-441. doi:10.1080/19416520.2014.893615.

Battilana, J., Sengul, M., Pache, A. C., & Model, J. (2014). Harnessing productive tensions in hybrid organizations: the case of work integration social enterprises. *Academy of Management Journal,* forthcoming. doi:10.5465/amj.2013.0903

Baum, J. A. C., & Oliver, C. (1991). Institutional linkages and organizational mortality. *Administrative Science Quarterly, 36*(2), 187-218. Retrieved from Jstor: http://www.jstor.org/stable/2393353

Ben-Ner, A. (1984). On the stability of the cooperative type of organization. *Journal of Comparative Economics, 8*(3), 247–260.

Ben-Ner, A. and Jones, D. C. (1995). Employee participation, ownership, and productivity: A theoretical framework. *Industrial Relations 34*(4), 532–554. doi:10.1111/j.1468-232X.1995.tb00387.x

Bernstein, P. (1976). Necessary elements for effective worker participation in decision-making. *Journal of Economic Issues, 10*(2), 490-522. Retrieved from Jstor: http://www.jstor.org/stable/4224502

Bonin, J. P., Jones, D. C., & Putterman, L. (1993). Theoretical and empirical studies of producer cooperatives: Will ever the twain meet? *Journal of Economic Literature, 31*(3), 1290-1320. Retrieved form Jstor: http://www.jstor.org/stable/2728242

Broda, P. (2010). The Kibbutz in Israel: Democracy and economic efficiency. *European Union Foreign Affairs Journal, 2*, 98-112. Retrieved from LIBERTAS: http://www.libertas-institut.com/de/EUFAJ/no2_2010.pdf#page=98

Cheney, G., Santa Cruz, I., Peredo, A. M., & Nazareno, E. (2014). Worker cooperatives as an organizational alternative: Challenges, achievements and promise in business governance and ownership. *Organizations, 21*(5), 591-603. doi:10.1177/1350508414539784

Cornforth. C. (1983). Some factors affecting the success or failure of worker cooperatives: A review of empirical research in the United Kingdom. *Economic and Industrial Democracy, 4*(2)*,* 163-190.

Cornforth, C. (1988). Can entrepreneurship be institutionalised? The case of worker co-operatives. *International Small Business Journal*, *6*(4), 10-19. doi:10.1177/026624268800600401

Cornforth, C. (1995). Patterns of co-operative management: Beyond the degeneration thesis. *Economic and Industrial Democracy, 16*(4)*,* 487-523. doi:10.1177/0143831X95164002

Cujes, R. (1989). Workers' cooperatives: A means to humanize the economy. *Slovene Studies, 11*(1/2), 119-125. Retrieved from ResearchWorks Journal Hosting: https://journals.lib.washington.edu/index.php/ssj/article/viewFile/3774/3186

Defourny, J., Estrin, S., & Jones, D. (1985). The effects of workers' participation on enterprise performance. *International Journal of Industrial Organization, 3*(2)*,* 197-217. doi:10.1016/0167-7187(85)90004-9

Defourny, J., & Kim, S.-Y. (2011). Emerging models of social enterprises in Eastern Asia. *Social Enterprise Journal, 7*(1), 86-111. Retrieved from Orbi: http://hdl.handle.net/2268/91190

Defourny, J., & Nyssens, M. (2010). Conceptions of social enterprise and social entrepreneurship in Europe and the United States : Convergences and divergences. *Journal of Social Entrepreneurship, 1*(1), 32-53. doi:10.1080/19420670903442053

De la Torre, C. (2013). In the name of the people: Democratization, popular organizations, and populism in Venezuela, Bolivia, and Ecuador. *European Review of Latin American and Caribbean Studies, 95,* 27-48. Retrieved from Cedla: http://www.erlacs.org/index.php/erlacs/article/view/9229

DiMaggio, P., & Powell, W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review, 48*(2), 147-160. Retrieved from Jstor: http://www.jstor.org/stable/2095101

