PRAXIS, INFORMAL LEARNING AND PARTICIPATORY DEMOCRACY: THE CASE OF VENEZUELA’S SOCIALIST PRODUCTION UNITS

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Abstract

Using a Marxist perspective, this thesis examines Venezuela’s Socialist Production Units (SPU). SPUs have emerged as a clear alternative to the neoliberal model that characterized Venezuela and most of Latin America for the past 30 years. However, SPUs exist within capitalism and their political economy remains contradictory, a reality that manifests in the concrete experiences of their workers. Although facing contradictory experiences, SPU workers are acquiring important learning that challenges dominant market relations and builds the preconditions for a new, more just society. This learning is being acquired informally, in particular, through workers’ democratic participation in their SPU. For these reasons, SPUs should be considered important sites where revolutionary praxis is taking place. Therefore, I conclude, SPUs are making a significant contribution to the building of ‘socialism in the 21st century’, but further struggles, in particular, against the state bureaucracy and large local landowners are needed to advance their goals.
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Introduction

It is 2010 and yet again we are amidst a crisis of capitalism. Unlike previous crises since the end of the Second World War, the current one is truly of global proportions, affecting both the core capitalist countries as well as those in the periphery and semi-periphery. As a way to rescue global markets from the brink of collapse, governments around the world have poured astronomic amounts of public money into the world’s financial system, bailing out those who created the crisis at the expense of workers.

At the most recent G 20 summit held in Toronto, world leaders got together to discuss how exactly the global working class is to pay for a crisis it did not create. Their solution: 20 years of austerity (Albo, 2010). In other words, the revitalization of the neoliberal model that got us into this mess in the first place. What this will mean for many countries around the world is a further reduction of social spending, the privatization of public assets and, as we saw during the massive protests outside the summit in Toronto, the criminalization of working class dissent. What all of this amounts to is a thinning out of the already minimal avenues for democratic participation that currently exist under liberal democracies.

It is in this context that the political and economic changes that have taken place in Venezuela in the last 12 years stand out. Since the election of Hugo Chavez as president in 1998, Venezuela has been swimming against the global neoliberal current, promoting endogenous development, participatory democracy, the socialization of the country’s productive capacities, as well as anti-imperialism and regional integration. The impacts of this political direction have reverberated across all of Latin America, with
center left governments elected into power in much of the region, and the creation of multilateral regional organizations such as ALBA and UNASUR\(^1\).

The results of Venezuela’s anti-neoliberal stance have so far been impressive, evidenced by a plethora of social programs geared towards helping the country’s most in need. Indeed, Venezuela was recently singled out by the president of the United Nations General Assembly as one of the few countries in the world that have made significant progress towards meeting the UN’s millennium development goals. Areas in which there is particular improvement include poverty, illiteracy, and child malnutrition (Telesur, 2010). Closely tied to these positive developments is the dramatic increase in democratic participation seen at all levels of the country, from elections and referenda at the national level, to workplace and community participatory democracy at the grassroots level.

However, today, Venezuela stands for more than just anti-neoliberalism. Its government and supporters are now embarked on a project to transition into what they call ‘Socialism for the 21\(^{st}\) century’. At the center of this transition is the country’s rapidly developing social or ‘popular’ economy, at the heart of which lies its cooperative movement. One of the key organizations to have emerged out of this movement are the country’s Socialist Production Units (SPU), state owned productive enterprises managed democratically by their workers, local communities and the state.

SPUs display three unique and important characteristics that allow for a rich research agenda. First, they belong to the country’s social economy. This means SPUs

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1 ALBA stands for Alianza Bolivariana para los Pueblos de Nuestra América or in English, Bolivarian Alliance for the Peoples of Our America. Its aim is to promote social, political and economic cooperation between member countries under a framework that is decisively anti-neoliberal. In Spanish, the word alba also means dawn, a metaphor to indicate a rupture with the neoliberal period. Member countries include Venezuela, Ecuador, Bolivia and Cuba. UNASUR stands for Unión de Naciones Suramericanas or in English, Union of South American Nations. Its aim is to promote regional integration along the lines of the European Union. Its membership is composed of all South American countries.
must operate within the context of market relations, but they nevertheless have a social mission that goes beyond generating a profit. Second, they are spaces where participatory democracy is practiced, meaning decisions are made directly by participants with minimal use of political representation. Third, they are spaces where learning occurs informally, namely without prescribed instructors and outside of official educational institutions.

With these three characteristics of SPUs in mind, this thesis begins by asking i) how SPU participants are experiencing the contradiction between their organization’s goals and the demands of the market and ii) whether participation at their SPU helps participants learn how to better fulfill their goals over those of the market. More broadly, these questions aim at providing some insight into whether Venezuela’s Socialist Production Units are also contributing to the building of a new society beyond capitalism.

After three months of fieldwork in Venezuela and an extensive analysis of Venezuelan, as well as regional, political and economic history, I present four central arguments in this thesis. First is that SPUs, and Venezuela’s cooperative movement more broadly, emerged as a reaction against the neoliberal model imposed by global capital on Venezuela and the entire region throughout the 1980s and 1990s. Second, SPUs are contradictory organizations that both reproduce and challenge dominant market relations. Third, this contradictory character of SPUs is experienced by their workers in specific ways and is manifested in the relationship between the SPU’s social mission and the dominant market relations they find themselves in.

My fourth central argument is that, through participation in their SPU, and in particular democratic participation, SPU participants are engaging in informal learning that helps them better fulfill their organization’s goals. Although not free of
contradictions and challenges, this learning, I argue, is a good example of revolutionary praxis\(^2\), as it helps SPU participants challenge market relations while building a new society that is free of alienation and based on people’s needs and abilities. SPUs, therefore, are pushing beyond the politics of anti-neoliberalism towards something that might one day approach socialism in the 21\(^{st}\) century.

I have divided my thesis into eight chapters. The first chapter outlines the political and economic history of Venezuela and the region. In the first half of this chapter, I focus on the emergence of the neoliberal model in Latin America and its impacts. The second half focuses specifically on Venezuela and the country’s reaction to neoliberalism. Here, I also trace the emergence of Venezuela’s cooperative movement and introduce SPUs as my specific research sites.

In the second chapter, I outline my philosophical method of inquiry, which draws upon key aspects of Marx’s method, namely, dialectical historical materialism. This is followed by my theoretical chapter, which again draws heavily on the Marxist tradition. Here, I outline my key analytical concepts, namely praxis, learning, cooperativism, and participatory democracy. I situate these concepts within my analysis of capitalism, which emphasizes the agency of the working class and the concept of alienation.

The fourth chapter reviews the relevant literature within the fields of informal learning, participatory democracy and cooperativism. Because research in the field of cooperativism is closely related to the social economy, I have included some material that examines this broader sector of the economy as well. In addition, I have put an emphasis on research that specifically examines Venezuela’s cooperative movement.

\(^2\) As I will discuss in Chapter 3, I understand revolutionary praxis as being “[t]he coincidence of the change of circumstances and of human activity or self-change” (Marx, 1994, p. 99).
In the fifth chapter, I describe my data collection tools and my process of analysis for the data I collected through fieldwork. I also provide a snapshot look at the three SPUs I examined.

The last three chapters draw almost exclusively from fieldwork data. In the sixth chapter, I examine the political economy of SPUs, focusing on three aspects, namely, their relations of production, their social mission and how democracy is practiced within them. The seventh chapter examines how SPU participants experience a contradiction between their organization’s social mission and the demands of the market. The eighth and final chapter outlines what and how SPU participants are learning through participation in their workplace.
Chapter 1: The 'Bolivarian Revolution' and the Rise of Venezuela’s Cooperative Movement: Resisting Global Capital and Neoliberalism in Latin America

This chapter traces the emergence of Venezuela’s cooperative movement in the context of both the country’s as well as the broader regional and global political and economic history. My focus is on the consolidation of neoliberalism in Latin America and its impact on Venezuela. The transition to neoliberalism in Latin America, I argue, was a product of the shift that occurred in the US-led global capitalist economy in the early 1970s, which gave finance capital a great deal more power in determining global economic affairs than in previous decades. A crucial result of this shift was the sharp rise in debt in the region, leading to the debt crisis in the 1980s and 1990s. The crisis paved the way for the introduction of neoliberal programs that proved devastating for Latin America, as these weakened the various state structures that had allowed a certain degree of development to take place during the postwar period. After two decades of neoliberalism in the region, in the late 1990s, Venezuela’s ‘Bolivarian Revolution’ emerged as an alternative economic and political model that emphasizes national development and grassroots democratic participation. Central to Venezuela’s alternative model is the expansion of the country’s social or ‘popular’ economy, characterized by cooperatives and the newly emerging socialist production units.

Debt Crisis and the Emergence of Neoliberalism in Latin America

The debt crisis in the 1980s and 1990s had a profound effect on Latin America, helping to shape the neoliberal consensus that was beginning to form in the late 1970s. The crisis was a product of a number of factors. Broadly speaking, it can be viewed as the outcome of decades of economic and political dependency experienced by the region vis-
à-vis the core capitalist countries, of which the United States was the clear leader. This dependency manifested in two important ways throughout the postwar period. First, the region experienced unstable primary prices, which proved highly detrimental given the reliance of the region on primary exports. Unstable primary prices led many countries to go into debt in order to purchase the necessary imports for existing development programs. However, often these debts became unpayable and countries were forced to default, as was the case in Chile, Brazil, and Argentina during the 1950s and 1960s (Rowbotham, 2000). Second, the region suffered a persistent decline in its terms of trade, meaning the prices of its exports did not keep up with the rising prices of its imports. It is with these difficulties that the region entered the 1970s, at a time when dramatic changes were beginning to take place in the structure of the global capitalist system.

Three events in the 1970s precipitated the debt crisis, all related to a successful attempt by the US to dismantle the Bretton Woods regime and restore its economic dominance vis-à-vis Europe and Japan³. First, in 1971, the Nixon administration removed the U.S. dollar from the gold standard and began dismantling the Keynesian imperative of capital controls (Soederberg, 2005). The impact that these political decisions had on Latin America and the rest of the third world was immediate. With the de-regulation of capital came a sharp increase in private lending. Much of it, as Sarkar and Singer (1992) note, was advanced for unproductive or non-viable projects without much concern for repayment, as private lenders assumed that in the case of a default their home countries would come to their help. In Latin America and the Caribbean, the authors highlight,

³ The Bretton Woods regime, created by the US and 43 other countries in 1944, had three key characteristics meant to create a stable global economic order. First, the value of all currencies was anchored to the value of gold. Second, the free movement of capital across borders was largely banned. Third, international trade was left unregulated (Stoet, Sens, 1998; Gowan, 1999; Rowbotham, 2000).
private lending for the period between 1970 and 1973 increased by an average of 19 percent. The most striking figures Sarkar and Singer present are for Jamaica and Argentina for which private lending increased by 93 and 87 percent respectively. Second was the OPEC oil embargo in 1973, which came as a response by OPEC countries to Israel’s role in the Yom Kippur War (Cleveland, 2004) as well as a result of pressure from the Nixon Administration who, since 1971, had been pushing for higher oil prices as a way to deal “a crippling blow to the Japanese and European economies, both overwhelmingly dependent on Middle East oil” (Gowan, 1999, p. 21).

The oil embargo created “panic and confusion within the industrial states” as oil prices soared from $2.74 to $11.65 per barrel (Cleveland, 2004, p. 458). The price jump in oil plunged the industrialized world into a recession, significantly reducing the demand for third world products. In addition, the embargo caused a massive influx of funds into the OPEC countries. The Nixon administration’s third move came in 1974 when it unilaterally moved to abolish restrictions of capital flows in and out of the United States. As Gowan (1999) notes, this move led to a dramatic shift in the scale of these flows, bringing international private finance into the very center of the global monetary system.

Having to pay interest on the huge influx of petrodollars and facing no restrictions on capital movement, OPEC countries proceeded to deposit their petrodollars into US banks, a move encouraged by the Nixon administration since 1972 as a way to ensure global finance became dominated by private American banks (Gowan, 1999). But the American banks were not able to lend this money to their traditional customers, western businesses, as the recession forced these businesses to change their spending plans (Haynes, 1996). In turn, banks, now freed from capital constraints, proceeded to make loans to the Third World “as a way of keeping up demand for US exports at a time of
reduced demand elsewhere” (Haynes, 1996, p. 78).

The loans made by the banks to Latin America and much of the Third World were highly questionable. As Rapley notes “so flooded were they with money that many banks threw caution to the wind in their hunt for borrowers and offered low-interest loans for questionable projects” (2002, p. 34). In some cases, capital flight was the result. As Sarkar and Singer (1992) point out, capital flight from Mexico, Venezuela and Argentina between 1974 and 1982 amounted to $32.7 billion, $10.8 billion and $15.3 billion respectively, representing over 40 percent of the combined total of loans received by the three countries.

In 1979, two events combined to further sink the Third World into deep debt. The first was the second oil shock in which oil prices were driven up due to panic following the Iranian Revolution. This was also the year the US Comptroller of the Currency, John Heimann, decided to adjust the accounting rules allowing US banks to increase their lending to the Third World. As in the first oil shock, petrodollars in Western banks were quickly turned into loans to already highly indebted Third World countries. Indeed, as of 1979, the 9 largest US banks had committed 113 percent of their capital in loans to just six countries Argentina, Brazil, Mexico, Taiwan, South Korea and Philippines (Soederberg, 2005).

The rising cost of oil also triggered a sharp rise of inflation in the First World and governments in the 1980s proceeded to fight this by raising interest rates. In the US, this took the form of “Volker Shocks”, a dramatic increase in interest rates by Chairman Volker of the US Federal Reserve (Rapley, 2002; Soederberg, 2005). The rise in interest rates directly affected Latin America as a large portion of its debt was incurred at floating interest rates. Thus, the cost of servicing the debt skyrocketed. In 1985, the debt service
ratio – debt service payments as a proportion of export earnings – for Argentina, Chile, Brazil and Mexico was 41.8, 26.2, 26.5 and 44.4 percent respectively. By 1986, the debt service ratio for both Mexico and Argentina was over 50% (Sarkar, Singer, 1992; Haynes, 1996). As intended by Volker, higher interest rates also caused the value of the dollar to increase, as investors seeking high returns on their money increased the demand for US currency. This effectively hiked the Third World debt as most of it was denominated in dollars (Rapley, 2002).

By the early 1980s, the debt was too much to bear for a number of Third World countries. By now, the price of primary products in the global market had collapsed as a result of a recession in the West (Rapley, 2002), leaving Latin America in an impossible position. Thus, in 1982, Mexico, Argentina and Brazil announced they could not meet their current debt obligations (Haynes, 1996). But the damage extended beyond Latin America. In total, between 1982 and 1984 twenty-four developing countries were forced to reschedule and refinance their sovereign loans (Soederberg, 2005). The crisis that for over a decade had belonged to the Third World was now a crisis for the First World. The West’s primary fear, as noted by Haynes, was that “the debt crisis would undermine the leading banks so much that there would be a global monetary collapse” (1996, p.78). It was this fear that in the early 1980s prompted the World Bank and IMF to intervene by imposing structural adjustment programs on deficit countries.

_SAPs and the Consolidation of the Neoliberal Regime_

Structural adjustment programs (SAPs) are based on neo-classical economic theory and contain four general elements: fiscal austerity, privatization of state-owned enterprises, trade liberalization and the de-regulation of the economy. The fundamental
assumption behind these policies is that the market is efficient while the state is not and thus the state should be relegated to simply providing the legal infrastructure for the development of markets. Supporters of neoliberalism also hold the view that domestic economies should adapt to the demands of international capital and the new transnational framework of capital competition. Thus, neoliberals call for monetary policies that cater to the imperatives of financial markets, in particular interest rate manipulation aimed at delivering a balanced trade account, low inflation and, in the long term, high growth rates (Rapley, 2002; Saad Filho, 2007).

In return for the implementation of neoliberal policies, countries would be allowed to refinance and reschedule their loans and would also be granted access to new loans. The purpose of this system was to “generate surplus so that debt can be serviced” (Haynes, 1996, p. 84). Thus, the IMF and World Bank in effect served as collection agencies for the creditor countries. It is noteworthy that in providing developing countries with new loans the World Bank and IMF were in effect bailing out the banks, as debtor countries were no better off once a default was averted. In fact, from 1980 to 1990 the long-term debt of the poorest countries grew from $451.6 billion to $1179.3 billion. The human cost was also vast, amounting to the widespread impoverishment of many Third World peoples (Haynes, 1996; Soederberg, 2005).

There are several reasons why neoliberalism has been so devastating for Latin America. First, as James Crotty (2000) notes, neoliberal policies provide chronically weak aggregate demand, which, in turn, produce low levels of economic growth. This creates a vicious circle as capitalists, in response to low demand, seek to increase their competitive advantages, which, in turn, further exacerbates the problem of weak demand. Second is that they led to ‘desperation exports’ in the part of debtor nations who, in
seeking to individually increase their exports to service their loans, flooded the global market with goods. This simply depreciated the value of such goods, producing less net revenue for each country. As Sarkar and Singer (1992) note, between 1980 and 1986, all of the Highly Indebted Countries expanded their exports and all suffered a loss of unit value, the market price for their exports. For Argentina, Chile, Peru and Uruguay, the authors continue, “the loss in unit values of exports was so sharp as to reduce their total export earnings” (p. 15). Indeed, as the authors point out, the estimated annual loss of export earnings for the highly indebted, non-oil producing countries between 1980 and 1986 is $7.17 billion.

More broadly, since the central tenet of SAPs is to weaken the power of the state through privatization and de-regulation measures (Rapley, 2002), the state’s ability to generate revenue is decreased. The result is the state is less able to pay off loans or provide social programs for those most in need. In such a manner, SAPs – through their insistence on export led strategies, fiscal austerity and the restriction of state activity – helped to bring out “huge and continual resource transfers from debtor countries to the developed world” and “assisted in creating greater dependency of Third World governments on global capital markets…not to mention higher poverty rates than those registered before the debt crisis of the early 1980s” (Soederberg, 2003, p. 98).

The specific case of Venezuela, which I now proceed to outline, displays all of the classic features of how neoliberalism was consolidated in Latin America, as outlined above, while also displaying some unique features as a result of the country’s dependence on oil production. Most unique however was the country’s response to neoliberalism, the start of what became known in Venezuela as the ‘Bolivarian Revolution’.
Venezuela: from neoliberalism to the 'Bolivarian Revolution'

Consistent with the regional trends outlined above, in the 1980s there began a drastic shift in Venezuela’s political economy. In previous decades Venezuela had adopted statist economic policies that relied on the revenues from high oil prices as well as high levels of debt in order to achieve some level of economic development and wealth redistribution (Trinkunas, 2005). During this period, statist approaches to development were the norm throughout all of Latin America and were part of the broader Import Substitution Industrialization (ISI) strategy employed by most developing countries. The purpose of ISI was to achieve economic growth through the development of domestic markets and the diversification of industrial output, and its application relied on some level of cooperation between labour, capital and the state. But because Venezuela’s economy relied so heavily on oil revenues, the collapse of oil prices in the 1980s dealt a severe blow to Venezuela’s development strategy.

Tied to the collapse in oil prices was the heavy debt burden that the country had incurred during the 1970s, at a time when oil prices were at a record high. As Myers (1985) notes, during the Herrera government (1979-1984), Venezuela’s international debt tripled, reaching $35 billion. By 1984, foreign reserves were drained, the result of capital flight, debt payments and increased imports (Trinkunas, 2005). The combination of high debt payments with the loss of revenue from the collapse of oil prices proved devastating for the economy and, in turn, for much of Venezuela’s population. Indeed, in Venezuela, between the late 1970s and late 1980s, poverty and inequality rose sharply while incomes and productivity declined. By 1989 the situation had become dire, with the percentage of people living in critical poverty reaching 53.7 (Trinkunas, 2005).

Elected President in 1989, Carlos Andres Perez sought a solution to the economic
crisis through the application of neoliberal policies. This strategy, as mentioned above, was followed to different degrees by all of Latin America with the encouragement of the United States. These policies, first introduced in January, included a reduction of public expenditures, the deregulation of prices, trade liberalization, promotion of foreign investment and the privatization of state companies (Harnecker, 2003). This meant less public control over the country's economy, or, to put it differently, a significant reduction of the public sphere in relation to the market, the essence of the neoliberal strategy. The result was a sharp rise in inflation, a 10% decline in GDP and a 14% decline in personal income (Trinkunas, 2005). With this also came the de-legitimization of the country's democracy.

The policies became highly unpopular and people demonstrated their discontent on the streets. The most dramatic of these demonstrations occurred in Caracas on February 27, 1989, shortly after the implementation of the neoliberal program. The government reacted to the rebellion – known as el Caracazo – by sending in the military, which resulted in the deaths of up to 3,000 civilians (Trinkunas, 2005). El Caracazo is now considered the most massive and severely repressed riot in the history of Latin America, as well as a revolutionary turning point for the entire region (Harnecker, 2010).

It was in the context of this economic and social crisis of the 1980s that the now President of Venezuela, Hugo Chávez, would begin his rise to power. Following his rise up the military ranks, which culminated in a failed coup attempt in 1992, Chávez, riding on a wave of popular support, decided to pursue the presidential office through the ballot box. In 1998, running on a platform of radical change, including the promise of a new constitution, economic redistribution and participatory democracy, Chávez managed to win the presidential elections with 56% of the vote (Trinkunas, 2005). The changes the
Chávez government proceeded to introduce sparked the beginning of an overt political battle against the politics of neoliberalism, marking the beginning of what became known as the ‘Bolivarian Revolution’ 4.

The rejection of neoliberalism was made explicit by Chavez himself immediately following his 1998 electoral victory. As he stated during one of his election victory rallies:

In Venezuela and in all of Latin America along came the savage neoliberal project. ‘The invisible hand’, ‘the market fixes everything’; it’s a lie, it’s a lie, a thousand times a lie! Of course there are other ways and in Venezuela we are demonstrating it. (Bartley, O’Brien, 2003)

This rejection of the neoliberal program was also expressed in the 1999 Venezuelan constitution, approved via referendum by 70% of the population. As Martha Harnecker (2003) notes, the constitution focused on social justice, freedom, political participation and national sovereignty. Michael Lebowitz (2007) also notes the constitution’s emphasis on human development as evident in the declaration of Article 20 that ‘everyone has the right to the free development of his or her own personality in a democratic society’ or that of Article 299 with its emphasis upon ‘ensuring overall human development’. In the same breath, as Lebowitz continues, the constitution retained a support for capitalism, guaranteeing the right of property in Article 115 and identifying a role for private initiative in the generation of growth and employment in Article 299.

Therefore, although the new Chávez administration did not offer a break from capitalism, it explicitly rejected neoliberalism as a political and economic model, and sought to give the state a much greater role in the economic and political activity of the country. This translated into the nationalization of key industrial sectors, the restructuring

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4 The term ‘Bolivarian’ is in reference to Simon Bolivar, the 19th-century Venezuelan military leader and Latin American liberator.
of PDVSA, the national oil company, the regulation of the financial sector and a dramatic increase in social spending. But these developments did not mean simply a return to the statist policies pursued before the 1980s. This is evidenced by the tremendous changes that are also occurring at the local level. At the center of these more local changes is a rapidly growing social economy.

The Venezuelan development model for the social economy is conceptualized by Lebowitz (2010) as a triangle that includes social ownership of the means of production, social production organized by workers, and production for social needs and purposes. Firstly, social ownership of the means of production ensures that communal, social productivity is directed to the free development of all rather than to satisfy the private goals of capitalists, groups of producers, or state bureaucrats. Secondly, social production organized by workers allows them to develop their capacities by combining thinking and doing in the workplace and, thus, to produce not only things but also themselves as self-conscious collective producers. Thirdly, satisfaction of social needs and purposes is the necessary goal of productive activity in the new society because it shifts the focus from self-interest and selfishness toward an orientation to the needs of others and relations of solidarity. At the center of this vision of the social economy are two different spaces: cooperatives, and the newly emerging Socialist Production Units.

*From Cooperatives to Socialist Production Units*

The presence of cooperatives in Venezuela has been strong since the 1960s, organized mostly by popular movements supported by the Catholic Church. As Richer (2002) points out, particularly strong were cooperatives operating within the health provision sector in the states of Lara and Barinas, and especially in the city of
Barquisimeto. But since the Chávez administration came to power in 1998, there has been nothing less than an explosion of both worker and consumer cooperatives in Venezuela. In 1998, there were 877 cooperatives, while in September 2006 that number grew to 158,917 (Harnecker, 2007). However, since then, many of the cooperatives that were first formed were discovered to be non-functioning or simply fronts created for the purpose of accessing government funds. Some were also traditional businesses operating under the legal framework of a cooperative in order to avoid taxes, while others were created by sections of the government for the purpose of contracting work out to them and therefore avoiding the higher labour costs associated with hiring workers directly into the public sector. Still others may have been started by people with good intentions who were not able to find adequate support from government (Graterol, 2007). The latest figures estimate that between 30,000 and 60,000 functioning units currently exist in Venezuela (Harnecker, 2008).

The majority of Venezuelan cooperatives, it seems, operate in the services and productive sectors, while those in transportation come at a distant third. In terms of size, over 80% of cooperatives employ 5-10 people while about 15% of them employ between 11 and 50 (Diaz, 2006). The cooperatives sector is governed by the Ley General de Asociaciones Cooperativas y su Reglamento and is supervised by the Superintendencia Nacional de Cooperativas (SUNACOOP) (Graterol, 2007). The official government definition of cooperatives reads as follows:

Open and flexible associations, with the right to be cooperative, that form part of the social and participatory economy, that are autonomous, of people that unite through a voluntary process and accord in order to meet their common economic, social and cultural necessities and aspirations, and to generate personal and collective integral well-being, managed and controlled democratically. (in Caracciolo, 2001)
With its emphasis on voluntary association, autonomy and democratic participation, this definition is therefore consistent with the classic cooperative principles originally established by the Rochdale Pioneers and the current definition of the International Cooperative Alliance. I discuss this further in Chapter 3.

Venezuela has also witnessed the appearance of Empresas Recuperadas por sus Trabajadores (ERTs), a phenomenon that began in Argentina during its 2000-2001 economic crisis. ERTs began to appear in Venezuela between 2002 and 2003, with their numbers reaching a total of between 20 and 30 by 2006 (Lucena, Carmona, 2006; Vieta, Ruggieri, 2009). Most of these ERTs, Lucena and Carmona outline, are small or medium in size, employing a total of a few thousand workers. ERT’s, the authors note, surged as a reaction in the part of workers and the government to the political and economic crisis the country was undergoing in 2002 and 2003, in which many owners, for political reasons, decided to temporarily paralyze their businesses. These actions conducted by the business sector coincided with the government’s opposition’s attempt to paralyze the country’s economy in order to oust Chavez from power. Once the crisis was averted, the government began to take a greater interest in ERTs and began expropriating contested enterprises, such as INVEPAL in 2005 (Lucena, Carmona, 2006). That same year, the government also hosted the first Latin American Encounter of Worker Recovered Enterprises, attended by 400 workers, unionists and government representatives from several Latin American countries (Vieta, Ruggieri, 2009, p. 30). But since then, the ERT movement seems to have fizzled away, having witnessed ongoing conflicts between workers and the government bureaucracy, as has been the case with INVEPAL since 2006 (Lucena, Carmona, 2006; El Militante, 2008).

What is important to note is that the huge overall growth of cooperatives in
Venezuela during the last few years, as Camila Harnecker (2008) notes, has been less the result of spontaneous activity from below than of public policy, reflected, for example, in the 2001 Special Law of Cooperative Associations and the Vuelvan Caras (later renamed Che Guevara) cooperative development government program. The proactive role the government has taken in relation to the cooperatives is also evident in its economic support for the sector, which includes substantial financing, the granting of preferential aid, tax exemptions and increased access to government contracts, logistical and political assistance, as well as education (Llerena, 2006; Diaz, 2006; Graterol, 2007). This extensive support the government gives to cooperatives is therefore the most important new feature of Venezuela’s cooperative sector, and what separates it from its traditional cooperative movement that began in the 1960s.

However, in the last two years, due in part to the problems associated with the cooperative sector mentioned above, there has been a shift away in government policy, from supporting the traditional cooperative model towards the creation of what is known as Unidades de Producción Socialista or Socialist Production Units (SPU). This shift has also been a product of the government’s progressive move towards the left, going from an anti-neoliberal stance towards openly socialist politics. As I will outline below, SPUs, designed by the Ministry of Popular Power for the Communal Economy, display a number of unique innovations in cooperativism that go beyond economic support by the state. In addition, their development has been posited by the Venezuelan government as central to the country’s transition to ‘21st century socialism’. Currently there are over 3,000 SPUs in Venezuela (Albert, 2008).
An Institutional Map of SPUs

Venezuela’s SPUs are productive spaces dedicated to the generation of goods or services (PDVSA, 2). In terms of personnel, they are relatively small, each being comprised of about 20 to 100 people. At an institutional level, SPUs are state-owned, nonprofit and managed democratically by a combination of their workers, local communities and the state. SPUs can be thought of as the individual parts that comprise the larger institutional body known as Empresas de Propiedad Social or Social Property Enterprises (SPE). In other words, each single SPE can and does have several SPUs that constitute it. For example, Pedro Camejo, one of the SPEs that I looked at, has its central office in the city of Barquisimeto, with several SPUs located in nearby communities. At the production stage, SPUs work closely with small and medium local private producers. The goods they produce are then distributed through Mercal and PDVAL, government run discount stores located throughout the country.

SPEs are linked to the state in several ways. First, they are administered by the Registry of Social Production Enterprises (REPS in Spanish), created by the national executive in November 2005 as part of the program of Social Production Enterprises (Arenas, 2008). The REPS is, in turn, closely linked to the state-owned oil company, PDVSA, whose role as part of the program is to help SPEs through, among other things, preferential contracts, and financing (PDVSA, 2006). Second, each SPE belongs to one of the many state corporations created by the national executive for the purposes of forwarding the government’s economic and development policies that include fostering the country’s popular economy. For example, the three SPUs I examined through my fieldwork belong to three different SPEs, which, in turn, belong to one single state corporation, namely the Venezuelan Agrarian Corporation (CVA in Spanish). Third, SPEs
(as well as the state corporations they belong to) receive their direct political guidance from the government ministry responsible for the sector of the economy they operate in. In the case of the three SPEs that I looked at, the corresponding ministry is the Ministry of Popular Power for Agriculture and Land.

**Conclusion**

In this chapter I argued that the consolidation of neoliberalism in Latin America came as a result of two factors. First, it was the result of the transition from the Bretton Woods regime into a new global economic structure in which finance capital, particularly that of the US, had the freedom to seek profits around the world. Second, it was a product of the weaknesses in the Latin American economy that by the mid 1970s compelled regional leaders to seek foreign financing in order to continue with their development agenda. In the early 1980s these two factors combined to bring forth the Latin American debt crisis. The crisis prompted the IMF to impose structural adjustment programs that dismantled the state structures in the region.

In Venezuela, this story played itself out with two unique features. First, the country’s almost total dependence on oil production made it particularly vulnerable to fluctuating global oil prices throughout the late 1970s and 1980s. Therefore, as Venezuela’s debt crisis deepened, the state became less able to continue providing a measure of redistribution, with dire consequences for the country’s most in need. Second, the state’s attempt to resolve this crisis via the consolidation of the neoliberal model was met with popular rebellions and the eventual election of Hugo Chavez into the presidential office. This became the beginning of the country’s Bolivarian Revolution whose emphasis on national development, participatory democracy and human
development stands in opposition to neoliberalism. At the center of this oppositional political and economic project is the country’s cooperative movement, characterized by both traditional cooperatives, as well as the newly emerging Socialist Production Units that are to form the basis of a socialist alternative.
Chapter 2: Marx’s Method

My research approach throughout this thesis draws on the work of Marx, in particular the *German Ideology*. In addition, I use the works of Antonio Gramsci, E.P. Thompson, Bertell Ollman, Michael Lebowitz and Dorothy Smith that provide important contributions to the understanding of Marx’s method. In this chapter, I highlight four central aspects of Marx’s method, namely its focus on real sensuous human activity, how humans materially reproduce themselves, history, and the dialectical relationship between consciousness and activity.

**Real Individuals, Material Conditions and History**

In the *German Ideology*, Karl Marx provides us with the “premises” behind his materialist method for understanding history and the world. These premises, as Marx argues, stand in opposition to two different philosophical traditions that held sway during his time, namely idealism and (non-Marxian) materialism. As I proceed to outline my interpretation of Marx’s method, I will attempt to distinguish it from these two other approaches.

Marx (1970) begins his discussion of method with what I think is an excellent, albeit incomplete, summary of his approach. I therefore here present this passage as an entry point to this discussion:

The premises from which we begin are not arbitrary ones, not dogmas, but real premises from which abstraction can only be made in the imagination. They are the real individuals, their activity and the material conditions under which they live, both those which they find already existing and those produced by their activity. (p. 42)
There are three things that I would like to highlight from this short passage. First, is Marx’s emphasis on beginning with “real individuals and their activity”. Here, Marx is setting himself apart from idealist philosophy (led during Marx’s time by the Hegelian and the Young Hegelian schools of thought) that, in contrast, begins “in the realm of pure thought” (p. 39), with ideas and concepts, in other words, with abstractions.

Beginning with abstractions rather than with concrete reality is a trap that, as Dorothy Smith (2004) argues, even Marx himself on occasion fell into in his earlier writings, but had fully escaped from by the time he wrote the *German Ideology*. To highlight this point, Marx’s *Capital*, Smith suggests, should therefore be read as a critique of the abstract economic categories the classical political economists used as expressions of concrete social relations. Therefore looking at real human beings, their activities and their actual social relations rather than abstract concepts and ideas (even those developed by Marx himself) becomes the first important aspect of Marx’s method.

Second is Marx’s reference to the “material conditions” under which humans live. With this, Marx highlights the importance of one particular type of human activity, namely that which allows humans to produce and reproduce their own lives as physical beings. The reason why this is important is straightforward. To paraphrase Marx (1970), in order to make history, people must be in a position to live and this involves eating, drinking, having clothing and having a place to live in, among other things. Therefore, people’s “material conditions”, the way humans organize themselves in order to meet these needs, becomes a second key focus point of Marx’s methodological approach.

The third aspect of the above cited passage that I would like to highlight is that the “material conditions” under which humans live are, for Marx, a result of both people’s own activity in the present as well as the activity of people in the past.
Therefore, at any given point in time, humans, through their own activity, make their own material conditions, but they do this under the material conditions “they find already existing”. This same formulation also appears in what is perhaps Marx’s best example of the application of his method, namely the *18th Brumaire of Louis Bonaparte*:

> Men⁵ make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past. (1994, p. 188)

In other words, for Marx, the past is a crucial component of the present and therefore an understanding of history becomes the third key component of his method.

As Bertell Ollman (2003) points out in *Dance of the Dialectic*, perhaps the best analysis of Marx’s method, Marx’s approach to history was not the usual one. According to Ollman, Marx's method for studying history was to approach the past from the vantage point of the present. In other words, the study of history is the study of the preconditions (found in the past) that resulted in the present. This means starting with the present and looking back rather than the other way around, which is how it is done traditionally. But this is only half the story. As Ollman argues, Marx's approach to history also involved looking to the future, whose preconditions can be found in the present. As Ollman puts it, “tomorrow is today extended” (p. 28). It is by looking at history in such a manner that Marx was able to project socialism (and then communism) as social formations that would supersede the capitalist present.

Marx’s focus on history is also how he sets himself apart from the “materialist” approach of Feuerbach, another one of Marx’s philosophical rivals during his time. Unlike idealists, as Marx points out, Feuerbach actually paid attention to “man”, hence

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⁵ I recognize that using the word ‘men’ in this context, namely to represent all humans, is sexist and antiquated.
why he was called a materialist. In particular, he focused on man’s relationship to nature
and was an advocate for their unity. But, as Marx (1970) argues, a unity between man and
nature has always existed in varying forms, as demonstrated by the existence of industry
in every epoch, a history that Feuerbach does not see. And the reason why he does not see
this history, Marx continuous, is because Feuerbach makes the mistake of looking at
“man” in the abstract, not as sensuous activity, and therefore relapses into idealism. Marx
succinctly summarizes Feuerbach’s dual mistake: “[a]s far as Feuerbach is a materialist
he does not deal with history, and as far as he considers history he is not a materialist.
With him materialism and history diverge completely…” (p. 64). This is therefore why
Feuerbach’s approach can perhaps be labelled a form of “idealist materialism”.

**Activity and Consciousness**

I would now like to bring forth a fourth aspect of Marx’s methodological
approach (which is really an extension of the first) that is not explicitly contained in his
summary quote from the *German Ideology* presented at the beginning of this chapter,
namely how he conceptualizes the relationship between human activity, on the one hand,
and ideas and thoughts, or consciousness in general, on the other. In the *German
ideology*, Marx establishes what he calls the four fundamental conditions of history,
namely that i) humans must produce to satisfy their material needs, ii) as humans satisfy
their material needs, new needs are created, iii) humans propagate their kind through
family and iv) in every society there exists a mode of cooperation that combines with a
certain industrial stage to determine the nature of society (1970).

It is only after these four aspects of history have been considered that, Marx
(1970) continues, “we find that man also possesses ‘consciousness’ …” (p. 50). It is
important to note that Marx makes it clear that these aspects of social activity are not to be considered as “different stages” but rather as “moments, which have existed simultaneously since the dawn history…” (p. 50). Therefore, when Marx asks us to consider consciousness after the previous four moments, all of which speak to how humans socially reproduce themselves materially, I take this to be an analytical assertion. In other words, consciousness does not happen after the social production of material life but, in terms of method of inquiry, it should be analyzed as occurring as a consequence of this. Therefore, consciousness is from the very beginning a social product and remains so as long as are humans exist at all (Marx, 1970). It is, as Marx put it while critiquing the ideologists of his time, “consciousness of existing practice” (1970, p. 51).

From our discussion so far, it is easy to read Marx’s understanding of the relationship between consciousness and concrete activity in a linear and positivist manner. More so if we consider one of Marx’s most famous formulations and often cited passages on the issue found in his *Preface to a Contribution to the Critique of Political Economy*, namely that, “it is not the consciousness of men that determines their existence, but their social existence that determines their consciousness” (1994, p. 211). The danger here is falling into a mechanical materialism that gives little or no importance to human agency. But let us now compare the above quote with another one of Marx’s famous passages, this time from *Capital Volume 1*: “what distinguishes the worst architect from the best of bees is that the architect builds the cell in his mind before he constructs it in wax” (1977, p. 284). Here, we almost see the opposite. In contrast to the previous passage in which consciousness is the product of social existence, the emphasis in the second passage is clearly put on human consciousness and agency. But this does not mean that Marx was contradicting himself. What these two passages do reveal is the final aspect of
Marx’s methodological approach that I would like to highlight here, namely dialectical reasoning, whereby human consciousness on the one hand and material existence on the other are understood as two opposites existing in dialectical unity. To illustrate this point, I would like to present the works of E.P. Thompson, Antonio Gramsci and Paulo Freire that, in my opinion, exemplify a dialectical reading of Marx’s work. But before doing this, I will use the work of Michael Lebowitz to draw out some of the more technical elements of this mode of reasoning.

Marx's method for analysing society, Lebowitz (2003) argues, starts with an emphasis on the whole. For Marx, Lebowitz continues while citing him, a society is a particular complex of interconnected elements, a whole composed of various aspects which “stand to one another in a necessary connection arising out of the nature of the organism” (p. 52). In other words, there is a whole and this whole is composed of various interconnected elements that are organically linked together. Thus, for Marx, as cited by Lebowitz, these elements can be understood as “distinctions within a unity” (p. 53).

What's crucial to note though is that analysis of the parts takes place only within the framework of the whole. In other words, “the parts have no prior independent existence as parts” (Lebowitz, p. 53). Marx's understanding of the relationship between the whole and the parts came from Hegel and, as Lebowitz notes, it stood in opposition to the methodological individualism and the Cartesian school of thought.

In order to understand the whole and the precise connections between the interconnected parts, Marx, borrowing from Hegel, employed dialectics as a logical deduction method. As Lebowitz notes, citing Lenin, there are two crucial aspects of dialectics: “the necessity of connection” and “the immanent emergence of distinctions” (p. 55). If a concept can be shown to imply another concept, Lebowitz continues, “it can
be said to contain within it a distinction, a negation, which demonstrates it is not adequate in itself” (p. 53). This distinct concept stands outside the first but because it is related to the first both concepts must then be understood as a unity. But the process does not end here. Just as one can find a distinction of the first concept, one can find a distinction of the second concept. And this “third term (the negation of the negation) contains and preserves within it the content of the first two terms...” making this third term “a richer, fuller concept” (Lebowitz, p. 56). This process goes on until a concept no longer contains a distinction or negation. It is at this point that, as Lebowitz notes, we reach Hegel's Absolute Idea or Pure Being in which “the presupposition is itself the result” (p. 56). But, of course, as already noted above, Marx, unlike Hegel, was not working in the realm of ideas but with concrete reality.

The use of dialectical reason is powerfully demonstrated in the work of EP Thompson. In the Poverty of Theory, Thompson (1978) begins his polemic against Althusser with Marx’s above-cited formulation from his *Preface to a Contribution to the Critique of Political Economy*, proceeding to argue for a dialogue between consciousness and social existence. In doing so, Thompson presents us with the following passage concerning the relationship between subject and object:

To be an object, to be “null or inert”, does not remove that object from being a determining party within a subject-object relation. No piece of timber has ever been known to make itself into a table: no joiner has ever been known to make a table out of air, or sawdust. The joiner appropriates that timber, and, in working it up into a table, he is governed both by his skill (theoretical practice, itself arising from a history, or experience, of making tables, as well as history of the evolution of appropriate tools) and by the qualities (size, grain, seasoning, etc.) of the timber itself. The wood imposes its properties and its “logic” upon the joiner as the joiner imposes his tools, skills and his ideal conception of tables upon the wood. (p. 18)

Here, we see how for Thompson neither the subject nor the object has absolute
agency. Neither the wood nor the joiner can, on its own, determine the relationship between them. Each one must play its part: “[t]he wood cannot determine what is made, nor whether it is made badly, but it can certainly determine what can not be made, the limits (size, strength, etc.) of what is made, and the skills and tools appropriate to the making” (Thompson, p. 18). To extend Thompson’s illustration, just as there are limits to what I can tell the wood to do, there are limits to what the wood can tell me to do. Rejecting either of these limits, I argue, would amount to either mechanical materialism or mechanical idealism. Therefore, subject and object must exist in dialectical unity. In other words, they are internally related opposites, meaning the nature of their relation shapes and regulates or determines the internal development of the attributes inherent to each of the opposites (Allman, 1999). The relationship between consciousness and social existence must therefore also be a dialectical one if we are to avoid a mechanical interpretation of history, of either the idealist or materialist variety.

This relationship between subject and object, between material existence and consciousness, is also taken up by both Gramsci and Freire. In discussing the meaning of objectivity Gramsci (1971) asks, “but who is the judge of such objectivity?” (p. 441). By asking this, he is refuting the conception that there exists an objective reality outside man, a conception that, for Gramsci, closely resembles religious doctrine since it presumes a “ready made, catalogued and defined” universe created by a mystical God before the creation of man (p. 441). For Gramsci, therefore, objectivity means human objectivity and to be objective always means “humanly objective” (p. 445). But Gramsci's conceptualization should not be confused with Hegelian idealism, in which ideas are de-historicized and removed from concrete social contexts. Therefore, although for Gramsci the notions of East and West are historical constructions that don’t exist without humans,
they nevertheless allow us to travel to real destinations that are objectively part of the external world. It is this relationship between subjective ideas and concepts, on the one hand, and objective material reality, on the other hand, found in the concept of humanly objective that forms the basis of Gramsci's thinking. With this, Gramsci disposes with both mystical material objectivity and Hegelian idealism.

Freire's views on the relationship between objectivity and subjectivity are nearly identical to that of Gramsci. Freire (1970) rejects both subjectivism and objectivism and argues that objectivity and subjectivity cannot be dichotomized, but must be seen as existing in “constant dialectical relationship” (p. 50). “To deny the importance of subjectivity”, Freire continues, is “to admit the impossible: a world without people” (p. 50). The subjectivist position, on the other hand, falls into the opposite trap and “postulates people without a world” (Freire, p. 50).

**Conclusion**

In this chapter I have outlined the four central aspects of Marx’s method of inquiry, namely the relationship between activity and ideas, the material reproduction of humans, history, and dialectics. At this point I would like to emphasize that these four aspects of Marx’s method are not ordered or sequential steps but rather interrelated tools. My use of these tools in this thesis is therefore fluid, often drawing on all of them simultaneously to varying degrees. For example, in the previous chapter, I focused primarily on Latin American and Venezuelan history, but I did this while also incorporating the three other aspects of Marx’s method. I continue with this approach in all of my subsequent data chapters. But before proceeding with these, I outline my key theoretical concepts.
Chapter 3: Praxis, Learning and Cooperativism

In this chapter, I outline the concepts of praxis, learning and cooperativism using a Marxist perspective. I do this, while situating these three concepts within a Marxist understanding of capitalist social relations of production that emphasizes what Michael Lebowitz calls ‘the political economy of the working class’, as well as the concept of alienation. Learning, I argue, is a central component of human praxis, a process of production through which both subject and object change. Understood this way, learning is therefore a powerful analytical tool with which to understand social change. In addition, I argue that cooperativism is characterized by a contradiction between reproductive and revolutionary praxis, wherein participants must face a tension between their own needs and those of the market. The central question this leads me to ask is whether or not something about the cooperative experience helps participants learn to challenge market relations while building a new society that is free of alienation and is based on people’s needs and abilities.