Doherty, B., Haugh, H., & Lyon, F. (2014). Social enterprises as hybrid organizations: A review and research agenda. *International Journal of Management Reviews*, *16*(4), 417-436. doi:10.1111/ijmr.12028

Estrin, S., & Jones, D. C. (1992). The viability of employee-owned firms: Evidence from France. *Industrial & Labor Relations Review*, *45*(2), 323-338. doi:10.2307/2524838

Gioia, D. A., Patvardhan, S. D., Hamilton, A. L., & Corley, K. G. (2013). Organizational identity formation and change. *The Academy of Management Annals, 7*(1): 123-193. doi:10.1080/19416520.2013.762225

Golden-Biddle, K., & Rao, H. (1997). Breaches in the boardroom: Organizational identity and conflicts of commitment in a nonprofit organization. *Organization Science, 8*(6). 593-611. doi:10.1287/orsc.8.6.593

Halary, I. (2006). Co-operatives in globalization: The advantages of networking. *Advances in the economic analysis of participatory and labour-managed firms,* Elsevier Science, 9, 237-264.

Heras-Saizarbitoria, I. (2014). The ties that bind? Exploring the basic principles of worker-owned organizations in practice. *Organization*, *21*(5), 645-665. doi:0.1177/1350508414537623

Hernandez, S. (2006). Striving for control: Democracy and oligarchy at a Mexican cooperative. *Economic and Industrial Democracy*, *27*(1), 105-135. doi:10.1177/0143831X06060593

Johnson, A. G., & Whyte, W. F. (1977). The Mondragon system of worker production cooperatives. *Industrial and Labor Relations Review, 31*(1), 18-30. doi:10.2307/2522506

Jones, D. (1975). British producer cooperatives and the views of the Webbs on participation and ability to survive. *Annals of Public and Cooperative Economics, 46*(1), 23-44. doi:10.1111/j.1467-8292.1975.tb00421.x

Luhman, J. T. (2006). Theoretical postulations on organization democracy. *Journal of Management Inquiry, 15*(2), 168-185. doi:10.1177/1056492605275419

Mair, J., & Marti, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business, 41*(1), 36-44. doi:10.1016/j.jwb.2005.09.002

Meira, F. B. (2014). Liminal organization: Organizational emergence within solidary economy in Brazil. *Organization*, *21*(5), 713-729. doi:10.1177/1350508414537621

Menzani, T., & Zamagni, V. (2010). Co-operative networks in the Italian economy. *Enterprise and Society, 11*(1), 98-127.

Miller, T., & Wesley, C. (2010). Assessing mission and resources for social change: An organizational identity perspective on social venture capitalists' decision criteria. *Entrepreneurship Theory and Practice, 34*(4), 705-733. doi:10.1111/j.1540-6520.2010.00388.x

Miyazaki, H. (1984). On success and dissolution of the labor-managed firm in the capitalist economy. *The Journal of Political Economy, 92*(5), 909-931. doi:10.1086/261264

Oliver, C. (1991). Strategic responses to institutional processes. *Academy of management review*, *16*(1), 145-179. doi:10.5465/AMR.1991.4279002

Ouchi, W. G. (1980). Markets, bureaucracies, and clans. *Administrative Science Quarterly, 25*(1), 129-141. doi:10.2307/2392231

Pache, A. C., & Santos, F. (2010). When worlds collide: The internal dynamics of organizational responses to conflicting institutional demands. *Academy of Management Review*, *35*(3), 455-476. Retrieved from Academy of Management Review: http://amr.aom.org/content/35/3/455.short

Prades, J. (2005). L'énigme de Mondragon: Comprendre le sens de l'expérience [The Mondragon enigma : Understand the sense of the experience]. *Revue Internationale de l'Economie Sociale: Recma*, (296), 100-115. doi:10.7202/1021865ar

Rothschild-Whitt, J. (1979). The collectivist organization: An alternative to rational-bureaucratic models. *American Sociological Review, 44*(4), 509-527. Retrieved from Jstor: http://www.jstor.org/stable/2094585