Praxis and Learning

What and how we know is the result of our concrete and active day-to-day existence. And, conversely, our daily existence is the result of how and what we know. How we express this relationship between knowing and being as we produce and reproduce ourselves with and within the natural world at any given point in history is ultimately what we as humans are. Humans, then, embody and live, within history, this dialectical relationship between ontology and epistemology. It is what makes us, unlike other animals, beings of praxis (Freire, 1970). This conceptualization of praxis, it should
be emphasized, goes beyond praxis as the unity between theory and practice (as it is commonly presented) because, as Paula Allman notes, it links not just theory but all thought to action (Allman, 1999). For Marx, therefore, active existence and thought form an inseparable dialectical unity, making his theory of praxis revolutionary (1999).

Although the above ideas are at the core of Marx's dialectical, historical and materialist philosophy, as discussed in the previous chapter, Marxist theorists often tend to overlook the conceptualization of praxis presented here, focusing instead on more abstract economic movements as the source of social change. The result of this sometimes is overly deterministic conceptions of history that fail to address how alternatives to capitalism can actually be built by real people in concrete historical contexts. As a response to this, I would now like to propose a focus on learning as a way to understand social change. So, what is the meaning of learning from a Marxist perspective?

Unlike liberal and some post-modernist conceptualizations of learning, which focus solely on people’s ideas and consciousness, a Marxist understanding of learning must necessarily take into account people’s lived experiences in particular social and historical contexts. And, most importantly, it must take into account how people actively produce and reproduce themselves. This is central because, as Marx argued, “as individuals express their life, so they are. What they are, therefore, coincides with what they produce, with what they produce and how they produce” (1994, p. 108). Keeping in mind, then, both active, practical existence, on the one hand, and consciousness and ideas, on the other, learning can be understood as a change of both subject and object. Learning, then, implies a productive metabolism in the subject-object dialectical compound and results in the production of a new and better understanding, within the
learner, of some part of the objective world.

Learning, therefore, can be understood as a process of production. And, as such, to paraphrase Marx’s thoughts on the labour process, it is a movement through which humans simultaneously change external nature as well as their own nature (Marx, 1977). At the end of the learning process, then, neither the subject nor the world are the same as at the start. In other words, we can’t learn something about our object of inquiry without, at the same time, changing ourselves as well as some part of the world. Learning is therefore a central aspect of our praxis as it implies change and movement. To expand, if, as Gramsci (1971) argues, “man is a process” and therefore the question, “what is man?” is best thought of as “what can man become?” then the conceptualization of learning presented here gives us an insight into what humans are indeed becoming.

At a more concrete level, as popularized by Coombs et al. (1973), we can identify three different types of learning, namely formal, non-formal and informal. Informal learning is all learning that occurs outside the curriculum of formal and non-formal educational institutions and programs and, as such, it is characterized by a lack of prescribed curricula and institutionally authorized instructors (Schugurensky, 2000). It is also, according to Schugurensky, how most learning happens (2004). In addition, informal learning suggests greater flexibility or freedom for learners as it recognizes the social significance of learning as well as a wider variety of learning settings when compared to formal education or training (Eraut, 2004).

Informal learning experiences often occur within our everyday practices and activities, including, as Garrick notes, processes such as mentoring, networking, teamwork, receiving feedback, and trial and error (Quarter and Midha, 2001). We are often not conscious of these learning experiences and therefore the knowledge, skills and
attitudes acquired through them are tacit (Schugurensky, Myers, 2003). Nevertheless, the learning we acquire informally is recognized by many commentators from diverse theoretical backgrounds (including Marxist and non-Marxist) as being some of the most important and interesting in people’s lives (Schugurensky 2000, Foley 1999, La Belle 1986, Polanyi 1958, Holst, 2002, 2004). This is therefore the form of learning that I emphasize in this thesis.

But what is our praxis and our learning process like in the context of capitalist social relations? In order to answer this question we must first begin with an analysis of capitalism.

**Capitalism and the Political Economy of the Working Class**

Soon after the second edition of Michael Lebowitz's book *Beyond Capital* was published in 2003, it became clear to many Marxists scholars that a significant advancement in our understanding of capitalism had been accomplished. In an article in 2006, Leo Panitch and Sam Gindin call it “...an exciting and major contribution to the renewal of Marxism and the revival of socialist politics” (2006, p. 133). Lebowitz's book, Collin Barker adds, is what “revolutionary socialism needs” and is deserving of a wide audience and serious discussion (2006, p. 81). Although critical of the book, Werner Bonefeld nevertheless grants that “Lebowitz's endeavour to bring the 'vanished' human subject to the fore opens the right perspective for any critical reconstruction of [Marx’s] Capital” (2006, p. 83).

In essence, Lebowitz's argument is that Marx's Capital is not an analysis of capitalism as a whole but of the side of capital only. The result of this, Lebowitz continues, is a theory that is not entirely successful, and is lacking adequate explanations
for the absence of a socialist revolution, the continued hegemony of capital over workers in advanced capitalist countries and the struggles for emancipation, including women's struggles and struggles for cultural identity (Lebowitz, 2003). What is missing, Lebowitz argues, is the side of the workers who have needs antithetical to those of capital. In his book, Lebowitz attempts to give a voice to this missing side by providing an initial sketch of what he calls “the political economy of the working class”. But before outlining Lebowitz’s argument in some detail, let us begin our analysis of capitalism where Marx did, with the commodity.

For Marx, all commodities have one thing in common, namely that they are the products of human labour (Marx, 1994). This is true regardless of the usefulness or use-value of commodities, which differs only qualitatively. Upon entering the market, commodities also contain an exchange value, namely “the amount of labour socially necessary, or the labour-time socially necessary for its production” (Marx, 1994, p. 224). In other words, “all commodities are merely definite quantities of congealed labour time” (Marx, 1994, p. 224). Thus, the value of a worker's labour power, a commodity like any other under capitalism, is determined by the amount of labour time necessary for the production and reproduction of itself; it is the value of the means of subsistence necessary for the maintenance of the labourer as a labourer (Marx, 1994). No more, no less.

Given the above, what happens when worker and employer meet in the labour market? For Marx, the relationship between capitalist and worker is an exploitative one because the capitalist pays the worker less than the value of work the worker creates through her labour. In other words, this relationship is characterized by an unequal transaction of labour whereby the capitalist pays the worker the amount of labour necessary for her reproduction as a labourer, while forcing her to work for a certain
amount of time at a certain amount of intensity so as to ensure that she produces more value than that necessary for her reproduction. And therein lays the secret behind the capitalist's profit. So, we see here how, as Lebowitz notes, Marx's argument “that labour-power, as a commodity, has a value different from the value that labour power creates allows us to locate the origins of surplus value in production” (2003, p. 44). But why would the worker agree to engage in this transaction with the capitalist? The answer is that he has no choice, as he, unlike the capitalist, has no access to the means of production necessary for the production of his material existence.

The exploitative relationship between capital and labour is outlined in Marx’s description of the circuit of capital as a whole, presented in the following (simplified) way: the starting point is money. Money as capital then purchases two kinds of commodities, labour-power and the means of production (machinery, etc.). In the labour process, commodities are produced which contain within them unrealized surplus value. These are then taken to the market where they are sold for money. At this point, the surplus value has been realized and the capitalist now has more money than what he started with. This cycle is summed up by Marx in his famous formula M-C-M₁, where M is money, C is commodity (labour power) and M₁ is a larger sum of money than what we began with. This is the essence of how capital is accumulated and the cycle goes on and on. The question that Lebowitz pushes us to ask at this point is whether or not this cycle indeed presents us with a total system. A system that encompasses the whole of capitalist society and, to recall our earlier discussion of Marx’s method, “lacks any further negations or distinctions, a system in which “everything posited is thus also a presupposition” (Lebowitz, 2003, p. 59). For Lebowitz, the answer to this question is no.
For Lebowitz, the problem with the above picture is that the cycle does not explain how one of its crucial components is constantly produced and reproduced, namely the worker or labour-power. Thus for Lebowitz the worker is the point of departure for a separate circuit, one that stands in dialectical unity to the one described above. This is the circuit of wage-labour. This circuit goes as follows: the worker enters the labour-process as a commodity and receives money for her work. This money is then taken to the market where articles of consumption are purchased. At this point the worker proceeds to engage in a process of production not determined by capital's circuit, that of her own. Most immediately, Lebowitz notes, this process is characterised by consumption; “it is a process of consuming use-values...” (p. 67). But, most importantly, this process is also one that involves, Lebowitz continues while citing Marx, “purposeful activity” (p. 68). And the goal of this activity is “the worker's own need for development” as determined within society (p. 68). We thus have two opposing sides, each with its own circuit: capital for itself and worker for itself. But, what we must remember is that, under capitalism, just as capital cannot do without wage labour, wage-labour cannot do without capital. Capital and wage-labour mediate each other. That is, they are part of a dialectical unity.

But Lebowitz's story does not end here. Having constructed a circuit of wage labour that stands as the negation of capital's circuit, he proceeds to argue that there is one last distinction to be made, namely that between wage-labour and non-wage labour. The necessity for this distinction, Lebowitz argues, arises from the fact that “wage labour is merely an abstraction” which “exists only insofar as a living human being enters into this relation” (2003, p. 140). In other words humans are not only wage-labourers, but much more. Further, there is the recognition that there exists a process outside of the
wage-labour-capital relationship wherein people produce use-values as well as themselves. One obvious example of this is household labour.

Therefore, wage-labour and non-wage labour form the final dialectical unity within capitalism. And it is here that we see the essential contradiction in capitalism, namely that between the worker as a wage-labourer and the worker as a human being whose essential goal is self-development. In other words, under capitalism, as Lebowitz argues, the human being “contains within it the human being as wage-labourer and the human being as non-wage-labourer...” (2003, p. 207). This contradiction at the human level was also understood by Freire, who described the oppressed as divided beings, in part themselves and in part the oppressor whose image they have internalized (1970). And it is the non-wage labour part of the human being that has the tendency to drive beyond capital. This tendency, Lebowitz argues, is ultimately rooted in the contradiction between the worker's self and her conditions of life” (2003, p. 207). To deepen our understanding of this contradiction, an engagement with Marx’s concept of alienation is essential.

Alienation

In Marx’s view, the wage-labour system created under capitalism, in which labour has been commodified, is synonymous with five forms of alienation⁶, described by Marx as an ‘externalization’ or a ‘giving away of’ in the part of the worker (1994). The first is alienation of the worker from the products of his labour as literally what the worker

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⁶ It is important to note that Marx’s equation of alienation with the existence of commodified labour differs from other critical uses of the concept. At Deepening Democracy as a Way of Life, a recent conference in Rosario, Argentina, Erik Ollin Wright, for example, uses the concept of alienation “to mean something in between exploitation and domination” and rejects equating the concept with the existence of labour markets. This use of the concept of alienation stems from an undialectical reading of Marx, characteristic of the school of thought known as ‘analytical Marxism’, which Wright belongs to.
produces does not belong to him but to the capitalist (Marx, 1994). Second is the alienation of the worker from the production process. This occurs because the work does not belong to the worker himself but to the employer and thus “the activity of the worker is not his own spontaneous activity…it belongs to another”. His work “is not voluntary, but coerced, forced labour” (Marx, 1994, p. 62).

Alienation in the production process leads to the third form of alienation, namely that of the worker from himself. Since work is not his but the capitalist’s, the worker’s labour becomes a self-denying act, which results in the worker feeling miserable, unhappy and outside himself. Labour becomes an act of self-sacrifice or penance, not a self-affirming activity (Marx, 1994). Fourth, is alienation of man from man, which is the reflection of man’s alienation to himself. In Marx’s words: “thus in the relation of alienated labour every man sees the others according to the standard and the relation in which he finds himself as a worker” (1994, p. 65). The essential bond connecting one human to another, Marx continues, becomes something unessential and separation appears as true existence. Lastly, is alienation of man from his essence, which occurs as labour is turned into merely the means to satisfy physical existence, and no longer is life itself. In describing the alienated human Marx summarizes:

His life appears as the sacrifice of his life, the realization of his nature as the diminution of his life, his production as the production of his destruction, his power over the object as the power of the object over him; the master of his creation appears as its slave. (1994, p. 46)

Another useful way to understand the alienated human is by seeing his or her activity as being mediated by capitalist social relations. If, as Mészáros (1970) argues, productive activity is the mediator between humans and nature, capitalism can be understood as acting as a mediator between humans and their productive activity.
Capitalism is thus, as Mészáros puts it, a second order mediation, “a mediation of the mediation”, a “historically specific mediation of the ontologically fundamental self-mediation of man with nature” (1970, p. 8). And this is what is at the root of alienated existence. This is indeed Marx's central message in his early writings. For Marx, humans are not capital but are nevertheless mediated by the social relations of production under capitalism. And this is what, for Marx, creates a kind of inverted reality, or what perhaps can be called an ironical human existence. Hence, under capitalism, where money is the mediator of social relations,

I am ugly, but I can buy for myself the most beautiful of women. Therefore I am not ugly, for the effect of ugliness – its deterrent power – is nullified by money. I, as an individual, am lame, but money furnishes me with twenty-four feet. Therefore I am not lame. I am bad, dishonest, unscrupulous, stupid; but money is honored, and hence its possessor. Money is the supreme good, therefore its possessor is good...I am stupid, but money is the real mind of all things and how then should its possessor be stupid? Besides, he can buy talented people for himself, and is he who has power over the more talented not more talented than the talented? (Marx, 1969, p. 167)

Another way in which the alienated condition of the worker, as outlined so far, expresses itself under capitalism is in the social division of labour. As Prychitko (1991) notes while drawing on Marx, at the level of the individual capitalist firm, the division of labour is determined by the capitalist and enforced by despotic control. At the level of society as a whole, the division of labour is the product of the anarchy of the market, unfolding spontaneously as the result of competition. For Rinehart (2001), the most important aspects of the social division of labour are specialization and the separation of mental and manual labour, or “the separation of the conception of work from its performance” (p. 16). Specialization, Rinehart continues, entails a fragmentation of work into minute tasks assigned to specific individuals, making work repetitive and mindless. The separation of mental and manual labour is expressed as certain individuals are
responsible for the organization, conceptualization, and design of work, while others simply carry this work out (Rinehart, 2001).

In the following passage from the *German ideology*, Marx, drawing on his concept of alienation, encapsulates the above-mentioned two aspects of the social division of labour while presenting his famous critique:

And finally, the division of labor offers us the first example of how, as long as man remains in natural society, that is, as long as a cleavage exists between the particular and the common interest, as long, therefore, as activity is not voluntarily, but naturally, divided, the man’s own deed becomes an alien power opposed to him, which enslaves him instead of being controlled by him. For as soon as the distribution of labor comes into being, each man has a particular, exclusive sphere of activity, which is forced upon him and from which he cannot escape. He is a hunter, a fisherman, a shepherd, or a critical critic, and must remain so if he does not want to lose his means of livelihood; (1970, p. 53)

In other words, given the social division of labour under capitalism, humans develop in a singular direction, and furthermore they do so not voluntarily but rather because, in their alienation, it is the only way they can meet the demands of capital.

**From Reproductive to Revolutionary Praxis**

Having discussed the fundamental aspects of capitalism, we can now return to asking what our praxis and our learning are like in the context of capitalist social relations. It is clear from our discussion above that as wage-workers, our praxis and therefore also our learning are in fact not our own. They both belong to our employer who uses them to meet not our needs but those of the market so as to generate a profit. Therefore, capitalism shapes the distinctively human dialectical relationship between knowing and being to form a historically specific praxis. Paula Allman calls this praxis reproductive, as it does not challenge capitalist social relations (1999). To expand, capitalist social relations, as Allman argues, produces particular spatial-temporal
experiences that mystify the character of the system. For example, although profit depends on the unity of production and exchange, as Allman notes, most workers experience the commodity in the sphere of exchange. Therefore, workers do not see that it was their labour at the site of production (not some process in the sphere of exchange) that is the source of the commodity's value and surplus value.

In other words, the reality of profit existing as a result of the capitalist paying the worker less than the value the worker creates through her labour is masked given the 'disjointed' experience workers have of the unity of production and exchange. Hence, the nature of capitalist exploitation becomes mystified in the worker's consciousness. This, then, results in ideological explanations for how the system works, such as the idea that the value of commodities derives from their own intrinsic properties, that individual capitalists have special personal attributes that produce wealth or that of there being a bit of magic in 'market forces' (Allman, 1999).

In addition, the experiences workers have within capitalism condition how they resist the system. As Allman notes, in selling their labour in exchange for a wage, workers focus their attention on the exchange value of labour, not its use value, which is the worker's own labour power. This is because, Allman continues, workers do not sell their labour in order to engage in the inherent human capacity to think and act dialectically, as discussed above, but they do so in order to be able to survive and, thus, struggles about wages revolve around the wage amount, not around the wage relationship itself. In Allman's words,

...the separation, in experience and thus thought, of the two values of this commodity [labour power] means that the special use value is ignored, and therefore most people understand little about, or only a partial aspect of, the relations that make the capitalist system possible. (p. 47)
One could also add how people experience the relationship between finance and productive capital. Most of us work all week at one place and then once or twice a month take our pay check to the neighbourhood bank. Each location (the bank and the workplace) is experienced separately (at two different times and places). Each site also contains a different kind of culture. At the bank one is a customer and at work one is an employee. And, thus, these two sections of capital appear separate and unrelated to most people. This might explain why, to use a current example, progressive responses to the global economic crisis have taken the form of calls for increased regulation of the financial system (where the symptoms of the crisis became evident), leaving productive capital (which lies at the root of the crisis) untouched. It is important to highlight at this point that reproductive praxis is therefore, at least in part, learned informally, namely through our everyday activities within capitalist society.

But although reproductive praxis is the norm within capitalism, there does exist the possibility for a different kind of praxis, namely one that challenges capitalist social relations. In his *Theses on Feuerbach*, Marx brilliantly sums up this kind of praxis, revolutionary practice as he calls it, describing it as, “[t]he coincidence of the change of circumstances and of human activity or self-change” (1994, p. 99). As Allman argues, this vision of revolutionary social transformation is as much about “struggling, in collaboration with others to transform ourselves as it is about the struggle to transform our social and economic conditions of existence” (1999, p. 52). And what is this struggle striving towards? For Marx, it is to move towards a society from which the following principle emerges: “From each according to his abilities, to each according to his needs” (1994, p. 321). It is also a society where alienation and therefore the social division of labour has been eliminated, allowing the worker to freely express his uniquely human
ability to express a dialectical relationship between knowing and being, thinking and doing. In Marx’s words,

> while in communist society where nobody has one exclusive sphere of activity but each can become accomplished in any branch he wishes, society regulates the general production and thus makes it possible for me to do one thing today and another tomorrow, to hunt in the morning, fish in the afternoon, rear cattle in the evening, criticize after dinner, just as I have in mind, without ever becoming hunter, fishermen, shepherd, or critic. (1970, p. 53)

But it is at this point that the crucial question is raised: how can people develop a praxis and a learning that is revolutionary in the context of the particular experiences people have within capitalism, which, as noted above, obfuscate and mystify the nature of the system? Or, in Allman's words:

> If our concepts and consciousness, in general, arise from our active experience within definite social relations and other material conditions, and if under capitalism these are limited so that we think of things as separate and unrelated, how can we break through these distortions in our psychological processes and think more critically? (1999, p. 50)

The issue this contradiction immediately raises is whether or not experiences can exist within capitalism that reveal, rather than obscure, the oppressive, exploitative and alienating nature of the system, as well as reveal the possibility of a new society. Or, to put it differently, are there experiences within capitalism that challenge capitalist experiences and simultaneously contribute to the building of the preconditions for a society that is free of alienation and is based on people’s needs and abilities? If so what are these? Can cooperativism be the source of such experiences? In order to answer these questions we must first attempt to understand the relationship between cooperativism and capitalism.
Cooperativism

The idea and practice of cooperativism can be traced back to the early and mid-19th century. Advocates of cooperation between workers during this time period included utopian socialists such as Charles Fourier and Robert Owen, as well as anarchists such as Pierre Joseph Proudhon and Mikhail Bakunin. Although to a lesser extent, Marx and Engels also displayed support for cooperatives, arguing that the cooperative movement could serve as a transformative force in society. They were nevertheless quick to point out that cooperatives would not be able to on their own change society in general, a goal that could only be accomplished by class struggle and the seizure of state power by the working class (in Prychitko, 1991). Modern Marxists also emphasize the limits of the cooperative as a source of social change, noting how they exist within the context of generalized commodity exchange and therefore it would only be a matter of time before cooperative relations of production break down (Mandel, 1972).

Of the above mentioned figures, perhaps most influential to the modern cooperative movement was Robert Owen who moved from England to the United States in 1824 to establish a cooperative community in New Harmony, Indiana. Owen’s ideas and philosophy later influenced the creation of the Rochdale Pioneers’ Cooperative Society in 1844, still existing today as flourishing consumers Cooperative (Prychitko, 1991). In 1844, The Rochdale Pioneers developed a set of cooperative principles, revised three times since that year. The 1995 revision of the principles are as follows: voluntary membership; democratic member control; member economic participation; autonomy and independence; education, training, and information; cooperation among cooperatives; and concern for community (Quarter et al., 2009). For its part, the International Cooperative Alliance, the world wide umbrella organizations for cooperatives and credit unions,
provides the following definition for cooperatives: “a cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise” (Quarter et al., 2009, p. 51).

Using the above definition, producer or worker cooperatives are the most interesting cooperative organization, as its membership is composed of the workers themselves. However, worker co-ops are also the most marginal, their worldwide numbers paling in comparison to those of consumer co-ops. Some variations of the worker cooperative model also exist. One such variation, as noted by Quarter et al. (2009), was a proposal brought forth by the Cooperators Group, an auto insurance cooperative operating in Canada. The proposal, brought forth to the Ontario government in 1990, was to create a cooperative whose membership was composed of three stakeholders: its employees, drivers and government representatives. Although the proposal failed, it sparked the interest of the International Cooperative Alliance who raised the question of radically rethinking the concept of membership. In Québec, as Quarter et al. note, this challenge was taken up, and by 2004 there were 121 multi-stakeholder cooperatives providing home care for seniors.

Beyond their institutional arrangement, the first thing that must be said about worker cooperatives is that they exist within the totality of capitalist social relations, as outlined above. In addition, cooperatives are themselves businesses that generate profits and must compete with traditional businesses as well as with other cooperatives. As Marx noted in *Capital Volume III*, cooperative workers are their own capitalists (Marx, 1976). This means they have to generate a profit by first employing themselves at the point of production and then valorizing their own labour in the sphere of circulation.
However, one important difference between cooperatives and traditional businesses is that in cooperatives capital has been democratized, as each cooperative worker is also an owner who has an equal say on how the cooperative's capital is to be used. This different from the dominant corporate model in which the owners are not the workers but stock holders whose voting power is proportional to the quantity of stock each owns. Cooperatives, therefore have a “dual nature”, having to balance their economic needs as a business as well as the needs of its membership (Caracciolos, 2008; Richer, 2002, Quarter, 2009).