Santos, F. (2012). A positive theory of social entrepreneurship. *Journal of Business Ethics, 111*(3), 335-351. doi:10.1007/s10551-012-1413-4

Simmons, R., & Birchall, J. (2007). The role of co-operatives in poverty reduction: Network perspectives. *The Journal of Socio-Economics, 37*(6), 2131-2140. doi:10.1016/j.socec.2008.04.016

Smith, S. C. (2001). Blooming together or wilting alone? Network externalities and Mondragón and La Lega co-operative networks (No. 2001/27). WIDER Discussion Papers//World Institute for Development Economics (UNU-WIDER).

Smith, W. K., Gonin, M., & Besharov, M. L. (2013). Managing social-business tensions: A review and research agenda for social enterprises. *Business Ethics Quarterly, 23*(3), 407-442. doi:10.5840/beq2C1323327

Smith, W. K., & Lewis, M. W. (2011). Toward a theory of paradox: A dynamic equilibrium model of organizing. *Academy of Management Review*, *36*(2), 381-403. doi :10.5465/AMR.2011.59330958

Spear, R. (2004). Governance in democratic member-based organisations. *Annals of Public and Cooperative Economics, 75*(1), 33-59. doi:10.1111/j.1467-8292.2004.00242.x

Stiglitz, J. (2009). Moving beyond market fundamentalism to a more balanced economy. *Annals of Public and Cooperative Economics, 80*(3), 345-360. doi:10.1111/j.1467-8292.2009.00389.x

Stohl, C., & Cheney, G. (2001). Participatory processes/paradoxical practices communication and the dilemmas of organizational democracy. *Management Communication Quarterly*, *14*(3), 349-407. doi:10.1177/0893318901143001

Storey, J., Basterretxea, I., & Salaman, G. (2014). Managing and resisting 'degeneration' in employee-owned businesses: A comparative study of two large retailers in Spain and the United Kingdom. *Organization*, *21*(5), 626-644. doi:10.1177/1350508414537624

Stryjan, Y. (1994). Understanding cooperatives: The reproduction perspective. *Annals of Public and Cooperative Economics, 65*(1), 59–80.

Varman, R., & Chakrabarti, M. (2004). Contradictions of democracy in a workers' cooperative. *Organization Studies*, *25*(2), 183-208. doi:10.1177/0170840604036913

Vicari, S. (1965). Une expérience d'autogestion en Italie. *Community Work and Communication,* (25), 124-132.

Westenholz, A. (1999). From a logic perspective to a paradox perspective in the analysis of an employee-owned company. *Economic and industrial Democracy*, *20*(4), 503-534. doi: 10.1177/0143831X99204002

Zúquete, J. P. (2008). The missionary politics of Hugo Chávez. *Latin American Politics and Society, 50*(1), 91-121. doi: 10.1111/j.1548-2456.2008.00005.x

Monographs and Chapters

Blasi, J., Mehrling, P., & Whyte W. F. (1984). Environmental influences in the growth of worker ownership and control. In Wilpert, B., & Sorge, A. (Eds.), *International yearbook of organisational democracy,* (pp. 289-313). Chichester, UK: John Wiley.

Cornforth, C., & Spear, R. (2010). The governance of hybrid organizations. In Billis, D. (Ed.), *Hybrid organizations and the third sector : Challenges for practices, theory and policy,* (pp. 70-89). Basingstoke, UK : Palgrave.

Cornforth, C., Thomas, A., Lewis, J., & Spear, R. (1988). *Developing Successful Worker Cooperatives*. London: Sage.

Dahl, R.A., (1985). *A preface to Economic Democracy.* Berkeley: University of California Press.

Drimer, A., & Drimer, B. (1973). *Las cooperativas escolares* [The school cooperatives]. Buenos Aires: Intercoop Argentina.

Exner, A. (2013). De-growth solidarity: the great socio-ecological transformation of the twenty-first century. In Exner, A., Fleissner, P., Kranzl, L., & Zittel, W. (Eds.), *Land and resource scarcity: Capitalism, struggle and well-being in a world without fossil fuels,* (pp. 185-244). London, New York: Routledge.

Ferreira, N. (2004). *Economie sociale et autogestion. Entre utopie et réalité* [Social economy and self-management. Between utopia and reality]. Dunkerque: L'Harmattan.

Follett, M. P. (1924). *Creative experience*. New York: Longmans, Green and co.

Girard, J.-P., & Langlois, G. (2009). Solidarity co-operatives (Quebec, Canada): How social enterprises can combine social and economic goals. In Noya, A. (Ed.), *The Changing Boundaries of Social Entreprises,* (OECD Publishing, pp. 229-272). doi:10.1787/9789264055513-7-en

Jones, D., & Svejnar, J. (1982). The economic performance of participatory and self-managed firms: A historical perspective and a review. In Jones, D. C., & Svejnar, J. (Eds.), *Participatory and self-managed firms: Evaluating economic performance,* (pp. 3-13). Lexington: LexingtonBooks.

Kliksberg, B. (2001). *Towards an Intelligent State.* Amsterdam: IOS Press.

Kraatz, M., & Block, E. (2008). Organizational implications of institutional pluralism. In Greenwood, R., Oliver, C., Sahlin, K., & Suddaby, R. (Eds.), *The SAGE handbook of organizational institutionalism,* (pp. 243-275). London: Sage Publications Ltd.

Latinne, A. (2014). *The Mondragon cooperatives. Workplace democracy and globalization,* Cambridge: Intersentia.

Meister, A. (1984). *Participation, associations, development, and change.* New Brunswick, New Jersey: Transaction Publishers.

Michels, R. (1915). *Political parties. Sociological studies of the oligarchical tendencies of modern democracy.* Ontario: Batoche Books.

Mintzberg, H. (1983). *Power in and around organization.* Englewood Cliffs: Prentice-Hall.

Mintzberg, H. (1989). *Mintzberg on management: Inside our strange world of organizations.* New York: Free Press.

Moeran, B. (2009). From participant observation to observant participation. In Ybema, S., Yanow, D., Wels, H., & Kamsteeg, F. (Eds). *Organizational Ethnography: Studying the complexities of everyday life.* London: Sage.

Mothé, D. (2006). Autogestion [Self-management]. In Laville, J.-L., & Catarri, A. D. (2006). *Dictionnaire de l'autre économie [Dictionnary of the other economy].* Paris : Desclée de Brouwer.

Nicolini, D. (2009). Zooming in and out: A package of method and theory to study work practices. In Ybema, S., Yanow, D., Wels, H., & Kamsteeg, F. (Eds). *Organizational Ethnography: Studying the complexities of everyday life.* London: Sage.

Nizet, J., & Pichault, F. (2001). *Introduction à la théorie des configurations. Du "one best way" à la diversité organisationnelle [Introduction to the theory of configurations : from the 'one best way' to the organizational diversity].* Bruxelles: De Boeck Université.

Pabst, A. (2014). The crisis of capitalism and the 'civil economy' alternative. In Cowley, C., & Rowlands, A. (Eds.). *The crisis of capitalism and catholic social teaching,* (pp. 1-21). Cambridge: Cambridge University Press. Retrieved from https://kar.kent.ac.uk/id/eprint/37666

Pettigrew, S. F. (2000). Ethnography and Grounded Theory: A Happy Marriage? In Hoch, S. J., & Meyer, R. J. (Eds). *NA - Advances in Consumer Research, Vol. 27.* Provo (UT): Association for Consumer Research.

113

Potter, B. (1890). *The co-operative movement in Great Britain*. London: Longman.

Sainsaulieu, R. (1987). *Sociologie de l'organisation et de l'entreprise* [Sociology of the organization and the enterprise]. Paris: Presses de la Fondation Nationale des Sciences Politiques & Dalloz.