At this point, it is important to note that SPUs, as described in the first chapter, don’t exactly fit the model of a traditional workers’ cooperative, the main divergent aspect being state ownership as opposed to worker ownership. This is a crucial difference that may rightly lead many to avoid categorizing SPUs as cooperatives. Nevertheless, SPUs do fit many of the criteria outlined, in particular democratic participation and concern for community. Furthermore, SPUs could be seen as another variation of the worker cooperative model, similar to Québec’s multi-stakeholder cooperatives mentioned above. Because of the state’s involvement, SPUs also share similarities with public-sector nonprofits. For these reasons, SPUs can perhaps be considered a hybrid organization that combines elements of the state, nonprofits and cooperatives.

More broadly, cooperatives as well as SPUs also form part of what is known as the social economy, meaning organizations that have social objectives that are central to their mission and practice (Quarter, 2009). Other such organizations are credit unions, non-governmental organizations, and public-sector non profits. It should be highlighted though that the term social economy is somewhat confusing as it implies that the capitalist economy is not social. As Planes (2003) argues though, we should recognize
that capitalism is indeed social, but that while being so it is also exploitative and unjust. Planes therefore suggests using the term ‘associative economy’ when referring to cooperatives in order to avoid confusion. Another commonly used term (in Latin America and Europe) is ‘popular economy’, which speaks to the democratic and anti elite character of cooperatives and other similar organizations. Another possible term could be ‘progressive economy’, which would demand a close analysis of the political character of the organization’s mission and practices. For the purpose of this thesis however, it is sufficient to recognize that cooperatives and other ‘social economy’ organizations have goals that go beyond, but do not necessarily exclude, generating a profit.

Summarizing the above, we can identify four ways in which worker cooperatives differ from the dominant corporate model. First, because in a cooperative the workers are the owners, we can say that the division between capital and labour at each individual cooperative no longer exists. In other words, within a particular cooperative, property has been socialized. Second, the worker's own labour process at the cooperative acquires a certain level of autonomy not previously had at a traditional workplace. The reason this is important is because, given our discussion of praxis and learning above, these new experiences raise the possibility for the development of a new praxis and learning that challenges dominant capitalist relations. Third is that cooperatives have a social mission that goes beyond simply generating a profit. Finally, cooperative members have to participate, to some extent, in a democratic process. Let us now explore this point further.

Daniel Schugurensky defines participatory democracy as “an associational space that allows for inclusive processes of deliberation and which are bound to real and substantive decisions” (2004, p. 607). In addition, participatory democracy attempts to minimize the use of political representation, the hallmark of representative democracy.
Other than worker cooperatives, notable examples of such spaces include participatory budgeting and neighbourhood councils. For Schugurensky (2004), one of the crucial characteristics of participatory democracy is that it helps ordinary citizens develop the capacity for self-governance and for influencing political decisions.

A similar conception of participatory democracy is provided by Michael A. Lebowitz, who considers this concept critical to the building of a socialism for the 21st century. Since, as Lebowitz (2007) argues, ‘socialism doesn't drop from the sky’, it has to be developed through a process whereby the elements of the old society are destroyed as new socialist human beings are simultaneously created. But, he continues, these new socialist human beings don't drop from the sky either, they are produced as people exercise their own capabilities in every aspect of their lives, changing both their circumstances and themselves. While struggling for their needs, Lebowitz asserts, people acquire the need for a new society and transform themselves into subjects capable of changing the world: the means of achieving a new society are inseparable from the process of struggling for it. What is important to note is that, for Lebowitz, the crucial space where such processes must take place is in the sphere of production, in the workplace. As he puts it, “democratic, participatory and protagonistic production both draws upon our hidden human resources and our capacities” (p. 65).

A further advantage of participatory democracy as a pedagogical tool is that it engages participants at the informal level, as discussed above. This, then, posits participatory democracy as both an end, in that it allows participants real decision-making opportunities, as well as a means, in that the process serves as a pedagogical tool for even greater democratic participation. This is important because, as Schugurensky notes, we are not born democrats and are often not raised to be active democratic citizens
(2004). Democracy is thus something that needs to be learned if it is to be practised. And, since the best way to learn it is by doing it (Pateman, 1970, Schugurensky, 2004), participatory democracy becomes central to the advancement of democratic practices. It is clear from this that participatory democracy challenges at least some of the superficial experiences. (such as hierarchy and authoritarianism) found within more traditional capitalist spaces such as the workplace. But it is important to also note some of the limitations of participatory democracy in the workplace as far as the development of revolutionary praxis is concerned.

First, I argue that although participatory democracy in the workplace might serve as a means towards the development of revolutionary praxis, it cannot be the end. This is because even if every traditional workplace was suddenly turned into a highly participatory worker's cooperative we would still be living within capitalist social relations. Every coop would still have to compete against each other and, crucially, labour power would still be a commodity to be bought and sold in the labour market. Doubtless, this would be a much better and more human form of capitalism, but capitalism none-the-less. Lastly, it is important to recognize that because participatory democracy in the workplace occurs within capitalism, its praxis will always bare the imprint of capitalism and will thus be to some extent reproductive. This means viewing the development of revolutionary praxis as a process in which revolutionary praxis and reproductive praxis face each other in dialectical unity.

There is one final point that is raised regards worker cooperatives. Given that they represent an end to the division between capital and labour at each individual organization, the primary contradiction within these spaces can be understood as being not that between capital and labour, as is the case with traditional workplaces, but that
between wage labour and ‘non-wage-labour’, as outlined above. It is the added importance that this contradiction takes on at worker cooperatives that raises questions regards their potential for going ‘beyond capital’ as Lebowitz puts it. But, what is the goal of the human being as non-wage-labourer? The answer to this, to go back to our initial discussion, is the free expression of the distinctively human dialectical relationship between ontology and epistemology, or praxis. It is what Lebowitz calls our human need for self-development (2003). Or, to put it in Freirean terms, it is to struggle to become more fully human (1970).

What we therefore see at cooperatives (and perhaps more acutely than in traditional workplaces) is a struggle between these two parts of the human being. And practically this manifests as the struggle between the cooperative's own needs and goals and those of the market. The more the cooperative yields to market demands, the more it reproduces capitalist social relations of production, and the more it pursues its own goals against those of the market, the more it undermines these same relations while building new ones. This is therefore a struggle between reproductive and revolutionary praxis. At the practical level of the cooperative, this manifests as the struggle between the cooperative's own needs and goals, and those of the market. The question then is how exactly is this struggle manifesting within the experiences at each cooperative? And, can we say that something about the cooperative experience is conducive to cooperative members learning to better fulfill their organization's goals and needs over those of the market, while building a new society that is free of alienation and is based on people’s needs and abilities? It is with these questions in mind that I turn to the concrete experiences in Venezuela.
Conclusion

In this chapter, I have outlined the key analytical concepts I employ throughout this thesis, namely praxis, learning, alienation and cooperativism. In my discussion of cooperativism, I also examined the concept of participatory democracy, a central practice found at worker cooperatives. I have situated these concepts within an analysis of capitalism while emphasizing the point of view of the working class. I argued that learning is a process of production whereby both subject and object change, making learning a central aspect of our praxis and therefore a powerful lens for understanding social change. In addition, I argued that cooperativism is characterized by a contradiction between reproductive and revolutionary praxis, wherein participants must face a tension between their own needs and those of the market. Before taking this perspective to the concrete case of Venezuela’s SPUs, I continue by providing a review of the relevant literature.
Chapter 4: Literature Review: informal learning, participatory democracy and cooperativism

This thesis contributes to three different research fields, namely informal learning, participatory democracy and cooperativism. I now proceed to review the relevant literature in each of the three fields while bringing in literature on Venezuela wherever possible. As will become evident, these fields sometimes overlap, but attempts to integrate all three are rare. However, even more rare are attempts to explicitly link these three fields while using Marxist ideas and concepts. Of the authors that to some extent do accomplish this, only one looks specifically at the case of Venezuela. In this thesis, I attempt to fill this research gap.

**Informal learning**

As a research focus, informal learning remains marginalized within the field of adult education. Despite this, the scholarly literature employing the concept of informal learning showcases important debates, as well as research approaches, topics and questions that are relevant to the work I am presenting here, and that reveal important insights as to the nature of learning. Key themes raised by the literature are the social and experiential dimensions of learning, the political implications of learning, and the effects that both organizational structures and broader social structures have on learning.

Perhaps most prominently displaying a focus on informal learning is the research conducted within the field of Social Movement Learning, a subfield of adult education. One of the most important contributions to this field is Griff Foley’s *Learning in Social Action* (1999). In this book, Foley uses a number of case studies to reveal how participants of diverse social movements learn informally. His analytical framework is
rooted in Marxist theory and, as the author explains, incorporates a focus on the relationship between political economy, ideology, micro-politics, social struggles, discursive practices and learning. In answering his central question, namely “how people learn in emancipatory struggle” (p. 11), Foley argues that education and learning are contested activities that oscillate between reproducing relations of domination, on the one hand, and resistance and emancipation, on the other. In addition, Foley argues, most of the learning acquired by social movement activists is incidental and unconscious, something both educators and activists should pay closer attention to.

From a more traditional Marxist perspective, Holst (2002) also looks at the relationship between radical adult education and social movements. In his book *Social Movements, Civil Society and Radical Adult Education*, Holst is quick to recognize that much of the radical education that takes place happens informally and unconsciously within the various activities that take place in social movements, such as protests and meetings. The author is therefore sympathetic to Foley’s emphasis on the informal nature of learning in social movements. Nevertheless, Holst is more sceptical of the potential social movements hold for resisting capitalism, arguing instead for a focus on the pedagogical dimensions of the revolutionary party or organization. Indeed, this is a task that he takes up himself in a follow-up article that looks at two revolutionary organizations in the United States, namely the Freedom Road Socialist Organization and the League of Revolutionaries for a New America. Here, the author argues that the two organizations studied conduct internal education work, some of it informal, that produces organic intellectuals of the working class akin to Gramsci’s conceptualization (2004).

Building on Foley’s work is Gouin’s (2009) *An Antiracist Feminist Analysis for the Study of Learning in Social Struggle*. Although sympathetic of Foley’s work, the
author offers up a reformulation of his analytical framework, adding an antiracist and feminist perspective. Her reformulation uses the work of Mohanty (2003) and Banerji (1995), arguing for an understanding of the existence of interdependent systems of domination and for the importance of using the experience of the most marginalized as starting points for a sociological analysis. She then uses this theoretical framework to study the informal and incidental learning in a grassroots education initiative for girls, concluding that it is necessary to integrate an analysis of patriarchy and White Supremacy within a Marxist framework.

Outside of the field of social movement learning, the concept of informal learning is prominently used by Wenger and Snyder (1999, 2008) who developed the concept of ‘communities of practice’ to understand how organizations function. The authors define ‘communities of practice’ as “groups of people informally bound together by shared expertise and passion for a joint enterprise…” (1999, p. 139). One of the defining characteristics of such communities, Wenger explains, is their capacity to create and use knowledge, as well as their members’ ability to learn through their own participation in the community (2008). Departing from research on social movement learning, the authors’ focus is largely around how to improve the performance of businesses through the nurturing of communities of practice. They therefore steer clear from looking at more abstract questions of political economy or social justice. This is also the case with the work of Michael Erut (2004) on informal learning in the workplace whose analytical focus does not go beyond the organizational level.

The work of Quarter and Midha (2001) and that of Joel Schoening (2006) also focus on workplace learning. Their research is particularly relevant as it overlaps with both participatory democracy and cooperativism. In examining a food retail cooperative
in Toronto, Quarter and Midha argue that the cooperative’s members learn what they need to perform their roles through informal processes, including their day-to-day work experience, discussions, and questions to internal experts and other members. In addition, the authors highlight a cooperative democratic structure as an important factor promoting informal learning. Like Wenger and Snyder as well as Erut, Quarter and Midha do not extend their analysis beyond the particular organization studied. Schoening addresses this gap in the literature in his study of a manufacturing worker cooperative in the United States. In his article, Schoening looks at the changes in democratic practice at the cooperative in relationship to the challenges brought on by market demands throughout the cooperative’s history. His central argument is that in facing a contradiction between their social ideals and the demands of the market, cooperative members learn to become both better capitalists and better democratic citizens, acquiring an identity of what he calls ‘Cooperative Entrepreneurialism’.

From the above literature we can establish a number of propositions. First is that the day to day activities people engage in outside of formal schooling such as paid work and activism are very important sources of learning that usually goes unaccounted for. Second is that a significant aspect of our learning is inherently social, acquired through our active relationships with others. Third is that our learning is influenced by our experiences within both our immediate environments, including an organization’s structure, as well as broader structures and systems of domination, such as market forces, racism and patriarchy. Fourth, as particularly emphasized in the literature on social movements, learning has political consequences. Our learning is capable of reproducing or resisting domination, or, as Shoening suggests, it can simultaneously do both.
A fifth proposition, which to some extent expands the fourth and is relevant to my research program, is that there is a third type of political learning that is qualitatively different from learning to assimilate oppressive relations or to resist them. Such learning occurs in the context of activities and initiatives that nurture new social relations, which in turn generate a type learning that we could call emancipatory, anticipatory or prefigurative. This learning is not merely adaptive (reproducing existing forms of domination) or just oppositional (developing critique as well as organizing to resist and challenge oppressive structures) but also creative, in which members of a community develop together new practices, relations and values that are very different from the present hegemonic practices, relations and values, and anticipate, or prefigure, some desirable features of a future society. I recognize that in most real life situations the three types of learning could occur in the same setting. Although still underdeveloped, this notion of prefigurative learning stems out of my work with Schugurensky and Vieta (2010) on new cooperativism and learning in Latin America as well as from my own work on praxis and learning (2010).

My research contributes to this body of literature by drawing out these five crucial aspects of learning from the experiences of participants at SPUs. My work therefore goes some way in addressing the research gap identified by Plumb and McGray in their 2006 state of the field report on Learning Communities, namely research that draws an inherent connection between learning and ‘communities of practice’ and that explicitly theorizes this connection (73). I address this gap by acknowledging the importance of people’s active and immediate day-to-day relationships with others, but go further by also recognizing the role that broader and more abstract relations of domination, specifically capitalism, play in people’s lives and how our learning can support and/or resist these
relations while potentially prefiguring new ones.

**Participatory democracy**

Most salient in the literature on participatory democracy is research that examines participatory budgeting (PB). The majority of this literature approaches the topic from a critical liberal or social democratic perspective and highlights three aspects of PB, its political character, its outcomes and its pedagogical dimension. Regards the first aspect, in his thorough review of PB in Latin America, Goldfrank (2006) argues that PB, defined as the processes of individual and collective decision-making between citizens and government authorities regards the public budget, is not a neutral or technical instrument, but a deeply political process tied to different political ideologies and projects. Similarly, Cabannes (2004) suggests that the PB reveals itself as an arena for the confrontation of different objectives, ranging from improved management of the city to the radicalization of democracy. Thus, as Goldfrank outlines, the political left sees PB as conducive to the consolidation of a citizen-controlled state, transparency, efficiency, wealth redistribution and, in some circles, to the development of socialist consciousness.

In contrast to the political left, as Goldfrank argues, some liberals and neoliberal institutions such as the World Bank, emphasize its role in combating poverty and corruption in the context of a reduced role of the state. In addition, the author continues, the process itself is seen as consultative rather than deliberative and as an example of voluntarism and job creation. In practice, as Novy and Leubolt (2005) note, PB often combines political visions, as in the case of Porto Alegre where the process was introduced as a strategy to combat capitalism while also adhering to liberal notions of rationality and an open civil society. But not all political projects support PB. In fact, as
Goldfrank notes, both conservatives and the orthodox left dislike it, the first seeing it as compromising representative democracy and as the road to a totalitarian state, while the latter arguing that its simply a tool of the capitalist class. In conclusion, Goldfrank gives a warning, namely that in more recent years there has been a tendency towards the application of a more liberal PB process and that unless people demand its original left version, liberal PB will predominate.

From the point of view of results, Goldfrank argues that PB has been implemented in a number of different ways and in different contexts, resulting in both successes and failures. For this author, the key variables that contribute to its success, broadly defined as increased transparency, efficiency and increased participation, are a cooperative local major, a weak local political opposition, a cooperative civil society and sufficient funds. But these conditions have been rarely present. Out of the eight PB experiences reviewed by Goldfrank, only one, Porto Alegre, stands out as being particularly successful. In terms of participation, as Goldfrank points out, the PB in Porto Alegre managed to increase citizen involvement from 2,000 in 1990 to 20,000 in the year 2000. By 2003, it attracted over 23,000 participants (Novy and Leubolt, 2005).

Participation in the PB experience in Porto Alegre, as Novy and Leubolt point out, combined direct democracy with representative committees. Participants came from varied social classes and included even those who opposed the local government (Goldsmith and Vainer, 2001). Of note is that women's participation in PB, standing at 56.4 percent in 2004, was drastically higher than in the municipal parliament where only 21.2 percent of the delegates where women (Novy and Leubolt). In terms of material improvements, as Goldsmith and Vainer note, the PB led to improved water delivery, the building of more schools, improved transportation and more public housing, going some
way in reducing inequality in the city. Indeed, Porto Alegre's Human Development Index, as Novy and Leubolt note, rose to 0.865, among the highest of all the Brazilian capital cities in 2000. Overall, for the two authors, these developments represent a kind of quasi-revolution that gives power to traditionally excluded groups.

Regards the pedagogical dimension of PB, Novy and Leubolt argue that the process represents a school of republican democracy based on the ideal ancient Greek polis where civil society constructs the state through collective decision-making. Thus, through the PB process, the authors continue, competing popular movements in Porto Alegre, learned to participate publicly in local politics rather than in a clientelist or confrontational manner. In addition, Novy and Leubolt argue, individuals learned to transform personal needs into public interests, thus building solidarity. But there were also limitations with PB. As the authors note, political education rarely made its way into the discussions. In addition, contradictions between the city's ecological needs and the needs of individuals were not adequately dealt with.

Streck (2004) brings forth a similar account of the pedagogical dimensions of PB. He asks whether or not the social movements tied to PB represent a form of education geared towards a new social contract that is more inclusive to race, gender and environmental issues. The author answers this question by suggesting that although PB is no panacea for social problems, it nevertheless, helps people learn to reinvent power as average citizens are given a chance to say his or her word in public. In addition, Streck observes the possibility for learning about local-regional dynamics as people are confronted with the options of using scarce resources at both geo-political levels. For the author, these pedagogical opportunities amount to the possibility of creating an ethics of solidarity without which “there will be no social contract, old or new” (p. 227).
More explicitly examining the learning dimensions of participatory democracy is the work of Schugurensky and Lerner (2007) on the participatory budgeting experience in Rosario, Argentina. Drawing from critical liberal theorists such as Carole Pateman and Jane Mansbridge, the authors guiding question is whether democratic participation makes better citizens. To answer this question, the authors employed a combination of in-depth interviews and a survey aimed at evaluating participants’ learning across 55 different indicators covering four areas: knowledge, skills, attitudes and practices. The authors begin by identifying three key spaces where participation takes place in the Rosario experience, namely neighborhood assemblies, participatory councils, and district assemblies. Through participation in these democratic spaces, the authors argue, participants acquired significant citizenship learning in the four areas examined, but particularly in the area of knowledge, which included both technical knowledge about government as well as a greater awareness of citizen rights and duties. However, lacking from this study was an explanation of how exactly participants acquired this learning. In conclusion, the authors argue that participatory budgeting serves as an innovative ‘school of citizenship’.

Beyond participatory budgeting Valladar and Hernandez (2005) look at the Consejos Locales de Planificacion (local planning councils) in Venezuela. Specifically, the authors explore the formal government policies designed by the Venezuelan government for the purpose of helping the local planning councils become mechanisms of participation and capacity building for communities. The authors’ methodology consisted of textual analysis of the theoretical and normative elements that orient participation and citizenship capacity building in the country, as well as several case
studies of local planning councils. The authors find that the local planning councils are
innovative institutions that generate a qualitative change in public management, allowing
for the participation of organized communities in the process of agenda setting,
execution, control and evaluation of public politics. This process, the authors continue,
demands the building of capacities of both communities and public officials that should,
in theory, eradicate the bureaucratic elements of the public administration while creating
critical and autonomous citizens. The authors’ conceptual framework is largely based on
the 1999 Venezuelan Constitution and specifically, its emphasis on participatory and
protagonistic citizen participation.

The key themes raised by this literature are the political and pedagogical
dimensions of democratic participation as well as its social and economic outcomes. As
the literature suggests, participatory budgeting is highly political and therefore can and
has been used in the context of different political projects, spanning from neoliberal to
socialist. From the point of view of results and outcomes, the participatory budgeting
experience in Porto Alegre has been the most successful, showcasing increasing citizen
participation and improved material conditions for those who most need it. However,
many other experiences with PB, the literature suggests, has not been nearly as positive.
From the pedagogical point of view, there seems to be somewhat of a consensus in the
literature that participatory democracy is a powerful tool for citizen empowerment and
for the acquisition of important political and democratic knowledge and skills. My
research contributes to the above literature by first shifting focus away from participatory
budgeting and toward workplace democracy as sites where participatory democracy takes
place and second by more closely examining how people learn through democratic
participation.
Cooperativism

Research on cooperatives highlights a number of key themes, namely issues with competition, the role of the state, and social and economic outcomes. Because of its close association with the social economy, some of the literature I review here overlaps with this broader sector. In addition, because of this overlap as well as due to the large amount of relevant literature on Venezuela’s cooperatives I was able to find, I have allowed more space in this section in comparison to the previous two.

Cooperatives and the State

In *Venezuela: encrucijada de un modelo de desarrollo productivo*, Vera assesses the nature of the changes in the productive structure of Venezuela (2007). The author uses textual analysis as his data collection tool, relying mostly on government documents. Vera’s theoretical lens is that of liberal political economy. The author begins his argument by noting that, at the macro level, Venezuela's economy is sound, evidenced by a growing GDP, large government surpluses, substantial international reserves and shrinking domestic debt. But, along side these positive figures, the author continues, one sees a national productive structure that is rapidly changing and which displays significant problems. At the center of these structural changes, the author notes, is the growing relationship between state-owned industrial sectors (in particular the oil sector), and the country’s emerging popular economy, constituted by new productive enterprises, such as cooperatives, Social Property Enterprises and co-managed enterprises. This relationship, the author argues, is one in which the popular economy is dependent on the state, creating three key problems: a disincentive for the new productive spaces to innovate and remain
competitive, a continued dependency on public expenditures in the part of the new production enterprises and the creation of large and inefficient clientilist networks. All of this, the author continues, goes contrary to the development goals set out by the government, which, according to the author, revolve around a kind of neo-import-substitution-industrialization model that requires developing a globally competitive industrial sector.

A similar relationship between the social economy and the state is noted by Colina (2006). In her article, the author asks if the growth of co-management in Venezuela is conducive to a transformation of the country's economy. The author employs textual analysis as her data collection tools, while her theoretical perspective is that of liberal political economy. In short, the author argues that the expansion of co-managed enterprises in Venezuela does not imply a transformation of the country's economic system, either from the point of view of relations of production or from an institutional perspective. The reason for this, the author continues, is because, in Venezuela, co-management has the two following characteristics: first, property rights are being transferred to the state through expropriation and, second, the state retains a decisive number of votes over the workers at each enterprise. In other words, Colina explains, the relationship between capitalist and worker remains, the only difference is that the state has become the capitalist. For the author, a real transformation of the economic system would seemingly involve transferring property rights directly to the workers.