Sosa, A. (2007). Reflexiones sobre el poder comunal [Thougts about the communal power]. In López Maya, M. (Ed.), *Ideas para debatir el socialismo del siglo XXI [Ideas to debate the socialism of the XXI century],* (pp. 41-59). Caracas : Editorial Alfa.

Stryjan, Y. (1989). *Impossible organizations: Self-management and organizational reproduction*. Westport: Greenwood Press.

Thévenet, M. (1993). *La culture d'entreprise [The enterprise culture]*. Paris, France: PUF – Presses Universitaires de France.

Vanek, J. (1975). The basic theory of financing of participatory firms. In Vanek, J. (Ed.), *Self-management: economic liberation of man*, (pp. 445-462). London: Penguin.

Webb, T., & Cheney, G. (2014). Worker-owned-and-governed cooperatives and the wider cooperative movement: Challenges and opportunities within and beyond the global economic crisis. In Parker, M., Cheney, G., Fournier, V., & Land, C. (Eds.), *The Routledge companion to alternative organization,* (pp. 64-88). London: Routledge.

Webb, S., & Webb, B. (1921). *The consumers' co-operative movement.* London : Longmans, Green and co. Retrieved from https://archive.org/stream/cu31924032437984#page/n481/mode/2up

Whyte, W., Mehrling, F., & Blasi, J. (1984). Environmental influence on the growth of worker ownership and control. In Wilper, B., & Sorge, A. (Eds). *International Perspectives on Organizational Democracy*, (vol. II, pp. 289-313). Chichester, UK: John Wiley & Sons.

Ybema, S., & Kamsteeg, F. (2009). Making the familiar strange: A case for disengaged organizational ethnography. In Ybema, S., Yanow, D., Wels, H., & Kamsteeg, F. (Eds). *Organizational Ethnography: Studying the complexities of everyday life.* London: Sage.

Working Papers, Discussion Papers and Research Reports

Birchall, J., & Ketilson, L., H. (2009). *Resilience of the cooperative business model in times of crisis* (Sustainable Enterprise Programme/Responses to the global economic crisis). Geneva, Italy: International Labour Office. Retrieved from htpp://hdl.handle.net/1893/3255

Girard, J.-P. (2014). *Better health & social care. How are co-ops & mutuals boosting innovation & access worldwide?* (vol. 2, an international survey of co-ops and mutuals at work in the health and social care sector, CMHSC14). Montréal: LPS

productions. Retrieved from
https://previewihco.files.wordpress.com/2014/10/report_lps_vol2.pdf

Michelutti, L. (2012). *Small-scale farmers under socialist governments: Venezuela and the ALBA People's Trade Agreement*. London/The Hague : IIED/HIVOS.

Pencavel, J. (2012). *Worker cooperatives and democratic governance* (Discussion Paper No. 12-003). Stanford: Stanford Institute for Economic Policy Research.

Doctoral Dissertations

Defourny, J. (1990). *Démocratie cooperative et efficacité économique: La performance comparée des SCOP françaises [Cooperative democracy and economic efficiency: The compared performance of the French SCOP]*. Bruxelles: De Boeck Université.

Freitez, N. (2012). *El desarrollo del cooperativismo en el Estado Lara en el período 1958-2008: proceso histórico y tendencias [The development of the cooperative movement in the State of Lara in the period 1958-2008 : historical process and tendencies]*. (Unpublished doctoral dissertation). Universidad Central de Venezuela, Barquisimeto.

Joyce, P. T. (2011). *Educators engaged in meaning-making about their work: using an expanding circles model of governance, grounded in sociocratic principles, to improve the work educators do.* (Doctoral dissertation, Curtin University). Retrieved from http://espace.library.curtin.edu.au/cgi-bin/espace.pdf?file=/2011/12/16/file_1/170202

Congresses and Conferences

Gand, S., & Béjean, M. (2013). *Organizing sustainable democratic firms: processes of regeneration as the design of new models of cooperation*. Submitted at the 13th Annual Conference of the European Academy of Management, Istanbul, Turkey. Retrieved from https://hal-mines-paristech.archives-ouvertes.fr/hal-00881721/document

Mintzberg, H. (1991). The effective organization: forces and forms. In Dumez, H. (Eds.), *Actes du séminaure Contradictions et Dynamique des Organizations – CONDOR – II,* (pp. 21-46). Paris, France. Retrieved from https://hal.archives-ouvertes.fr/hal-00263274/document

Publications from Agencies, Associations and Governments

Lifelong Learning Programme (2007). *Exp 3 – Analysis Report. (*AGREEMENT NO 2007 – 1970 / 001 – 001 LE3-MULPRO). Retrieved from http://www.adam-europe.eu/prj/3822/prd/10/1/Analysis%20Report%20_final_.pdf

Barberini, I. (2004). Foreword. In Stirling, S. (Eds.), *Promoting co-operatives. A guide to ILO recommendation 193*. Manchester : Co-operative College. Retrieved from http://socialeconomy.itcilo.org/en/files/docs/promoting-co-operatives-a-guide-to-ilo-recommendation-193.pdf

Verhoeven, J., & Wustefeld, E. (2014). *Autogestion : Transformation sociale et résilience [Self-management: Social transformation and resilience]*. Liège : Barricade.

Newspapers and Magazine Articles

Duran, M. (2015, February 4). Ferias se han adaptado a la realidad actual [The Ferias adapted to the current reality]. *El Impulso.* Retrieved from http://elimpulso.com/articulo/ferias-se-han-adaptado-a-la-realidad-actual

Kania, J., & Kramer, M. (2011, winter). Collective impact. *Stanford Social Innovation Review,* (pp.36-41). Retrieved from http://c.ymcdn.com/sites/www.lano.org/resource/dynamic/blogs/20131007_093137_25993.pdf

Verhoeven, J., & Wustefeld, E. (2013, May-June). Cecosesola ou l'autogestion totale [Cecosesola or the absolute self-management]. *Le Monde Libertaire, 40*. Retrieved from http://www.autogestion.asso.fr/wp-content/uploads/2013/04/cecosesola.pdf

Nonperiodical Web Pages, Online Documents and Reports

Buck, A. J. & Endenburg, G. (2010). *The creative forces of self-organization.* Rotterdam: Sociocratic Center. Retrieved from http://www.habitatreimagined.com/wp-content/uploads/2011/03/Creative-Forces-of-Self-Organization1-4.pdf

Cooperativas de las Américas. (2015). Con 200.000 firmas el cooperativismo venezolano dice no al impuesto sobre la renta [With 200.000 signatures the Venezuelan cooperative movement says no to the income tax]. Retrieved from http://www.aciamericas.coop/Con-200-000-firmas-el-cooperativismo-venezolano-dice-no-al-impuesto-sobre-la

Ferreira, C. (2010). Una cooperativa donde no existen cargos sino tareas a cumplir [A cooperative with no functions but task to accomplish]. Retrieved from http://prout.org.ve/una-cooperativa-donde-no-existen-cargos-sino-tareas-a-cumplir/

Fox, M. (2006). CECOSESOLA : Four decades of independent struggle for a Venezuelan cooperative. Retrieved from http://venezuelanalysis.com/analysis/1793

Gandica, J. E. (1998). Alianzas entre el sector público, privado, y sociedad civil para la mitigación de la pobreza. Estudio del caso Central Cooperativa de Servicios Sociales Lara (CECOSESOLA). Retrieved from http://www.gestionsocial.org/archivos/00000659/BM_CECOSESOLA.pdf

Gestión Participativa (2012). Organizaciones integrantes de la red CECOSESOLA [Organizations integrated to the network CECOSESOLA]. Retrieved from http://www.gestionparticipativa.coop/portal/index.php?option=com_content&view=article&id=317:organizaciones-integrantes-de-la-red-cecosesola&catid=117:organismos-regionales&Itemid=374

Gillespie, P. (2015). Venezuela's currency isn't worth a penny. Retrieved from http://money.cnn.com/2015/06/03/investing/venezuela-bolivar-currency-imploding/