It seems that a problematic relationship between the state and the social economy is also developing in relation to Venezuela's communal councils, neighbourhood associations based on participatory democracy. Jungerman (2008), asks whether or not
the different social practices that form part of the changes occurring in Venezuela constitute new public spaces at the socio-territorial level. The author employs textual analysis as his data collection tools, relying mostly on two case studies. His theoretical lens is that of post-structuralism. The author begins by theorizing the concept of socio-territorial spaces, which he defines as spaces of permanent construction and reconstruction of the socio-cultural and socio-institutional fabric, the relations and organization of production, and of participatory practices. The author proceeds to argue that in Venezuela the process of constructing institutionalized public socio-territorial spaces has begun and that this process is full of difficulties and contradictions. One difficulty highlighted by the author is that of the relationship of dependence between the communal councils and the central state power, who has a direct say on the councils’ funding and projects. The author describes this difficulty as dialectical process between institutionalization and de-institutionalization.

Pointing to the class character of the state’s role in the cooperatives sector is the work of Ramachandran (2006). In Land Reform in Venezuela, he outlines the class dimensions of the current processes of land reform in Venezuela, arguing that rural Venezuela is experiencing a battle between the land-owning oligarchy and the mass social movements allied with the Chavez government. Ramachandran uses textual analysis and interviews as his data collection methods. His theoretical lens is that of Marxism. The author begins with a brief background of agrarian relations in Venezuela, noting the highly unequal distribution of land ownership in the country since Venezuela became a major oil producer in the 1930s. The author continues by outlining some of the attempts the Chavez government has made since 1998 at changing the agrarian situation for the benefit of the poor masses. Central to these changes, the author explains, has been the
creation of cooperatives that, empowered by legislation, now have the opportunity to take over certain amounts of land from the big land-owners. But, as the author notes, these processes face many challenges, including many forms of resistance from the old ruling classes. Another type of challenge, the author adds, has been that of creating a functional cooperative sector that is able to incorporate the poor and unemployed into new structures of democratic ownership.

*The Social Economy and Competition*

Another key area of debate brought forth in the literature was that of the relationship between the social economy and the issue of competition. In *Empresas Sociales y Política de Competencia*, Llerena (2006) asks whether or not Venezuela's recently introduced 'Antimonopoly, Anti-oligarchy and Just Competition Law' has the capacity to guarantee the rights of all of economic agents in situations where the state gives preferential aid to social economy enterprises. The author employs textual analysis, including government statistics, as her data collection tool. Her theoretical lens is that of Liberal political economy. Her argument is that there is a contradiction between government policy to develop the social economy sector and the above-mentioned Competition Law. According to Llerena, this is because, first, cooperatives, by law, can freely amalgamate and otherwise cooperate with each other and, second, the social economy sector as a whole receives preferential aid (in the form of government contracts) from the state. In other words, the social economy is exempt from the Competition Law, which seeks to prevent the concentration of firms. For the author, then, it is evident that the state, by giving preferential treatment to the social economy sector, is sacrificing competition in those markets where the state is the principal consumer.
A similar issue is revealed by Diaz (2006) who provides an analysis of Venezuelan public policy towards the country's cooperative sector. Diaz uses textual analysis as his data collection tool, while his theoretical perspective is that of liberal political economy. He begins by analysing key government documents produced by the Chavez administration, including the 1999 constitution and the National Plan 2001-2007. He divides policy goals into two categories, namely economic and social. The economic goals, the author argues, are to strengthen cooperatives and micro-enterprises, the organization of a micro-finance system and the democratization of land ownership. The strengthening of cooperatives, he expands, includes raising productivity levels, diversifying production and acquiring international competitiveness. The social goals, on the other hand, include guaranteeing social benefits in a universal and equitable way, deepening human development, bettering the distribution of income and wealth and, lastly, generating citizen power in public decision-making spaces.

After providing a description of some of the key institutions created by the government to meet these goals, Diaz outlines some of the results of these public efforts to strengthen the cooperative sector. And it is here that we see some of the tensions that exist with competition in the free market. For example, as the author notes, some cooperatives in the agricultural sector have production costs that are much higher than similar non-cooperative enterprises. The reason for this, the author explains, is that government aides decide to expand cooperative membership to meet social goals. In other words, it seems that, at least in some cases, public policy privileges the sector's social mission over its economic mission. The result of this, the author argues, is that it negatively affects the cooperative sector's competitiveness in relations to other enterprises.
in the market.

*Social and Economic Outcomes*

The final central theme found in the literature on cooperatives is the social and economic outcomes of the sector. In *Las cooperativas de salud en Venezuela*, Richer (2002) examines Venezuelan healthcare cooperatives. The author’s methodology consists of textual analysis as well as interviews with several members of health care cooperatives conducted in 2002. Her analysis, largely descriptive, begins with an historical account of Venezuela’s health system beginning in the 1930s, arguing that the country’s healthcare crisis in the 1980s and 1990s spawned the growth of health care cooperatives looking to fill the gap that neither the private or public sectors could fill. The author continues by providing an in-depth look at a number of current health care cooperatives, highlighting those functioning in the state of Lara that employ a user membership as well as a mixed membership of both providers and users. These cooperatives, she argues, provide services based around the needs of the users, breaking from the traditional doctor-centered model characterized by user passivity and resignation. Therefore, she continues, the cooperatives studied not only use resources more efficiently but, as a result of their participatory character, also allows their members to become active and responsible citizens. The challenge now, the author concludes, is to create networks of health care cooperatives that can then integrate with public institutions so as to fulfill the healthcare mandates outlined both in the country’s constitution and in the national healthcare law.

In *Financiamiento Público*, Colmenares et al. (2005) examine the effectiveness of the relationship between cooperatives in the state of Trujillo and FUDET, the state’s public finance organism. The author’s methodology includes textual analysis and interviews with cooperative
members in Trujillo. After providing a historical description of Venezuelan cooperatives and their relation to government, the authors specifically examine FUDET. FUDET, the authors argue, was created in 2001 for the purpose of creating protagonist citizens capable of working for their communities. In addition, the authors continue, FUDET is to improve the region’s socioeconomic conditions, marked by high levels of unemployment, illiteracy, and the growth of a large informal economic sector. To these ends, FUDET is to provide financing for micro-businesses, individuals (in particular women) in need, popular art projects, and commercial ventures that increase productivity. FUDET’s assistance to the cooperative sector specifically, the authors argue, has been relatively successful, but could improve if FUDET was to increase that cash portion of its financial assistance and make collateral requirements more accessible for people requiring financial assistance.

Less positive is Graterol and Diaz’s (2007) study of the economic and social aspects of 14 cooperatives in the state of Trujillo, Venezuela. The 14 cooperatives have contracts with HIDROANDES, the regional public water company, and are responsible for all of the local water provisioning in their state. Specifically, the authors ask: what is the behaviour of the 14 cooperatives, whether they are authentic cooperatives, if they are better fulfilling the water needs of communities, and if they have improved the conditions of the workers previously employed by HIDROANDES, who now work as cooperative members. The authors conducted a textual analysis of HIDROANDES’s archives and then interviewed members of the 14 cooperatives, including their directors. They found that the creation of the cooperatives was promoted not by their members but by HIDROANDES. In addition, the authors found that the cooperatives experienced organizational problems, lacked adequate information, lacked the preparation necessary to deal with administrative, economic and legal issues, and did not fulfill cooperative
principles. Lastly, the authors argue, members of the cooperatives they studied feel that they are worse off than those working directly for HIDROANDES. Therefore, the authors conclude, the 14 cooperatives are in urgent need of capacity building programs and assistance. The conceptual framework the authors used for the study was the cooperative principles outlined by the International Cooperative Alliance.

More mixed results were found by Caracciolos (2008) who looks at 37 cooperatives responsible for electricity provisioning in the state of the Zulia, asking how social responsibility and cooperative values manifest at the organizations. The author’s methodology is based on a quantitative survey instrument distributed to the directors of the 37 cooperatives. The author begins by outlining his concept of social responsibility, namely the obligation organizations have of adopting politics, making decisions and taking actions that benefit society as well as the organization itself. He then identifies two spheres of social responsibility, the internal that has to do with the members of the organization, and the external that has to do with the organization’s clients, providers, and the community. In terms of corporate values, the author uses the seven Rochdale principles as well as the Venezuelan law of cooperatives. The overall theoretical framework is liberal political economy. The author found that social responsibility was lacking among cooperative members themselves, a product of a lack of human resources management. On the other hand, they found that there was a relatively high level of social responsibility with clients and providers, but not with the community. In terms of cooperative values, the author found that there existed a medium level of values such as honesty, responsibility, solidarity, respect, equity, and social justice.

Finally, in her study of 15 Venezuelan cooperatives, Camila Harnecker (2007) asks what the relationship is between workplace democracy and collective consciousness. Defining collective consciousness as the understanding of and disposition to contribute to
the interests of others, Harnecker finds a strong connection between the two processes. Democratic participation, she argues, empowers people and “makes it easier for individuals to break with their individualism and embrace their interdependence” (p. 36). The author also points to the pedagogical dimensions of the process, noting greater self-confidence and feelings of being in control among participants as part of the educative effect of participation.

However, Harnecker also found a number of problems. According to her, the development of collective consciousness was often undercut by internal conflict rooted in poor collective monitoring and communication mechanisms. In addition, workplace democracy, and by extension also the development of collective consciousness, was undermined by the fact that cooperatives exist within the context of a capitalist economy. In a different article based on the same study, Harnecker (2008) also found that many participants lacked technical and administrative capacities and experienced low levels of motivation. As a solution to some of these problems, Harnecker suggests the use of coordinating mechanisms amongst cooperatives and also between cooperatives and communities so as to change the logic of economic exchange (2007). Harnecker's methodology combines both qualitative and quantitative approaches. In terms of theoretical perspective, Harnecker draws from the Marxist and critical traditions.

In summary, the literature on Venezuela's cooperative sector points to at least three broad areas of discussion: the role of the state, competition and the social and economic outcomes of the sector. It appears that the role of the state in the cooperative sector is characterized by its attempt to shift the balance of class forces towards the working class but that in doing so it is also creating relations of dependency with the sector. In addition, the literature points to the difficulties the cooperative sector is
experiencing in trying to accomplish social goals while having to compete in the market. In terms of social and economic outcomes, the cooperative sector seems to be yielding positive outcomes in terms of the building of empowerment, solidarity and collective consciousness, while also displaying important problems in the areas of technical, and organizational capacity. My research will contribute to this literature by focusing not on traditional cooperatives but SPUs, therefore deepening our understanding of state and community involvement in cooperative processes.

Conclusion

This chapter has reviewed the literature in three different research fields, namely informal learning, participatory democracy and cooperativism. In each section, I have outlined how my research contributes to the debates in each of the three fields. Taken on the whole, the literature reviewed demonstrates that although there is some overlap between these fields, few authors have attempted to explicitly link them, much less while using Marxian ideas and concepts. However, the work of Harnecker and that of Schoening on cooperatives came the closest.

By asking how SPU participants experienced a contradiction between their organization’s goals and those of the market, and whether participatory democracy or other experiences in their workplace helps participants to learn how to better fulfill their goals, my research attempts to go one small step forward in the integration of the three above-mentioned fields. In addition, by closely engaging with Marxian inspired theory, my research provides an added critical layer to the debates surrounding the role that Venezuela’s cooperative sector is playing in the ongoing political and economic changes in the country.
Chapter 5: Methodology and Sample

Let me begin by reformulating the central research questions already outlined at the end of chapter 3, this time focusing on SPUs, my specific research sites:

1) How are SPU participants experiencing the struggle between their organization’s needs and goals, and those of the market?

2) Is participation at their SPU helping participants learn to better fulfill their organization’s goals and needs over those of the market? And, if so, is this learning helping them build new social relations that are free of alienation and based on people’s needs and abilities?

From these two questions we can generate a number of smaller and interrelated sub questions:

a) What is an SPU?

b) How did SPUs emerge in Venezuelan political and economic history?

c) What is the SPU’s social mission?

d) How is democracy practiced at SPUs?

e) What is the political economy of SPUs?

f) How do SPU participants experience the market?

g) What are SPU participants learning and how are they acquiring this learning?

Data Collection and Analysis

All of my fieldwork research was approved by the University of Toronto’s office of research ethics (protocol reference #24050). For data collection, I employed a combination of textual analysis, focus group discussions, participant observation, and in
depth, semi-structured interviews lasting between one and two hours (see appendix A for full interview guide). I also used a survey instrument that taps into informal learning in democratic practices (see appendix B). This survey instrument was designed to explore the impact that democratic participation has on the learning of participants at SPUs and was based on prior studies on informal learning in participatory democracy, particularly participatory budgeting (Schugurensky, 2006; Lerner & Schugurensky, 2007; Schugurensky & Pinnington, 2009). The survey, which was adapted to the specific situation of SPUs, examines political and democratic learning in four main areas: knowledge, skills, attitudes and values, and practices. It does so by asking participants to quantitatively identify the level of change they experienced in relation to 14 indicators since they began working at their SPU. Although this survey is quantitative, I used it mostly to spark a qualitative discussion about the learning areas where participants indicated a large degree of change.

The sample included 18 participants who belong to three SPUs located in the states of Lara and Barinas: a tomato processing plant, a coffee processing plant, and an agricultural equipment service center. Snapshot profiles of each SPU are provided below. At least 10% of participants at each SPU were interviewed. In addition to the 18 SPU participants, I also informally interviewed several members of the Corporación Venezolana Agraria, the state corporation all three SPUs belong to, members of the communal council Los Olivos in the municipality of Torres, Lara, and two employees at SUNACOOP, the national government organism responsible for supervision of the cooperative sector. All interviews were conducted in Spanish. To ensure the anonymity of participants, I identify all of them with pseudonyms.
My data analysis began with a careful qualitative reading of all the transcribed interviews. As I read the data, I looked for a number of things. First, I looked for key themes relating to my central research aim: uncovering contradictions people experienced between their organization’s social mission and the demands of the market, and experiences that suggest that democratic participation or other experiences in their workplace helps participants learn to fulfill their organization’s goals over those of the market. Second, I looked for evidence of the 14 learning indicators I used in my survey. Third, I created new themes and learning indicators, as suggested by the data. As a way to assess the relative importance of certain indicators and themes over others, I also engaged in a quantitative analysis of the data by counting the number of times each indicator and theme appeared in all the interviews combined. The data acquired from the interviews was then supplemented with my detailed field notes as well as the literature acquired at each SPU and state organ.

Research Site Profiles

The three SPUs I chose as specific research sites are, Pedro Camejo, Tomas Montilla and Complejo Agroindustrial Socialista de Quíbor. There are two main reasons why I chose these particular three SPUs. At a general level, all three SPUs are located in rural Venezuela. This was important for my research because as literature suggested the rural areas are where Venezuela’s social economy is most advanced in terms of organization. This is especially true in the cases of Pedro Camejo and Complejo Agroindustrial Socialista de Quíbor that are located in the state of Lara, arguably the heart of the ‘Bolivarian Revolution’. Had I looked at brand-new SPUs, it would have been difficult to meaningfully assess how participation at SPUs impacted people’s
learning. Second, I chose these three SPUs because of their different sizes, small, medium and large. This allowed me to get a sense of whether there was any significant relationship between size and the quality of democratic participation. What follows are snapshot views of each of the three SPUs.

*Pedro Camejo*

The SPU is named Pedro Camejo in honour of a military leader by the same name who fought during Venezuela’s war of Independence during the early 1800s. The Pedro Camejo SPU I visited is located in the town of Rio Tocuyo, which belongs to the municipality of Torres, located within the state of Lara in Venezuela’s north-western region. Despite its extremely dry weather, Rio Tocuyo’s main industry is agriculture, supplying 17% of all the agricultural goods consumed in Venezuela. Its main crops include onions, peppers and melon. Its closest largest city is Carora.

Pedro Camejo is responsible for supplying local small and medium producers with heavy-duty farming equipment, including tractors for tilling the land, large transport vehicles for moving grains and irrigation machinery. Of these, it is the tractors that constitute the bulk of the work for the SPU. The tractors are owned by Pedro Camejo and rented out to the producers along with a tractor driver. In addition to administering the rentals, the SPU is responsible for all equipment maintenance. The price charged for the service the SPU provides is about a third of what the private sector charges.

Pedro Camejo employs 29 workers. Of these, 17 are tractor drivers, a few are community fieldworkers, one or two are mechanics, and a few others are in charge of the administrative work. The SPU has 25 tractors at its disposal. These were manufactured in Belarus and Argentina and were acquired by the Venezuelan government as part of a joint
cooperation agreement with each of the two countries. The SPU has been operating for four months but some of its employees worked at other Pedro Camejo SPUs for over a year. Of the 29 employees, only three or four of them are women, the rest are men.

_Tomas Montilla_

This SPU, named after a well-known Venezuelan musician, is located in the town of Altamira, which belongs to the municipality of Bolivar, located in the state of Barinas in Venezuela’s north-western region known as “los llanos”. The municipality’s primary industry is coffee production, which had almost disappeared several years ago with the collapse of coffee prices. During the downturn, coffee farmers began to switch to cattle ranching, negatively impacting the region’s lush but delicate ecosystem. As a result of government intervention, coffee production has now recovered.

_Tomas Montilla_ is a coffee processing plant. They purchase raw coffee beans from small and medium local producers at a fixed price set by the government. The price paid is somewhat higher than that paid by competitors and, in addition, it remains constant throughout the year despite fluctuations in supply and demand. Once purchased the coffee beans are roasted, ground, packaged and finally distributed to the consumer through Mercal and PDVAL. The entire finished product is sold within the state of Barinas at the official government price, which is much lower than that offered by the private sector. The SPU employs 23 people. Positions include roasters, mechanics, machine operators, packagers, cleaners, drivers, supervisors, a community worker and a coordinator that responds to the state managers. Of the 23 workers, only three or four are women. The plant has been in operation for three years and is now processing coffee at maximum capacity.
**Complejo Agroindustrial Socialista de Quíbor**

This SPU is located in the town of Quíbor, which belongs to the municipality of Jimenez within the state of Lara. The town is located approximately 2 hours south east of Carora. Although well known as a handicraft town, Quíbor’s biggest industry is agriculture and its main crops are onions and tomatoes.

This SPU is a tomato processing plant, which contains a refrigeration facility were other fruits are also stored. Like Tomas Montilla, the plant purchases raw tomatoes from local small and medium producers at a fixed price. Once purchased, the tomatoes are refrigerated, cleaned, made into a paste, packaged and finally sold through Mercal and PDVAL at government-regulated prices.

Out of the three SPUs I visited, this was by far the largest one, employing approximately 80 people. Most workers worked directly with the tomatoes, either at the assembly line or in refrigeration. Like in the other SPUs, there were also community workers and administration staff (including three workers from Cuba) and one or two coordinators who responded to the state. Like in the other SPUs, most of the workers at this plant are male. The plant has been in operation for approximately 2 years.
Chapter 6: The Political Economy of SPUs

In this chapter I outline three key aspects of SPUs that comprise their political economy: their relations of production, their social mission and how democracy is practiced in them. Although highly democratic and possessing a social mission that in many ways challenges the dominance of the market, SPUs remain contradictory organizations that simultaneously challenge and reproduce market relations.

Relations of Production

SPUs, like capitalist enterprises, produce and sell commodities. These are produced through the labour of SPU workers who are hired by the SPU’s administration in the context of a labour market. In other words, the SPU worker, as any other worker in a capitalist economy, sells her labour power to her employer (in this case the Venezuelan state) in return for a wage. The worker does this out of necessity, for she possesses no other means for reproducing herself other than her labour power, which she now must sell as a commodity. The commodities she produces as an SPU employee are then sold in government-run ‘popular’ markets (Mercal and PDVAL) at below market value. Thus, the goods produced by SPUs are sold at a considerably lower price than those produced by private firms and sold in regular markets. The result is that now millions of people have access to a variety of goods that would have previously been unaffordable to them.

A crucial characteristic of SPUs is that despite existing within the context of capitalist social relations of production, they are not engaging in the exploitation of labour as outlined in the third chapter of this thesis. There is considerable evidence that demonstrates this. First, most SPUs are ‘in the red’, depending on state funds to remain in
operation. In addition, even those few SPUs that have recouped the original investment made by the state still depend on a steady stream of state funds. In other words, SPU workers are not generating enough value to even reproduce themselves as wage workers. That is, the value they generate does not even amount to the necessary labour time, and therefore much less to surplus labour time.

Second, the commodities produced are not sold at the market value (the socially necessary labour time) but under it: at a fixed-price determined by the state. This price is “fixed ” in the sense that at any given time there is only one price for a given product, but the state does change the price periodically (usually by raising it, but never to above market value). Third, although there is an attempt by both SPU workers and the state to increase the value generated at SPUs, there seems to be no attempt by either party to increase the value generated by SPUs to beyond that of the necessary labour time: wages are well above the minimum and going up; there is a movement from tiered wages to equal wages (which on the whole again makes wages higher); significant time at work is devoted to democratic practices, self education and personal development; there was an attempt through a failed national referendum in 2007 to reduce the working day (for all Venezuelan workers) from eight to six hours.

This is important because one therefore cannot say that SPUs are for-profit organizations that are simply temporarily failing. Their “failure” (the fact that they don’t generate surplus value) is in fact what constitutes their success as socialist enterprises. In addition, if SPUs were ever to operate without the financial help of the state and were to generate a surplus, the surplus, according to current plans put forward by the CVA, would be managed through the SPU’s democratic structure (Corporación, “Unidades”, N.D.). Either way, the non-exploitative character of SPUs means that the relationship between
capital and labour within SPUs, that is, in relation to the value produced by SPU workers inside SPUs, has been abolished. Furthermore, the value SPU workers produce through their labour is being socialized through its democratic management. This is something I look at in detail in the final section.

But even though SPUs are non-exploitative and have internally surpassed the contradiction between capital and labour, they still reproduce capitalist social relations of production in at least four ways. First, they purchase their raw materials from small and medium private producers. In the agricultural sector, these are small to medium landowners. It is true, these are often families and overall they are quite impoverished, but nevertheless the SPU’s relationship with them reproduces their status as landed capital. In other words, the land remains their private property, which they can use according to their private interests.

On the other hand though, the relationship between the SPUs and the producers is not a traditional buy-and-sell one. Part of the SPU’s job is to engage the producers in a variety of ways in order to draw them closer into their sphere. SPUs do this by, for example, organizing educational activities for the producers (this includes technical education on farming practices as well as political education), organizing local artistic fairs with them and, as I will expand later, incorporating the producers in the SPUs democratic structure.

In some cases the relationship between the SPUs and the producers is such that SPU workers actively engage in the producers’ production process. For example, SPU workers sometimes help the producer till his land and pick his crop (so that the SPU can afterwards purchase it) when the producer lacked the means to do so or when he felt doing so wasn’t worth it for him because the final product would not bring in a high
enough exchange value. So, in other words, although the producer is still the formal owner of his land and in practice he still has a great deal of control over it, his production process (and the value generated therein) has nevertheless become more socialized through his relationship to the SPU.

Another way in which SPUs reproduce capitalist social relations of production is in their dependence on state funds that are overwhelmingly generated from the sale of one single commodity in the world market: oil. In other words, without the existence of a global market in oil, SPUs would simply not exist. This being the case, a significant portion of the value SPUs depend on is controlled by the highly profitable PDVSA, the state owned oil corporation. On the other hand though, the value produced by SPU workers through their labour process is controlled, to a significant extent, by the workers themselves. So, in other words, SPUs are only partly tied to, and therefore only partly dependent on, the world market for their reproduction.

A third way in which SPUs reproduce capitalist social relations of production is by selling the goods they produce to independent consumers who of course must pay a price in order to access the use value found in those goods. This of course reproduces the consumer’s need to acquire a wage in the labour market, as working for a wage is the only way to acquire value in the money form. This in turn allows capitalist firms to continue exploiting labour and accumulating capital. On the other hand though, the fact that consumers are paying below market prices for the goods produced by SPUs means that their dependence on a wage is quantitatively less. In other words, consumers can now reduce the amount of labour time spent as wage workers while still being able to access the same amount of value as before. In addition, consumers now have a greater say as to how the goods produced by SPUs are distributed. As mentioned above, SPUs sell their
product through Mercal, but in order for a particular Mercal to exist, it must have the approval of local communal councils who decide the location of the store as well as the type of products it is to sell. The logic of the market that dictates that commodities should only be sold to those who can pay the highest price is therefore undermined.

Lastly, SPUs reproduce capitalist social relations of production by hiring their personnel in an open labour market. This means that SPUs contribute to the dependence that workers have on the wage. But again this is only part of the story. As I expand on in the next chapter, the hiring process is far from typical of what one finds in a capitalist firm. All hiring is subject to a democratic process in which communal councils, SPU workers and state management are all involved. Although it is the state managers who have the final word on hiring, the process is one in which the needs of communities and individuals are taken seriously into account. The result is that the logic of the market, which dictates that only those individuals that are most capable of generating profit are hired, is again undermined.

All of the above point to a broader contradiction found in Venezuela’s political economy, namely that between the country’s forces of production and its social relations of production. Whereas in countries with conditions of advanced capitalism and in which the social relations of production become fetters on the social forces of production, in Venezuela, which from the point of view of capitalist social relations of production remains extremely backwards, precisely the reverse is true. In Venezuela, it is the underdevelopment of its social forces of production that have become fetters on the social relations of production. In other words, the lack of productive capacities in Venezuela has served as a historical barrier to the development of deeply rooted and widespread capitalist social relations of production in the country. And this, in turn, has helped with
the creation of social relations of production in Venezuela that, as our analysis of SPUs so far reveals, to some extent challenge those found within capitalism.

On the other hand though, the underdevelopment of productive capacities in the country has forced these new alternative social formations to depend, to a significant degree and at least for the time being, on the world market for their development. This contradiction becomes crystal clear when examining the relationship between SPUs and the state: the more SPUs rely on PDVSA for funds, the more they become dependent on the world market. But, on the other hand, the more they attempt to break off from PDVSA to go their own way, the more they are pushed to rely on the development of local and national capitalist social relations of production, undermining their further development as sites of socialist relations of production. This contradiction that Venezuela must now face is of course the result of the country’s position within the historical and uneven development of global capitalism.

It is clear from the above that, while existing within contradictory capitalist social relations of production, SPUs simultaneously reproduce and subvert these same relations. This is important to recognize because it is easy to be tempted into thinking that because SPUs are publicly owned and are internally non-exploitative they have surpassed or gone beyond capitalism. But to think this would be to mistake the SPU’s appearance for their essence, or to proclaim the ‘Bolivarian Revolution’ completed as it just begins. Therefore the whole existence of SPUs can be said to be characterized by a dialectical struggle between, on the one hand, being subsumed by the market relations that they are in and, on the other, working to undermine this same environment while creating a new one. To summarize the above discussion, there exists four key “moments” where this struggle is evident: in the SPUs relationship to the world market (which manifests in the SPUs
relationship to the state), in the SPUs relationship to consumers, in the SPUs relationship to local producers, and in the SPUs relationship to the labour market.

**Social Mission**

As mentioned in the second chapter, one of the defining characteristics of social economy enterprises is that they possess a social mission that goes beyond simply generating a profit. SPU’s social mission can be understood by looking at both its official mission, that is, the one developed by the Venezuelan state, as well as its ‘unofficial’ mission, as articulated by SPU workers themselves. The official mission is articulated by a number of different governmental levels. The executive level provides us with the most ambitious and long-term vision, focusing on SPEs as a whole:

Economic entities dedicated to the production of goods, services and public works in which labour has a meaning onto itself, is non-alienated and authentic, there is no social discrimination at work and of any type of work, there is no privileges at work that are associated with hierarchical positions, there is substantial equality among its participants, based on participatory and protagonistic planning and under a regime of state-owned property, collective property or a combination of both. SPEs form part of a process of revolutionary changes that point towards a cultural transformation in the socioeconomic sphere. This is why through the practice of co-responsibility with different state levels and the organized community, SPEs develop strategies and politics that allow the surpassing of the barriers of the market to arrive at the space of human and social necessities of our communities. (PDVSA, 2)

Other important components of SPE’s social mission as articulated by the executive include, the promotion of gender equity, the development of community spaces, the adherence to labour rights, including a fair salary, the elimination of exploitation and access to social security, the promotion of environmental preservation, local development and, lastly, fiscal responsibility based on non-speculative investment. (Corporación, “Empresas”, N.d.). From the above, we see two aspects of the social mission. The first is the internal aspect, which relates to the goals the organization has for itself and the people
who participate in it: non-alienated labour, no discrimination, no hierarchies, gender equity, labour rights, fiscal responsibility and equality based on participation. The second is the external aspect, which relates to the goals the organization has for Venezuelan society as a whole and can be summarized as attempting to move beyond market relations while promoting local development and community participation.

At the State Corporation level, the CVA gives us a slightly more concrete and pragmatic vision for itself as well as the SPEs it supports:

This institution is born from the necessity of creating an organism whose function is oriented towards the struggle to achieve food sovereignty in the country and avoid independence on food imports… Its goal is to promote the agricultural productive apparatus, coordinate and supervise the business activities of the state for the development of the farming and agricultural sector in the country. (Corporación, p. 2)

In addition to the above, the CVA is to “guarantee support to farmers, agricultural producers and consumers” (Corporación, 2). As evident from the above passages, the CVA’s vision is strictly external, namely to achieve food sovereignty in Venezuela through the development of the national agricultural and farming sectors. This is not surprising given that the CVA is simply the bureaucratic organ responsible for administering the policies generated at the executive level. The vision brought forth by the Ministry of Popular Power for Agriculture and Land (the ministry responsible for providing the CVA with political guidance) does not differ much from that of the CVA, adding only an emphasis on participatory practices, human development and a fair distribution of land in relation to Venezuela’s entire agricultural sector (Ministerio, N.d).

At the SPE level we get some remaining details of its ‘official’ social mission. At Pedro Camejo, it is to place the means of production at the service of small and medium producers (Corporación, “Pedro”, N.d). The goal of these activities is to achieve
integration in farming and agricultural activities so as to bring dignity to the rural producer and its surrounding communities (Corporación, “Pedro”, N.d). In addition, this process ought to occur “with a high degree of communal duty” and in a “solidarious manner” (Corporación, “Pedro”, N.d, p. 2). At Complejo Agroindustrial Socialista de Quíbor (CASQ) the mission is to guarantee that the people of Venezuela are able to acquire vegetables, fruits and legumes of a high-quality while contributing to a higher standard of living for small producers (Corporación, “Cultivos”, N.d.). As with the CVA, Pedro Camejo and CASQ’s mission is geared towards external goals, not its internal functioning. However, at Tomas Montilla (where I was not able to obtain an official mission statement) one could read the following words of Che Guevara printed on a large poster at the entrance of the plant:

Man should transform himself at the same time as production progresses; we will not adequately meet our goals if we become only producers of artefacts, of raw materials and did not at the same time become producers of men.

Although perhaps symbolic, the words on this poster give us a sense that at least to some degree the goal or the mission of SPUs is not only a change in the objective conditions these organizations find themselves in, but also the self transformation of their participants. In other words, here we see a small hint of revolutionary praxis, the coincidence of the change in circumstances and self-change, to paraphrase Marx.

The unofficial social mission can be gathered by taking a look at how SPU workers themselves articulate their organization’s goals. This is important because beneath the pile of official documents are the actual SPU workers who live the organization’s social mission through their everyday practice. My discussions with SPU workers reveal both an adherence to as well as a departure from the official social mission. Most notable was workers’ adherence to the food sovereignty and national agricultural development
mandate articulated by the CVA. Indeed, most of the workers’ comments revealing a sense of their organization’s objectives and mission revolved around four themes that directly address the food sovereignty and agricultural development mandate. These four themes are i) to increase and maximize the quantity of production, ii) to establish a close relationship with local producers, iii) to produce high quality and low cost products and iv) to achieve agricultural self-sustainability in the country.

To give a few examples of the comments I gathered, when talking to a worker from Pedro Camejo, she commented that one of her SPU’s achievements was having increased the number of local hectares farmed, resulting in a doubling of local production in the last year. When asked about what the purpose of his organization was, a participant of Tomas Montilla replied, “food sovereignty for the people of Venezuela… that we have the opportunity of acquiring food that truly is of a high quality and at a low-cost…” When asked what would make his SPU more successful, a worker at CASQ put an emphasis on greater collaboration with local producers. In his words, “eliminating intermediaries and working directly in the fields!” Lastly, in discussing the relationship between his SPU and local producers, one participant commented, “we [Tomas Montilla, CVA and the government] have a policy of working hand in hand with the coffee growers”.

My discussion with workers also revealed a social mission that somewhat departed from the official one. Many of the workers’ comments about their sense of purpose as part of their organizations revolved around four themes, i) to feed those who need it most, ii) to foster social consciousness among producers, communities and workers iii) to achieve self-management and iv) to improve the quality of collective planning. To give a few examples all of the participants’ comments, when asked about what motivated him to work at his SPU, one participant replied that his organization was helping ‘the people’
and that what he is working for “is not only for the sustenance of his kids, but also for the people that are most in need…”. When asked to comment on his SPUs social mission, another participant responded that it is to foster a social consciousness among people of the area so that they don’t view the SPU as something that is owned by the government but rather as something that is owned by all of us. Also on the issue of consciousness, when asked what would make her SPU even more successful, one participant replied, “that we all acquire consciousness, a consciousness that looks to socialism and that in some way or another we learn something, leaving egoism aside and that we help each other out”. On the theme of self-management, when asked about one of his SPU’s goals for the future, one participant replied, “being self sustainable, that the state ceases to subsidize us. That would be our goal”. Lastly, touching upon the theme of collective planning, when asked how his SPU measures success, one participant replied:

Well, there are two ways. One is to quantify the work that has been done, ‘look we worked on so many hectares of land’, but this doesn’t convince me much. No, because working on land is fine, but what convinces me the most is…the qualitative aspect, that all of the personnel and the whole team sees itself as one.

**The Practice of Democracy**

Having outlined how SPUs are institutionally related to other organizations as well as how they produce and reproduce themselves materially within the context of capitalist relations of production, I now look at the most important aspect of their internal social relations, namely their democratic organization. This is crucial because it will allow us to see the process through which the value produced by SPU workers is being socialized. In addition, it will set the stage for our later examination of the learning dimensions of democratic participation.

SPU participants practice democracy in a variety of ways. These practices can be
divided into two, namely formal and informal. Formally, all SPU participants, as in all worker cooperatives, have the right to vote: one person, one vote. The right to vote is exercised most prominently through the Workers’ Council, a political body composed of all SPU participants. The Workers’ Council meets at general assemblies, which all SPU participants, regardless of job description, are allowed to attend. Issues that are decided upon are wide ranging, including production targets, the internal organization of the workplace and the election of individuals to working groups or committees that deal with specific issues at each SPU, such as housing, sports and health. At the general assemblies workers also elect a Spokesperson Committee. Of all committees, this is the most important one, as it represents the Workers’ Council as a whole and is responsible for making smaller day-to-day decisions about the SPU. The decisions at the assembly are made through a simple majority. The frequency with which assemblies are held is determined by the workers at each SPU and therefore varies.

Although the general assembly is the principal space where voting takes place, decisions at the committee level are also made through voting. In addition, each committee can elect an individual spokesperson. It is important to note at this point that spokespersons are not quite representatives, as their job is not to represent the larger political body but to simply voice its will. Hence, the word “spokesperson” in Spanish is “vocero”, meaning the one who voices. This is not to say that some level of political representation is not occurring through the role of spokespersons, only that there is a conscious attempt in the part of SPU participants to minimize it. Therefore, although a spokesperson can make decisions for a committee as a whole (or, in the case of the Spokesperson Committee, for the whole of the Workers’ Council), they can only do this after the whole committee has met and discussed the issue at hand. In other words,
spokespeople do not make decisions independently from the committee they belong to. This is in contrast to representative democracy in where, once elected, representatives are free to decide upon issues irrespective of the views of those who voted for him or her.

In addition to the general assembly and the various working committees, SPU participants practice democracy within the Socialist Council of Participation. This council is comprised of spokespeople from three different political bodies: local communal councils, local producers and the SPU. Spokespeople from the three political bodies meet regularly to inform each other about their activities and general concerns. In addition, the Socialist Council of Participation is responsible for intervening in the hiring process at each SPU by nominating potential job candidates. To this end, four spokespeople come together: one from the local producers, another from the local communal councils, a third from the SPUs Workers’ Council and the fourth is the SPU coordinator who responds to the state. Through a process of democratic consensus, the council nominates a small number of the many job candidates brought forth by the local producers’ and communal councils’ spokespeople. Once the candidates have been nominated, it’s up to the SPU coordinator to make the final hiring decisions. This hiring process is one of the key areas of innovation that sets SPUs apart from other social economy enterprises in Venezuela and the world. It is also, as I will outline in detail in the next chapter, a process full of tensions and difficulties.

In addition to the formal processes outlined above, SPU participants also practice democracy informally. That is, through the daily workplace interaction outside of the general assembly, elected committees and the Socialist Council of Participation. Indeed, when asked about how democracy was practiced at SPUs, participants referred to these
daily interactions just as much as to the formal processes. Lucho Gambeta\(^7\) at Tomas Montilla points to some of these informal democratic practices, which reveal spontaneous and horizontal interactions: “For example, if a person is needed somewhere there, we set up a meeting: ‘look, who can go over there, who is available, who is ready to go over there, who can and who cannot?’ It’s done in a democratic manner”. Armando Málaga, also from Tomas Montilla, gives further examples:

… My job is purchasing, you see! But, if it is needed or the coffee processing assembly line is going to stop because there is a need for a set of hands, I’ll go over there. If help is needed to unload [the coffee], then let’s go there. If somebody needs help at Mercal [the subsidized popular shop adjacent to the SPU], they’ll say, ‘look, hold my post because I’m going out’. I’ll say ‘yes, no problem’.

Alberto Sanchez, administrative assistant at Pedro Camejo, recalls one particular experience that also highlights spontaneity and horizontality in the informal practice of democracy at SPUs. As I was talking to him, he pointed to several men who were busy moving the enterprise’s 25 tractors from one place in the parking lot to another. This was done every single day by the enterprise’s field operators in order to keep the engines healthy (the tractors were currently not in use by the local producers). But the idea to do this, as Alberto recalled, came from an unlikely place, namely one of Pedro Camejo’s security guards who had brought up the issue with Alberto in a casual conversation. It should be noted that the position of security guard is generally considered fairly low ranking. And in this particular case the security guards are technically not even workers of the SPU. They are part of an independent cooperative that is hired by Pedro Camejo. What Alberto was trying to get across through this story was that part of what makes the SPU democratic is how people share information and ideas openly regardless of their

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\(^7\) This was not his real name. As already noted in Chapter 5, to ensure the anonymity of participants, pseudonyms have been used throughout this thesis.
actual job description or formal rank. Alberto saw the security guard not as a lowly employee that he, as administrative assistant, could boss around but rather as “a human being, the same as myself”.

Yanira Aguilar, one of Alberto’s coworkers, brings forth another informal aspect of democratic practice at Pedro Camejo. When asked how democracy is practiced at her organization, she replied

… Democracy is participatory and “protagónica” [this is a Spanish word that means to be a protagonist or a leading participant]… We have our meetings and we all bring ourselves forth. We do all that’s possible. Because, as you have seen [this refers to a staff meeting I was invited to], many of the workers are a little closed and shy. Despite this, we [the administrative assistants] have tried. There are no ogres here. No one is going to fire them if they bring forth a complaint or something.

At the staff meeting Yanira was referring to in the above passage, I indeed was able to observe a division between the fieldworkers (who are mostly tractor drivers) and the administrative personnel. The former tended to be quiet and insecure while the latter were vocal and took a leadership role. This was a situation that Yanira and the rest of the administrative staff found problematic and were trying to remedy. In other words, protagonist participation in the part of everyone at the SPU was an important goal but not necessarily always a reality.

The emphasis on protagonist or active participation as an important quality of how democracy is and/or should be practiced at SPUs was also brought forth by Alegre Ávila at CASQ. When asked how democracy is practiced at her SPU, she replied:

Everyone participates, everyone. Here we have protagonistic participation. We all talk… In some cases, there have been people, including myself, that did not want to participate in something. But here I am participating because in the end I was convinced.

It should be noted that Alegre was not upset at having been “convinced” into participating
actively. In fact, as I will detail later, the act of participation became a source of personal
growth and learning for her. The broader point I am trying to make here is that active
participation is an important informal component of how democracy is practiced at SPUs.
In some cases, as in Pedro Camejo, protagonist or active participation is still a goal while
at CASQ it had become more of reality.

**Conclusion**

In this chapter I have outlined three aspects of SPUs, namely their relations of
production, their social mission and how democracy is practiced in them. The key
features of SPUs include an emphasis on active democratic participation, production for
need as well as their non-exploitative character. On the other hand, SPUs continue to
reproduce capitalist social relations of production in their relationship to the world
market, which manifests in their relationship to the state, in their relationship to
consumers and producers and finally in their relationship to the labour market. However,
in some of these relationships SPUs display a certain degree of subversion. This is
evident as SPUs, to a degree, engage in a democratic hiring process, participate in the
production process of local private producers, and service local communities in need.
Therefore, SPUs are contradictory organizations that both reproduce and challenge
market relations. But how exactly are SPU participants themselves experiencing this
contradiction? This question is the focus of the next chapter.
Chapter 7: SPUs and the Market

In this chapter I reveal how SPU participants are experiencing the contradictions between their organization and market relations, as outlined in the previous chapter. I do this by specifically focusing on aspects of the SPU’s social mission that contradict dominant market relations. The data analyzed reveal five clear instances of how SPU participants are experiencing a struggle or tension between their organization’s social mission and the market. These are as follows: intermediaries, producers, social division of labour, state bureaucracy and the labour market or hiring process. These five examples also reveal a struggle between reproducing capitalist social relations of production and challenging these same relations. I now proceed by addressing each of these five themes.

Intermediaries

Intermediaries are basically people that possess relatively large amounts of money capital and are thus able to purchase large amounts of product from local producers with the aim of selling it in the most lucrative markets. At all three SPUs I visited, workers felt that the existence of intermediaries poses a serious challenge to their mission of providing accessibly priced food to those communities who need it most and of developing close relationships with local producers. As several participants revealed, intermediaries operate by approaching local producers and offering them only slightly more money for their product than what SPUs are legally allowed to pay them. This extra money is often enough to sway local producers to do business with intermediaries, this despite all of the help SPUs and the government provide producers with. As one worker at Tomas Montilla revealed when asked to comment on the tensions that there exist
between his SPU's social mission and the market:

There is a problem: the existence of intermediaries. They want to interrupt us and our goals. One example, the price [we pay to producers] is an official fixed price. They [intermediaries] interrupt us by offering to buy at a price 5 or 10 Bolívares [per year] higher… in order to capture the coffee grower you see! But the coffee grower does not want to see that as government, as an SPU, we give them credit, transportation, technical assistance, education, a variety of help… And then the coffee grower for 5 or 10 Bolívares fails to sell us the coffee. And they should sell it to the government… the intermediary comes with his personal and economic interests, then for 5 or 10 Bolívares they want to pull a fast one on us.

Once, the intermediaries have purchased the goods from the local producers, they then transport them to larger cities, where they are sold at a considerably higher price than at the rural communities where the product came from. As one worker at CASQ explains:

[The intermediary] negotiates with the producer, looking to pay him as little as possible… meanwhile he [the intermediary] takes the product to Barquisimeto or Caracas… since they have trucks, the means of transportation. Well, he [the intermediary] raises the price over there [in the cities] and at the end he takes the better part of everything.

And in some cases, as Yanira Aguilar from Pedro Camejo revealed with frustration, the intermediaries take the product to larger cities, only to later bring it back to the rural communities but with a higher price tag. In her words, “it [the product] leaves from here, then goes really far and finally returns here but it’s now more expensive”.

Another important aspect of the relationship between SPUs, producers and intermediaries is revealed by the fact that producers sometimes end up selling to the intermediaries even when offered an extremely low price. Elias Escobar from CASQ explains:

Sometimes, during the picking season the price [of tomatoes] falls and the producers lets it go to waste… Then they [the intermediaries] offer them ‘two cents’ for their product, take the product away in trucks, and then leave with the better part [of the deal].
But why would the producers do this, when the SPU offers them a higher price? The answer, Elias explains, is because

The intermediary is someone who constantly searches. If you are a producer, you decide whether or not you sell to him. If you have product there, you are not going to let it go to waste in your land. Well, the intermediary arrives, gives them ‘so much’, and takes off. Because sometimes it is more expensive [for the producer] to pay for the labour to pick the crops than what he is going to make. So the producer just says [to the intermediary], ‘okay take it’.

And sometimes, as the above participant continued to explain, the intermediary ends up picking the crops himself so that he can then buy them from the producer at almost free of charge.

In addition, and somewhat surprising, is that intermediaries not only attempt to resell the product they buy from local producers in the more lucrative city markets. In some cases, they even attempt to resell the product to SPUs. As Juan Cortez from CASQ explained:

Here the intermediary benefits more than the producer. Here we have suffered much with that… When we started, we did not conduct field research. We hadn’t worked with producers. So, many times they would come here offering to sell tomatoes. We would buy from them the quantity allotted to them as producers. But then when we went to the fields we saw that it was really an intermediary…

Of course, the only way the intermediary could make money out of selling the tomatoes to the SPU is by buying them first from the producers at a price lower than that offered by SPUs. Therefore, as the above participant goes on to note, it is the producer who loses out, him spending all his time working the land, while the intermediary makes all the money.