Gómez Calcaño, L. (1998). *Las Ferias de Consumo Familiar del Estado Lara, Venezuela: Una experiencia de organización participativa* [The Ferias de Comsumo Familiar of the Lara State, Venezuela: an experience of participative organization]. Report for the State and Civil Society Department of the Inter-American Development Bank, Caracas. Retrieved from http://www.urbared.ungs.edu.ar/pdf/pdf-articulos/las%20ferias%20de%20consumo%20familiar%20del%20Estado%20Lara-Venezuela.pdf?PHPSESSID=4816ec5f20e080fa0e098cb116e361c7

Grysol, S. (2013). Cecosesola : la réflexion permamente ! [Cecosesola: the permanent reflection !]. Retrieved from http://cqfd-journal.org/Cecosesola-la-reflexion-permanente

International Co-operative Alliance. (2013). What is a co-operative? Retrieved from http://ica.coop/en/what-co-operative

Jensen, E., & Issacs, A. (2009). CECOSESOLA cooperative : An interview with Gustavo Salas Romer. Retrieved from http://venezuelanalysis.com/print/4804

Pillku.org (2013). Entrevista a Gustavo Salas. De la confianza emerge una fuerza colectiva que es capaz de derrumbar montañas [Interview with Gustavo Salas. From trust emerges a collective strength that is able to move mountains]. Retrieved from http://pillku.org/article/de-la-confianza-emerge-una-fuerza-colectiva-que-es/

Radio al Reves. (2011). Cooperatives in Venezuela promote solidarity, equality and dignity. Retrieved from http://upsidedownworld.org/main/venezuela-archives-35/2988-cooperatives-in-venezuela-promote-solidarity-equality-and-dignity

Valzu (2015). Mercado de divisas en Venezuela [Foreign exchange market in Venezuela]. Retrieved from http://www.valzu.com/

Online Videos

Collectif Engrenages (2015, May 12). *Cecosesola: questions à Gustavo 4* [Online video]. Retrieved from https://vimeo.com/127576170

Collectif Engrenages (2015, May 12). *Cecosesola: questions à Gustavo 5* [Online video]. Retrieved from https://vimeo.com/127576171

Collectif Engrenages (2015, May 12). *Cecosesola: vidéo principale* [Online video]. Retrieved from https://vimeo.com/127574194

Organizational publications

Cecosesola (2007). *Construyendo aquí y ahora el mundo que queremos [Building here and now the word that we want]*. Barquisimeto: Cecosesola.

Cecosesola (2009). *¿Hacia un cerebro colectivo? De reuniones… a espacios de encuentro [Towards a collective mind ? From meetings… to spaces for encounter]*. Barquisimeto: Cecosesola.

Cecosesola (2012, May). *Reflexionando nuestro vivir [Thinking about our way of life]*. Unpublished document.

Cecosesola Organismo (2015, February 17). ¿Por qué las Ferias de Consumo Familiar abren solo el fin de semana? [Why do 'Ferias de Consumo Familiar' only open in the weekend ?]. Retrieved from https://www.facebook.com/media/set/?set=a.1673271436243305.1073741847.1673270776243371&type=3

Escuela Cooperativa CECOSESOLA (2010). *Ley Especial de Asociaciones Cooperativas [Special Law of Cooperative Associations]*. Barquisimeto: Cecosesola.

Escuela Cooperativa Rosario Arjona (1990). *Gestión Solidaria*. Barquisimeto: Cecosesola.

Escuela Cooperativa Rosario Arjona (1991). *El programa de ferias de consumo familiar: Una alternativa de gestión de la economía popular en gran escala desde la organización comunitaria [The programme of 'ferias de consumo familiar' : A management alternative to the large scale popular economy through the communitarian organization]*. Barquisimeto: Cecosesola.

Escuela Cooperativa Rosario Arjona (2003). *Buscando una convivencia armónica. Reflexiones en la búsqueda de nuestra transformación [Pursuit of a harmonious cohabitation. Reflections on the quest for our transformation]*. Barquisimeto: Cecosesola.

SUNACOOP (n.d.). *Cooperativas en Venezuela [Cooperatives in Venezuela]*. Unpublished document.

Table of Content

Résumé

Cecosesola est un remarquable exemple de coopérative autogérée, à grande échelle et sur le long terme. Créée en 1967 et opérant en autogestion totale depuis 1983, cette coopérative de second degré intègre aujourd'hui environ 50 organisations communautaires, 1.300 travailleurs associés, 20.000 membres, et 300.000 bénéficiaires directs.

Dans un contexte où les coopératives, en tant qu'entreprises basées sur l'équité sociale et l'autogestion, sont soudainement revenues sur le devant de la scène, et où leurs spécificités démocratiques en ont fait l'exemple le plus cité d'organisation alternative, l'étude approfondie d'un cas tel que Cecosesola s'avère de la plus grande pertinence. Un processus participatif ne peut être une réussite que s'il est implémenté depuis la base, par des organisations et des individus qui ont conscience de toutes ses spécificités et ses difficultés. Ainsi, appréhender comment Cecosesola parvient à maintenir un tel degré de participation, après autant d'année de fonctionnement, avec autant de travailleurs associés et en étant active dans des secteurs si divers conduit à une meilleure compréhension du processus de participation dans l'entreprise et comment celui-ci peut être maintenu dans le temps.

En premier lieu, l'analyse montre que les structures et mécanismes nécessaires pour maintenir la participation sont interdépendants et ne sont effectifs que lorsqu'ils sont implémentés ensemble. Ensuite, l'étude souligne que la participation en entreprise ne requière pas seulement l'établissement d'un ensemble de structures et éléments concrets (réunions, standards de travail, etc.) mais également l'implémentation au cœur de l'organisation d'un nombre de mécanismes autosuffisants (processus éducatif, climat de réflexivité, etc.). De plus, cette recherche démontre que l'établissement d'un processus démocratique ne prend pas uniquement du temps, mais repose également sur un équilibre précaire entre valeurs et pratiques, entre autonomie et coordination, entre initiatives personnelles et actions collectives, entre création de capital et maintien de la mission sociale, etc. Enfin, les résultats conduisent à un modèle de participation durable en entreprise, qui repose sur le double concept de créativité collective et discipline collective.

Mots clé: organisation alternative, participation en entreprise, autogestion, créativité collective, discipline collective

Executive summary

Cecosesola is a worthy example of a broad-scale, long-lasting, self-managed cooperative. Created in 1967 and operating totally without any hierarchy since 1983, this Venezuelan umbrella organization integrates today around 50 communitarian organizations, 1,300 worker-members, 20,000 members, and 300,000 direct beneficiaries.

In a context where cooperatives, as enterprises based on social equality and self-management, have suddenly become of growing interest and where their democratic specificities make them the most quoted example of alternative form of organization, the in-depth study of an organization like Cecosesola is of significant relevance. Participatory processes can only be successful if implemented from the bottom, by organizations and individuals knowledgeable of their specificities, difficulties and uncertainties. Therefore, apprehending how Cecosesola sustains this high level of participation, after so many years of operation, with that many worker-members, and while running very different business units, provides valuable insights for better understanding the process of workplace participation and how it may be sustained over time.

First, the analysis shows that the structures and mechanisms necessary to sustain participation are interdependent and require one another in order to be effective. Then, it highlights that sustainable workplace participation does not only rely on the establishment of a set of structures and concrete elements (e.g. meetings, work standards…) but also on the implementation at the heart of the organization of several self-sufficient mechanisms (e.g. educative process, climate of reflexivity…). Next, this research shows that establishing a participative process does not only take time but also entirely relies on a delicate balance between values and practices, autonomy and coordination, personal initiatives and collective actions, capital creation and social mission alignment… Finally, the findings lead to a model for sustainable workplace participation relying on the double concept of Management by Collective Creativity and Collective Discipline.

Keywords: alternative organization, workplace participation, self-management, collective creativity, collective discipline