Another challenge SPUs have to confront in relation to intermediaries is the latter’s ability to use their economic power to manipulate the market for their own benefit, both economic and political. As Jorge Mendez from Tomas Montilla explained,
intermediaries, who oppose the politics of the Venezuelan government, often buy from local producers with the intention of hoarding the product. The result of this type of activity, the participant commented using a recent example with sugar, is that intermediaries “paralyze the country and play a game of chaos”, giving the impression that there is no sugar in the country. After some time has passed, he continues, the intermediaries raise the price of sugar fourfold. As he then revealed, exactly the same situation is occurring with coffee, as a multinational coffee producer and intermediary, Cafe Madrid, was caught by the government hoarding coffee beans for later resale or smuggling to Colombia. The government responded to this by temporarily taking over a number of plants (Marea, 2009). And as Jorge also makes clear, the goal of this type of speculative activity is not only economic, it is also political. In his words:

The whole game, so that you understand that it is impossible to not talk about politics, is that for them [the intermediaries] the goal is political, to prevent this [the revolution] for moving forward you understand! That is the reality of things and we as Venezuelans and Socialists… have to be vigilant.

As the above examples demonstrate, the existence of intermediaries poses a challenge to two of the SPU’s goals, namely to provide affordably priced food to those most in need and to develop a close relationship with local producers. A deeper look at the SPUs relationship with intermediaries also reveals how this relationship contributes to the reproduction of capitalist social relations. First, and most directly, intermediaries raise the average price of food. This makes food less accessible to those most in need and in turn forces upon people a greater dependence on the labour market for their survival. Second, as workers at Pedro Camejo realized, SPUs, through the help they provide to small producers, indirectly help the intermediaries who are now able to increase their profit margins by buying from the producers at a subsidized price. This means that while,
on the one hand, SPU participants are happy to work with small producers with the purpose of making food more accessible to local consumers (while indirectly also easing their dependence on the labour market), they, on the other hand, confront the reality that at least to some degree it is the intermediaries who benefit from their work. This contradiction was picked up by one of the workers at Pedro Camejo who half jokingly commented that, “the good guys [SPUs] end up being the ‘useful dumb’ because in helping the producers they end up helping the intermediaries, “a mafia…who ends up doing whatever they want”.

As a way to respond to the variety of problems brought forth by intermediaries, as outlined above, SPUs engage in diverse strategic activities, all of them focused on the SPU’s relationship to local producers. I will now take a closer look at these activities as I also more broadly detail the SPU’s relationship to producers.

Producers

At Pedro Camejo, one of the ways the problems brought forth by intermediaries is addressed is through the work of its community worker. His responsibility, as revealed by participants, is to talk to local producers as well as the broader community to find out information such as who is selling to whom, for how much and who is or is not making money. The purpose of this is both to try to identify the intermediaries as well as to get to know the needs of producers so as to better serve them. Another strategy used by SPUs is to offer producers free transportation of their product from their land to the SPUs. A more aggressive strategy involves the strategic use of credit (which is provided by a separate but related institution, FONDAFA). FONDAFA offers to give credit to producers with the condition that producers sell between 50 and 80% of their product to SPUs. This strategy,
as one participant put it, is an attempt to “tighten the screws” on the producers.

Mirroring the intermediaries, another one of the SPU's strategies has been to actually help the producer work the land. As one participant from CASQ explains:

… This year when the price of tomatoes crashed during picking season, we went from here at the plant to one of the plots of a small producer and we ourselves, the people from the plant, picked the tomatoes, brought them to the plant and paid him [the producer]. We did this with him [the producer] because he did not have enough money to get the tomatoes picked. So, in that moment we helped him!

Finally, as a participant from Tomas Montilla explained, a broader strategy has been to ensure that producers are given enough help and resources so that they are able to maximize their production as well as make a profit. All this while integrating them into the SPU's democratic structure through the Socialist Council of Participation, within which producers, workers, and community members all participate in decision-making processes.

However, trying to bypass or eliminate intermediaries is not the only, nor the main, reason why SPUs are trying to develop a close connection with the producers. As mentioned above, developing a close relationship with local producers is in itself a central aspect of SPU’s social mission. And of course this is tied to other aspects of their mission, including providing help to the small producer, fostering a social consciousness within the community, developing the country’s agricultural sector and, more broadly, engaging in a process of socializing the country’s productive capacities. But, developing a close relationship with small producers has been challenging for SPUs, revealing further tensions between the SPU’s goals and market forces.

One Important challenge SPU participants are experiencing in their relationship to producers is that, at times, small local producers don’t actually own their land. They simply rent the land from someone else. At Pedro Camejo, as revealed by one of its
workers, this presents a problem because the help they provide some small producers ends up benefiting the large landowner. A similar problem occurs when larger, more established producers, request the services of Pedro Camejo at the same time as smaller producers, Forcing Pedro Camejo to make a decision as to who of the two to serve. As Marisa Magas revealed, although the small producer needs the service and help more than the larger one, there is a temptation to service the larger producer because he can consistently and reliably pay for the services. So, it is the small producer who ends up losing out. Reflecting on this situation, Marisa comments:

I end up not providing service to the one who has never been serviced [the small producer], to the one that cannot help himself you see! Then you see capitalism there also, you see! It’s wearing a costume because he [the larger producer] does not leave me hanging, he pays, but if I do not service [the small producer], then I’m not treating them equally, where is the equality?

And the problem with this situation, Marisa continues to explain, is not only that the small producer doesn’t get the help he needs but also that it spreads a consciousness that affirms that “only the one who pays gets the help”. Fortunately, this is a problem workers at Pedro Camejo are aware of and are addressing by refusing service to larger producers who have already been served a number of times throughout the year.

Another challenge SPU workers are experiencing in their relationship with producers is that the demand for service requested by local producers greatly exceeds the capacity of the SPU, in this case Pedro Camejo, to provide it. This imbalance has led to several conflicts between the SPU and producers. Sometimes, the conflict is relatively small, mostly complaining or impatience in the part of producers. These sorts of situations seem to be common, but are usually resolved by talking it out with the producers. But this is not always the case. As participants from Pedro Camejo revealed, on one occasion several producers got so frustrated with the service being provided by
the SPU that they got together and decided to take over the facility. As Yanira Aguilar put it, “thinking of their own interests…they wanted to come in here and get rid of our coordinator and everyone else so that they could manage things in their own way…”. As it turned out, it was a failed takeover, as 30 communal councils quickly came forward in support of the SPU. One idea brought forward as a solution to these types of conflicts was to encourage communities to organize themselves and provide the SPU with a list of all the people that need to be served and in the order that they need to be served in. As one SPU worker commented, “if they bring it [the list] to me…sealed and signed, we will respect it because they receive the service they need while making it easier on us”.

These problems between SPUs and local producers reveal tensions between the SPU’s social mission, most prominently that of meeting the immediate needs of local producers while attempting to move beyond market relations, and the concrete demands the market puts on SPUs. First of all, all three SPUs I visited are economically dependent on the local producers. Tomas Montilla and CASQ depend on them for raw materials while Pedro Camejo depends on them for the service fees they pay. This relationship works to reproduce one of the most fundamental aspects of capitalist social relations of production, namely the existence of private producers. This is accentuated by the fact that part of the SPU’s strategy towards producers is to ensure a certain level of profitability in their operation. On the other hand though, by attempting to integrate small producers into the SPU’s structure (through their participation in the Socialist Council of Participation), there is a move towards undermining the private character of the producers. This is further accentuated in the cases where SPUs actually participate in the producer’s production process. Whereas before a producer, at certain times of the season, might have chosen to not cultivate his land for lack of economic incentives to do so, now at least in
some cases the SPU is in a position to intervene in the producer’s production process to ensure food reaches communities in need. I should be clear, this does not solve the problem of having private producers, but it is a step in the right direction.

This contradictory role SPUs play in relation to producers is further accentuated when taking into account that one of the goals of many SPU participants is to become “self-sufficient” and “autonomous” from the state. The danger here is that given the SPU’s dependence on private producers, autonomy might simply make this dependence more acute, working to further reinforce the private character of producers. On the other hand though, autonomy would mean breaking away from the demands of the world market in oil, which the state is closely tied to. Given the problems SPUs are having with keeping up with demand, this may also be unfeasible, at least in the short term, since it is the state that provides SPUs with the technology they need to conduct their operations. Without the help of the state, it is highly unlikely, if not impossible, that the SPUs I visited would be able to increase their productive capacities to levels high enough to meet increased demand. But let us now move forward to more closely explore this relationship between SPUs and the state.

**The State Bureaucracy**

Another way SPU participants are experiencing tension between their social mission and the market is in their relationship with the state. In particular, the state seems to be challenging the SPUs goals of eliminating hierarchies, improving the quality of collective planning, self-management, adhering to labour rights including access to Social Security and, finally, acquiring substantial equality among its participants. One of the most important ways SPU participants are experiencing this tension with the state is in
the division that there exists between management (who responds to the state) and workers. As Alegre Ávila replied when asked about what would make her SPU more successful,

Well, that management would unite with us. Because...for us to achieve the revolutionary process, we would have to be all united. Sadly we have different ways of thinking... you know about what divides people is different thinking but I say that here we should all have the same thinking and that is to help your neighbour and sadly the ones above [management] don’t see it that way. It is sad to say really.

When I asked this participant what this lack of unity between the workers and management was all about, she replied that it was not about how the SPU related to the outside world but about its internal organization. Juan Cortez displayed a similar sentiment. When asked to comment about some of the challenges he has experienced as an SPU worker, he replied,

Well, the first challenge as such is the organizational part that we have here at the SPU. It is what we’ve had since the beginning. It is a tough struggle. There is a great deal of bureaucracy in this country still. We have advanced a great deal but still within our institutions we see encrusted people, let’s not say people, but capitalist thinking... and they don’t seek to give power to the producers, workers and to all the organisms to whom this power should be given to... we have organized the Workers Council as such and we are in struggle.

When asked to give concrete examples of how bureaucracy and capitalist thinking manifests at his SPU, Juan once again reveals a tension between workers and management:

Well here we see it a lot when a person refuses to discuss an issue with the workers and he simply goes to the boss... for example the workers decide on something at the assembly so then this person goes and tells the boss, you see! So then the boss gives this person a contradictory order. That’s when the confrontations come and fortunately the workers have taken on a protagonist role in all of this.

These comments also speak to how the relationship between the workers and management frustrates the goals the workers have of improving collective planning
capacities and eliminating hierarchies. What is interesting to also note is that the scenario described above very much resembles the divide-and-conquer strategies that are traditionally used by managers against workers in private firms.

Another example of how the SPU’s relationship with the state has frustrated its goals is evident in the way management envisions the SPU's relationship with producers. As Eric Muñoz explains, his SPU is trying to develop a producer network that tries to incorporate the producers into the SPU. As he put it, “they [the producers] have to be a power within the plant [the SPU]”. But, the SPU's management, he continues, has a technocratic vision that sees the relationship between SPUs and producers as simply a commercial buy-and-sell one. And this technocratic vision, Eric continues, “talks in the name of science” and puts “what is technical, what they learned in university, above the human”.

Another challenge SPU workers are experiencing in their relationship to the state is in the way state managers have handled the issue of labour rights and social security. At CASQ, as one of its workers revealed, management had not fulfilled its duty to provide workers with a series of benefits including health care as well as a savings and a housing fund. As a participant detailed, management discounts a percentage of the workers salaries every month and puts it towards a worker’s housing and savings fund, but workers had not been able to access these funds for over six months. In addition, management had not been providing adequate health care for the workers. The workers responded to the situation by shutting down the plant, demanding their rights be returned. As one worker put it,

For more than six months we have asked them for explanations… but nobody has had the dignity to come. So, this [the plant shutdown] is a way to pressure them to sit down to dialogue with us and resolve all the problems we have been
presenting…which are an insecurity at work.

The plant shut down and the events that led up to it reveal not only the tensions that exist between SPU workers and the state but also the way in which workers are learning through their participation at the SPU. I will therefore provide further details of this episode in the following chapter that focuses on the issue of learning.

These tensions outlined above reveal how various aspects of the SPU’s social mission is being frustrated by the existence of state managers who operate on a bureaucratic and technocratic basis that reproduces the division between workers and bosses found in private enterprises. This division is not surprising given that to a large extent the state bureaucracy, as revealed by several SPU participants as well as critical members of the Venezuelan Agrarian Corporation, adheres to a social democratic and ‘developmentalist’ program for the country, and is tied to the world market through its dependence on the sale of oil by the state-owned oil company. Therefore, the more SPU workers unite to fight the state bureaucracy to achieve their goals of improving collective planning, eliminating hierarchies, adhering to labour rights, self management and achieving substantive equality, the more they undermine the demands of the world market. On the other hand, as mentioned above, the more independence they achieve from the state the more pressure it puts on the SPUs to reproduce market relations domestically through their relationship with private producers.

The Social Division of Labour

Another example of how SPU participants are experiencing a tension between their social mission and the market is evident in SPU’s internal social division of labour. Contradicting their explicit mission, SPUs maintain a social division of labour
characteristic of private enterprises, which includes a division between mental and manual labour. Eric Muñoz comments on this issue,

The social division of labour… a division between those in charge of executing the intellectual work of planning, of giving orders and those who are seen as simply extensions of machines that do not think but simply execute the orders of others. So, to change those relations, to advance towards the construction of socialism, we have to eliminate that social division of labour. Let’s all plan, think and execute. Let’s all be subjects of the production process!

When asked to expand, Eric highlights the connection between the SPUs social division of labour and the educational system,

Sometimes we apply knowledge or we talk in the name of science or of something that we learned in university without questioning it or without noticing where the knowledge that universities impart on us comes from, without being critical… suddenly technocracy puts what’s technical, what they [management] learned in university, above the human. They [management] don’t realize that that way to organize work comes from those assholes that spent all their life studying how to organize work in order to exploit the worker more, like Ford and Taylor… So then a tension is produced between those who give orders, or those who think that it is they that have to do the planning because that’s what they learned in university… and the workers that say no.

What is interesting to note about these comments is that in addition to pointing out the connection between technocracy and education, they also point to a connection between education and capitalism. When asked to expand on this connection, the same participant replied, “the university forms us within the capitalist system and all education happens within the capitalist system”.

One way this social division of labour concretely manifests at SPUs is through the existence of hierarchical ranks, not only between management and workers but also within the workers themselves. Hence, different workers get paid differently according to the position they hold. Some of the different positions include, operators (these are manual labourers such as tractor drivers and machine operators), analysts, supervisors and coordinators, who have the highest rank. And it is the state that determines the
positions and the salaries, which to a large degree are based on level of formal education. Currently, as one participant revealed, there exists approximately a 3-1 ratio between the lowest and highest paid SPU worker or manager, a situation that is causing a great deal of debate and tension amongst workers\(^8\). As a response to this situation, in two out of the three SPUs I visited, the Workers Council had brought forward to management an initiative called the “integral worker”. This initiative proposed that salary ranks based on job description be abolished. This would mean that all workers, irrespective of job duties, would be considered “integral workers” and would therefore earn the same wage. As Marisa Magas, an administrative worker, put it, the goal is that “the accountant and the tractor driver are considered equal”. Her reasoning behind this is quite telling:

The operator [the tractor driver] leaves for work at 4 AM, while I, because I have an education, start work at 8 AM. But I am not more than the operator who works more than me.

What Marisa’s comments reveal is a recognition that the work an ‘uneducated’ tractor driver does is no less important than the work of an ‘educated’ administrator. In fact, as Marisa recognized, in terms of abstract labour time, the tractor driver actually works more than she does. Marisa concludes her comments on this issue by attacking the meritocracy argument that says those with more education do deserve more:

We have to change that old view, because many get sick with that whole [university] degree thing and they think they’re above the rest… in this enterprise we want to treat each other as equals, we are all equals!

But not everybody shared the opinion of the above participants. Alegre Ávila for example openly supported a meritocratic system:

Everyone, almost everyone, should earn the same wage… now, we also have to take into account that there are people that have a university degree and those people, for having that degree, would earn a little bit more. That is where the

\(^{8}\) It should be noted that by any cooperative standard a 3-1 salary ratio is extremely egalitarian.
difference [in salary] would be.

Alegre then justifies differential salaries based on education by arguing that, “if as a human being you study, it is because you want to progress in life, both in personal and professional levels. And it is logical that they should be compensated for that…”.

Armando Málaga from Tomas Montilla also justified salary ranks, arguing that different positions hold different levels of responsibility. A supervisor, he explained, has more responsibility than a manual labourer since he is responsible for the whole production process. At his SPU it seems most people are going along with this argument. As he mentioned when I asked him if there had been conflict around the issue of salaries and ranks, “no, no… they [the workers] have it clear. That, well, a manager or supervisor has more responsibilities than other people”. A different participant also uses responsibility as a justification for standardized job duties and ranks. When asked whether or not he thought people should rotate job duties, including the supervisors and administrators, he replied:

In the administrative part we can’t have rotation because there are bigger responsibilities there [in the administration]… The administrator manages money, human capital, well he’s in charge of looking for security and well being for all the workers. So that is a position that is more delicate.

Given these differing views on the issue of the social division of labour, it is not surprising then that only two out of the three SPUs I visited had brought forward the integral worker proposition. And even then, only at one of the two SPUs where the proposition had been brought forward was it being considered seriously. The problem, according to a participant from CASQ, is that management does not approve of the initiative. In the case of CASQ, this rift between the workers, who wanted a more egalitarian and democratic internal workplace organization, and management, who
wanted to keep the status quo, was another of the driving forces behind the worker led factory shut down mentioned above.

In addition to illuminating tensions between the SPUs social mission and the market, the issues SPUs are having in relation to their internal social division of labour demonstrate how SPUs both reproduce and undermine market relations. Inasmuch as SPUs adhere to a system of meritocracy in which rank and remuneration is determined by the level of education achieved, they reproduce the division between mental and manual labour that characterizes social relations of production within capitalism. Not surprisingly, it is often management and better-educated workers who want to retain a meritocratic system, as they are the ones who gain most from this arrangement. But surprisingly, even low ranking workers sometimes support such a system. On the other hand, as workers fight meritocracy through the creation of the ‘integral worker’ as well as through direct confrontation with management around issues of democracy, they challenge and undermine market relations while simultaneously building the preconditions for a more egalitarian and just society.

The Labour Market and Hiring Process

Another example of how SPU participants are experiencing a tension between their social mission and the market is evident in the SPU's relationship to the labour market. I would like to highlight two aspects of this relationship, the SPU's hiring process, and its capacity to keep its workers from competing firms. As mentioned in a previous chapter, the SPU's democratic structure involves participation from its own workers, state managers, and members of local communal councils. Participation by all three parties extends into the SPU's hiring process. Throughout this process one sees a
tension between the SPU's goal of helping communities in need, and the logic of the market, which dictates that only those capable of generating the most profit should find employment. For example, for a new employee to be hired, he or she must first be nominated by the local communal councils who choose people on the basis of need. As Jorge Mendez explains while reflecting on his own experience:

> Let me bring in myself again. I do not belong to this state [the state of Lara]. But because of my situation… I am alone with two kids…through the communal councils the goal is to give opportunities to people that truly have problems, that have more kids, that have more necessities… that is done through the communal councils and the support of the Workers Council.

Once a number of candidates have been nominated by the communal councils, a hiring decision is made by the SPU. When discussing with Ina Perez whether there exists a tension between hiring on the basis of need and hiring on the basis of qualifications, she responded:

> Yes…it depends on what we are hiring for… For example, if it is a mechanic, then he [the candidate] has to know about mechanics and if he has few resources we hire him quicker still. But if he doesn’t [have few resources] we bring on someone that knows, that has experience in that area [mechanics]. For other positions… like a general laborer [experience] does not matter.

Eric Muñoz gives us a similar explanation, emphasizing candidates’ needs over capacities:

> There are positions that merit a certain level of preparation, but there are others that do not as much and in those cases it is more about necessity [of the candidate]. Of course, it is about the necessity and capacity of a person. But most of the people nominated by the communal councils are people that are unemployed and have high levels of need…

A third participant emphasizes capacities over needs:

> We take a curriculum and there we analyze many variables. For example, economic needs, social needs. We have to evaluate many angles. Because it’s possible that he may be of high need, that he may have economic problems etc. But if he doesn’t have the capacity to carry out the work, if it is an administrative job involving accounting and inventory…if that a person doesn’t know how to
write, add and subtract, do an inventory, we can’t bring him in because the work is not going to be fulfilled even though he has economic necessity. If the job requires that you move sacks and maybe he has a hernia then he is not going to be able to do it… he is not going to be useful.

This tension between looking for a candidate’s capacities and his needs is present also during the job interview process. During an interview, as another participant explained, the SPU not only looks for a candidate’s particular capacities and how these will be suited for the job opening, but also for the candidates level of need. And this is why he calls the interview a ‘social interview’:

We conduct a socioeconomic assessment. That’s why there is a sociopolitical interview. It is a technique, a social interview… ‘How many kids do you have, are you a single mother or father’, things like that… if he lives with his parents. All of this is taken into account. That is a social interview.

Once a new employee has been hired, the tension between capacities and needs again comes to the fore. As mentioned above, it is the SPU, specifically the coordinator who responds to the state, that makes the final hiring decision. And sometimes the communal councils are not happy with the decision made. As one participant explained, the communal councils have the knowledge of whom in the community has necessities, but the SPU’s decision-making model allows management to choose a person different from the one the communal councils chose. The result of this has been many debates and disagreements between the SPU and the communal councils. As Alegre Ávila put it, “there hasn’t been much unity… as I told you the Communal Council knows who needs, but those above [management] don’t. They just grab a curriculum but they don’t know if what the curriculum says is true”. Eric Muñoz comments on the same issue:

Because the SPU has the last word [on hiring], many people nominated by communal councils that were in need were not taken… we had tensions there that lasted a while because the communal councils complained that they were deceived because some of those who were hired were not nominated by them.
Surprised that management would not meet its duty to hire only out of those candidates nominated by the communal councils, I asked the participant to expand. What he told me was that even though his SPU has a ‘community committee’ that is responsible for communicating and responding to the communal councils, the one who makes the final hiring decision is not this committee but the office of human resources at the SPU’s management level. But, as he put it, “the people in that office don’t know anything”. What happens then is that when human resources makes decisions that contradict the will of the communal councils, the communal councils blame the SPU’s community committee who is the body responsible for interacting with them. In other words, the communal councils, according to this one participant, end up blaming the wrong people. This friction between the communal councils and SPUs around the issue of hiring reached a climax when several members of local communal councils physically took over Tomas Montilla in protest of the hiring choices made by the SPU. Although the situation was resolved after intense discussions, the temporary occupation of the SPU demonstrates just how politicized the issue of hiring is.

Another aspect of the relationship between the SPU in the labour market was revealed by participant’s views on whether or not they would stay at their SPU even if they were offered a higher salary elsewhere. Overwhelmingly, the response to this question was yes. When asked why they felt this way, participants gave a variety of answers. For example, Marisa Magas displays a great sense of duty in her work:

I like the environment and I want to stay here. I hope I can do so for a long time. Because I think the work we do is crucial and much needed. [I would like to stay here] at least until the transition when the producer or any other person from a Communal Council can do the work that I do… Until we have accomplished our mission.
Alegre Ávila gives more practical reasons:

> It is very easy for me to come here [the SPU] from my home. I live close to work. I have my children five minutes from here studying. So what do we do with more money but having to work farther from here. I’m near my home and I can keep an eye and my children.

Juan Cortez praises the SPU’s work process and shows a sense of solidarity towards the communities he works with:

> I have already been offered [other jobs]. But no, why? Here I feel comfortable doing this work and in addition one has liberty in doing one’s own work. I like helping the communities, I like helping the producers because I am also from the fields. I’ve worked the land.

Eric Muñoz displays some doubt, but is reassured by the sense that he is building a new society:

> It is difficult for me to give you an answer… with so many problems, with so many things that make me want to run out. But in the end, consciousness wins you over. Conscious that this [the SPU] is part of the new society.

When looking at these two aspects of the SPU’s relationship to the labour market, namely its hiring process and its ability to keep workers from leaving to higher paid job, one sees how SPU participants both reproduce and undermine market relations. Market relations are reproduced as SPUs hire workers from an open labour market. This means SPUs reproduce the dependence workers have on the wage system, the most fundamental aspect of capitalist social relations of production. On the other hand though, these same relations are undermined as hiring is subject to a democratic process that involves local communities to some extent. In other words, the labour market itself gets a say on its own conditions as workers. And as outlined above, communities are choosing to work on the basis of need, not on the basis of how useful they are to the employer. This is of course undermined by the SPU’s management who tend to look at people’s capacities to contribute to the SPU more than at their needs. In addition, and most problematic, is that
it is the SPU’s management who gets the final say on hiring. This greatly waters down the capacity of communities to decide under which conditions they are to use their labour.

From the point of view of the people that have already been hired as SPU workers, we see that the logic of the labour market is undermined, as the vast majority of them would not take a higher paid job if offered to them. On the other hand though, workers do not have control over how long they will remain employed at the SPU. That decision is again technically left to the SPU’s management, which again should remind SPU workers of their status as wage labourers. I would speculate though that, given the participatory and protagonist role of the Workers Council inside two out of the three SPU’s I visited, if management was to attempt to fire workers, the result might just be the managers walking out the door.

**Conclusion**

In this chapter, I argued that SPU participants are experiencing a contradiction between their organization’s social mission and the market in their relationship with intermediaries, producers and the state bureaucracy, as well as in the SPU’s social division of labour and hiring practices. These five experiences also reveal a struggle between reproducing capitalist social relations of production and challenging these same relations. The next and final chapter addresses whether participation within their SPUs helps participants to learn how to better fulfill their mission and goals over those of the market.
Chapter 8: Learning at SPUs

The data reveal five main areas of learning acquired by SPU participants that directly help them fulfill a number of their organization’s goals while challenging those of the market. First is the knowledge acquired by participants about their own needs and those of the community. Second is participants’ collective organization and planning abilities. Third is active participation or ‘protagonism’. Four is knowledge of their organization’s whole production process. Fifth is solidarity and humanness. Most of this learning was acquired informally, that is through the workers’ daily activities at their SPUs, in particular, their participation within the Workers’ Council. In addition to challenging the demands of the market, these five areas of learning, on the whole, indicate a movement towards the building of new social relations that are based on people’s needs and abilities, and that prefigure non-alienated relations of production. Therefore, I argue, this learning is an example of revolutionary praxis.

**Worker and Community Needs**

“Little by little we’ve been making progress. We have managed to satisfy many needs, family needs, personal needs and community needs” - Alegre Ávila

The most important area of learning acquired by SPU participants is that which relates to their own needs as well as those of the community. Out of the 14 areas of learning assessed, this one received the largest number of positive responses. Indeed, almost 50% of the 20 participants interviewed reported significant improvement in this area. This area of learning, I argue, is helping SPU participants fulfill their organization’s
goal of arriving “at the space of human and social necessities” (PDVSA, 2). This learning is therefore also challenging the demands of the market while contributing to the building of a new society based on people’s needs.

One way through which workers are learning about each other’s needs is through their participation in the various committees formed out of the Workers Council. For example, the housing committee, one of the committees formed at Pedro Camejo, is responsible for addressing all issues relating to workers’ housing situation. As Marisa Magas stated, the purpose of the housing committee is to “help and organize each other by addressing questions such as ‘which worker has housing?’, ‘which worker does not’ and ‘who lives renting?’”. The same participant also commented on Pedro Camejo’s food committee, noting that many times workers at her SPU “don’t know what to do” with their ‘cesta tickets’. ‘Cesta tickets’ are basically food stamps workers receive as part of their salaries that can be used in certain grocery stores and restaurants. The reason some workers “don’t know what to do” with their ‘cesta tickets’ is that in the community Pedro Camejo is located in it is difficult to find places to use them in. To solve this problem, the food committee decided that Pedro Camejo should buy a certain amount of basic foods such as cooking oil and flour from PDVAL, one of the government-run discount stores, so that workers could use their ‘cesta tickets’ right on location. Committees, then, are crucial spaces where workers can articulate their needs as well as take action to meet them.

Another way through which participants have acquired an increased knowledge of their own needs is through their participation in the SPUs “formation” workshops. These are daylong educational workshops organized by the CVA and attended by the Workers Council. The workshops take place regularly and workers are paid in full for their
attendance. When asked if she had noticed any important changes in people since she began working at her SPU, Yanira Aguilar responded that at the formation workshops, individual workers would sometimes bring forth various concerns and problems to the whole group and that the whole group, when possible, would respond to their needs by offering economic, practical or moral help. In other words, through the open dialogue that occurred at the workshops, people had a chance to learn about each other’s needs and as a result often took steps to collectively meet them.

Direct participation in the SPUs Workers Council is the last space I would like to highlight where participants learn about each other’s needs. The learning acquired through participation in the Workers Council is also perhaps the most powerful as it has helped workers challenge the demands of the market. To expand, this learning has helped participants meet their own material needs by challenging the state bureaucracy that, as mentioned in the previous chapter, to a significant extent, responds to the demands of the world market in oil and adheres to a social democratic political program. It is no surprise then that PDVSA openly acknowledges that the help and support they give SPUs is with the final end of developing an industrial sector that is geared towards complementarity with the national and international market in terms of competitiveness and productivity (Diaz, 2006).

The most important example of how participation in the Workers Council has helped workers learn about each other’s needs while also challenging the demands of the market is the worker-led plant shutdown that occurred in mid-August at CASQ. The plant shut down was carried out in protest against the SPU’s new state management who for several months had been doing a very poor job of managing the SPU’s health insurance system. For example, according to one participant, management had paid for only one
clinic in the state of Lara to provide care to the more than 80 workers at her SPU. In addition, as noted in the previous chapter, management had not delivered on many of the benefits the workers were supposed to have such as a savings and a housing fund. The situation reached a climax when one of the workers died on the job. Although the reasons for his death were not revealed to me, the Workers Council blamed management. When asked to expand on this delicate situation, Alegre Ávila responded with the following comments:

For example, if one goes to the clinic but does not have an emergency you are not attended to. That’s why we are fighting. One has to be dying in order to be attended to. Here [at CASQ] we should have a paramedic…it has been a week since our friend died. When they brought him here before he died he was choking and here we needed a paramedic…This is what led us to doing this [the factory shut down] and we [the Workers Council] all decided this.

These comments give us a sense of how SPU participants were able to use the Workers Council as a vehicle not only for articulating their health care needs but also for attempting to meet these through collective action against technocratic state managers. For Alegre, the capacity to meet needs indeed seems to be one of the most important functions of the SPU. For example, when asked about how success is measured in her SPU, she answered, “little by little we’ve been making progress. We have managed to satisfy many needs, family needs, personal needs and community needs”.

As Alegre mentions above, in addition to meeting their own needs, SPU workers are also meeting the needs of their community. SPU workers have learned to do this through the active role the SPU plays in surrounding communities. As already mentioned, one of the central aspects of the SPUs social mission is to help communities in need. As Alegre revealed, one way her SPU fulfills this aspect of its social mission is by transporting the food they and other SPUs produce to communities who are far away
from the city and therefore cannot access many types of food, such as rice, pasta, fruits and vegetables. Where exactly the food is taken is often the decision of the communities themselves who, through the communal councils, determine which communities are most in need. This information is then passed on from the communal councils to the SPUs through the ongoing dialogue that takes place between the two organizations. Therefore, as SPU workers service communities this way, they begin to learn what their necessities are.

For Marisa Magas, as was the case with several other participants, learning through community involvement was indeed one of the most memorable experiences she had as an SPU worker. As she revealed, local communal councils decided to help out a small community that suffered from severe poverty and that was home to many people with a variety of disabilities. As a result, she and several members of her SPU as well as local communal councils transported a large quantity of food to that community at no charge. This was an experience that, as she told me, still makes her cry, as she was able to see how some of the poorest and most marginalized members of her community were able to access certain goods, such as chicken, for the very first time. Given this role that SPUs play in surrounding communities, it is not surprising then that when asked what the most valuable learning experience was while participating in their SPUs, participants often recalled their various experiences helping communities in need.

But often, it is the communities in need that travel to the SPU. As participants revealed, community members that are in need often approach SPUs asking for help. As Alegre commented,

> Many people have come here [the SPU] asking for economic help and we have never turned our backs on them. Many times they have come after payday… few of us have enough resources but we always give something. It’s not a lot, but we
do give them something. Those who come here [asking for help] never leave empty-handed.

At the same SPU, other, more formal, means of helping the community have been also implemented. As Alegre revealed, CASQ now provides an ambulance to anybody from the nearby communities that goes to the SPU requesting it. In addition to the help they provide communities by going to where they are, this openness to helping communities that come to them has therefore also allowed SPU participants to better understand community needs and how to meet them.

Another important way SPUs are learning about the needs of surrounding communities is through the organization’s hiring process, which, as mentioned in a previous chapter, involves a dialogue between SPU workers, communal councils, and the state. One example that particularly stands out is the case of Jorge Mendez, a worker at CASQ. Jorge technically should not have been hired by the SPU, as he did not live in a community immediately nearby. Indeed, several local communal councils angrily raised this point to the SPU during the hiring process. But when Jorge revealed his status as a young single father of two, the SPU’s Worker’s Council decided he would be the most adequate candidate for the job. Jorge’s level of need also convinced the communal councils and ultimately he was given the job.

To be fair, Jorge did possess many of the skills the job required, and I’m sure this also contributed to him getting the job. But the important point is that the democratic hiring process is an important space for all parties involved to learn about the needs of community members and, in the case of Jorge, the outcome of the process meant that he is now better able to meet his needs and those of his family. What we also see in this one particular example is that the logic of the labour market, which dictates that only those
workers capable of generating surplus value should get a job is infused with the logic of meeting people’s needs. To be clear, this doesn’t mean that the labour market has been abolished, but it does mean that it is being challenged, and that the basis of a new future society based on people’s needs is being actively created.

**Collective Organization and Planning Abilities**

“There is no need for ‘an enlightened’ one to come and decide things!” - Juan Cortez

Collective organization and decision-making abilities is another area of learning acquired by SPU participants that I argue has helped them fulfill the SPU’s goals while challenging those of the market. Specifically, this learning has helped participants fulfill their organization’s goal of eliminating the hierarchical social division of labour traditionally found in organizations under capitalism. In addition, this learning helps to erode alienated relations between workers while also contributing to the building of a new society in which people can contribute according to their own abilities.

The following comments by Eric Muñoz from CASQ shed light on to this process. When asked ‘what was the most valuable thing he had learned as an SPU participant’, he replied:

… Organization. That is to say, how to organize production… and advance towards a socialist mode of production! One has theorized a lot, but never practiced. We haven’t had practice. This is the first time that I have worked at producing something. And this learning has been very productive. It has been years since I worked. A year and a half ago I had no idea what the Workers Council was or how it was going to be organized. Maybe I knew what I had read, that the Workers Council was a tool for moving towards worker self-management. But how it was to be organized, what was its function, what was collective planning… One didn’t know. So this learning has been very productive.

When asked about some of the most important accomplishments of his SPU since he began working there, Eric expands on the above:
First is collective planning by the workers, which was not an easy process. Neither was it a process that was given to us. It was a process that we acquired through sweat and tears. A process that was extremely difficult. Even the discussions with management, the administration and the presidency in those days were difficult. But it was the most important accomplishment! That workers plan their own work; that the worker arrives on Monday to work already knowing what he is going to do and where he is going to do it...because it was a product of his own intellect.

One of the positive outcomes of workers learning to collectively plan and organize their own work is decreased tension and conflict in the workplace. As Eric commented,

When there is people that make decisions and others that have to execute them, of course that sometimes I’m not happy... I am not in agreement with impositions. This generates tension and conflict at work! From the time we began planning things collectively, these tensions have been completely eliminated. Because if I am working at the pool [washing tomatoes], or working reception, this is the result of my decision which I proposed and accepted in the assembly. If I didn’t propose it, perhaps somebody else did and I accepted. It is [therefore] a product of my own decision and this has eliminated conflict and certain tensions in the plant.

But less conflictual workplace relations is not the only advantage of collective participation and planning. As Juan Cortez also from CASQ revealed, the collective planning process being learned has helped with productivity also. Juan recalls a particularly important moment in the history of the organization. As he narrated, approximately one year before my interview with him was conducted, his SPU operated without a state coordinator. The reason for this was that, at that time, the state was reorganizing the whole management structure of the CASQ and simply could not find a coordinator for about six months. The workers dealt with the situation by having a general assembly meeting and developing a strategic plan for their SPU. The results were impressive. As Juan revealed, previously, when they had a coordinator, the maximum amount of tomatoes they had managed to process in a month was 90,000 kg. Under
complete self-management, the workers pushed this number up to 150,000 kg. Juan comments on this experience:

This gives a sign that indeed we can, and that this is the way it should be because this gives encouragement to the worker because he participates and stands behind everything he is doing… because he has participated and is part of that planning. There is no need for “an enlightened” one to come and decide things! Because that’s when the problems begin.

Indeed, workers, through their own process of collective planning and management, have also learned to find leaders from among their own ranks, avoiding the imposition of “an enlightened” leader from above. To give an example, Juan described democratic participation as “a learning process” that has allowed SPU workers to identify particular people that demonstrate a high level clarity to take a leadership role, serving as “teachers” that are able to explain things that sometimes others don’t understand.

Importantly, Juan explains, workers begin to recognize these leaders by putting aside skin color, academic level and other superficial factors that often “do not let us see that a diamond in the rough exists among us”. These are people, Juan continues, that never had the opportunity to study but who have certain capacities that have been learned in the school of life”. It is clear then that as workers learn to democratically and collectively plan and manage their workplace, organic leaders emerge, eliminating the need for an artificial boss.

The above comments and experiences of SPU workers reveal a number of things. First is that collective planning and organization is one of the most important things being learned by SPU workers. Second is that these new abilities were learned through the process of collective planning and organization itself, which included participation in the SPU’s democratically-run Workers Council. Third is that this learning has helped SPU workers decrease workplace tension and conflict, identify their own organic leaders and
increase productivity. Lastly, the above comments and experiences reveal how as workers continue to learn to collectively and consciously plan their workday, they are also fulfilling the SPU’s mission of doing away with workplace alienation and that of breaking down the hierarchical division between mental and manual labour. In doing so, SPU workers are also taking the necessary steps for the building of new social relations in which people can contribute to society according to their own abilities.

**Active Participation, ‘Protagonism’**

“…after we all began learning, reading, studying, interchanging ideas, debating, we have seen a radical change” - Juan Cortez

In recent years, the concept of ‘protagonism’ has become widely used in Venezuela. The concept means being a protagonist, a leading figure or an active participant in the workplace, community or at any other space associated with the Bolivarian Revolution. In part, the concept and practice of protagonism is meant to address the passive and often undemocratic character of social relations under 20th century socialism. Therefore, protagonism is one of the important innovations that defines 21st-century socialism in Venezuela. Indeed, active participation or protagonism is another important area of learning being acquired by SPU participants. This learning is helping SPU participants challenge market relations while fulfilling their mission to eliminate workplace alienation.

One case that demonstrates the learning of protagonism is that of Alegre Ávila, a worker at CASQ. When I asked her what was one of the most important challenges she has experienced in terms of being able to fulfill her SPUs mission, she replied:

Well, the challenge many times has been overcoming our ‘stage fright’ because there are people who have ‘stage fright’. And there we have learned and continue
to learn to move forward, to face people, to deal with people from the streets, to know them well... that is something that is learnt everyday.

Later in the interview, I asked Alegre what the most valuable thing she had learned while participating at her SPU was, and her response was, ‘being a protagonist, that has been very valuable”. “How have you managed to learn this”, I then asked. She replied,

Through my colleagues who tell me ‘you are good with words, you express yourself and try to reach people without humiliating them, without offending them. You think about the people, you speak very well what you want to say’. And well I learned little by little. I am not perfect I tell them. In high school and university I actually didn’t participate in anything.

Alegre gives us further insights into her learning when discussing participation in the Workers Council:

Yes, we have assemblies here. People vote. Here we elect whom ever wants to do something. We have had colleagues that did not want to participate in something, including myself, but here I am participating because in the end, one is convinced.

The story of Alegre is therefore one of a very intelligent and capable person whose shyness and ‘stage fright’ prevented her from participating in the activities of her SPU. Compelled by the encouragement of her colleagues as well as the democratic process of the Workers Council, in which people are elected into positions based on their desire to participate, Alegre is now an active participant, a protagonist.

Juan Cortez, one of Alegre’s coworkers, gives us further evidence of similar changes at their SPU. When I asked him if he had noticed any changes in the way democracy is practiced at his SPU throughout his time there, he replied:

Yes, well look, we have seen many changes since we first arrived here. The truth is that when we arrived here there existed a ‘boss’ culture, exactly the same as any private company as such. Then, after we all began learning, reading, studying, interchanging ideas, debating, we have seen a radical change.

The Spanish word Juan used to describe the “boss culture” that existed at his SPU was
‘Jefesismo’. Like ‘protagonism’, this is another popular word being used in Venezuela to describe authoritarian-like relationships between people in a variety of circumstances, but specially at work. To expand, the word refers not only to the existence of an authoritarian boss but also to that of a docile and submissive worker. Therefore, the existence of ‘Jefesismo’ implies a lack of ‘protagonism’ in the part of workers. But, as Juan implies in his comments, ‘Jefesismo’ no longer seems to be as much of a problem at his SPU.

The positive changes at CASQ outlined by Alegre and Juan need to be somewhat tempered, however. At the other two SPUs I looked at, Tomas Montilla and Pedro Camejo, similar changes in this area of learning were more modest. At Pedro Camejo, for example, my observations clearly pointed to a continuing hierarchy between the administrative staff and the rest of the personnel working in the fields as tractor drivers. For example, at a staff meeting I attended, the main protagonists were the administrative staff. What is interesting is that the purpose of the staff meeting was in fact to encourage open dialogue as well as a sense of protagonism amongst all participants, specially the field workers, whom the administrative staff recognized as being somewhat shy and lacking confidence. In other words, the administrative staff was attempting to instil a sense of protagonism in the field workers, but clearly they still had some ways to go. This is perhaps understandable given that this SPU is relatively new. In a way, this SPU may resemble the experience of CASQ during its early life, as described above by Juan.

As SPU participants learn to become protagonists, they begin to erode alienated workplace relations in which workers are not the subjects of their production process but merely objects who must respond to the demands of a boss who exists only to ensure the workers’ labour power is used to fulfill the needs of the company given market relations, namely the extraction of surplus value. As noted in the case of Pedro Camejo, this is a
slow learning process for SPU participants, but it is a powerful one capable of achieving, as Juan from CASQ put it, “radical changes”.

**Knowledge of Whole Production Process**

“When the guys first got here, none of them knew how to open a vapour valve... and now look!...They can operate everything!” - Elías Escobar

Another area of learning being acquired by SPU participants is knowledge of their SPU’s *whole* production process. I emphasize the word whole because this learning goes beyond simply knowing your own job, as is mostly the case in traditional organizations within capitalism. This means that rather than learning simply one aspect of their organization, SPU participants are learning how the whole organization works. This type of learning therefore helps SPU’s fulfill their mission of doing away with alienated labour relations in which workers are forced to specialize in a particular job or task in order to fulfill not their own needs as humans, but the market’s need for profit maximization.

One case that demonstrates this type of learning is that of Alberto Sanchez, an administrative worker at Pedro Camejo. When I asked him to think of an important learning experience while working at his SPU, he recalled the time when a few Argentinean mechanics visited Pedro Camejo for a number of days. The Argentines worked at PAUNY, a tractor manufacturing workers cooperative in Argentina that supplies Pedro Camejo with equipment and technical assistance. Alberto, who had worked with tractors in the past, joined the Argentineans as well as the SPU’s in-house mechanics in their work with the tractors. Through this experience, not only did Alberto learn about the tractors at his SPU, he was also able to contribute to the maintenance
work the Argentineans were performing. In other words, the flexible organizational model of his SPU allowed him to get up from his office chair to learn something new about the functioning of his own SPU. It also allowed him to employ some of his own knowledge and skills about tractors to contribute to the situation at hand, that is, despite this being technically outside of his job description.

Another case that demonstrates this type of learning is that of Elías Escobar, an administrative worker at CASQ. When discussing the issue of workplace organization at his SPU, he told me that under their organizational model a worker cannot perform the same job throughout the course of a year. This model, Elías continues, serves as a “school” for workers who after learning to operate a particular machine for two or three months then go on the next month or the next week to a different machine. For Elías, this is part of what it means to be an “integral worker”, referencing the initiative brought forth by his SPU.

Elías further emphasized the significance of this organizational model later on in the interview when I asked him to think of a particularly memorable learning experience while working at his SPU. He replied by recalling that sometime ago one of the machines at the plant was damaged and had to be disassembled in order for it to be repaired. The machine had to be disassembled from the inside out, but none of the workers was small enough to fit inside the narrow opening of the machine, except for Elías. “I’m skinny enough, so I went right in the machine and disassembled it”, Elías happily recalled. After the machine was disassembled, Elías continues, “we fixed it ourselves however way we could with the tools we had here. Those are things that one learns and that stay with you!” What’s important to note is that Elías studied administration at University and officially held an administrative position at his SPU. He had never worked with
machines. As he put it, “I’m not an electro-mechanic or anything”. In other words, Elías stepped outside of his official role into something totally foreign to him but crucial to the functioning of the plant.

Elías recalled another similar experience. Months back, another SPU, located in the same area and belonging to the same SPE, required assistance in its laboratory. This sister SPU worked with soy products and used machines and production processes different from those used at Elías’ SPU. “They borrowed me for about 15 days in order to analyze 20,000 samples, imagine!”, recalled Elías with excitement. “It was cool, it was a lot of work but it stays with you because you learn, you go in a different area”.

Reflecting on the two experiences Elías had brought forward, I then mentioned how what he had described to me is not something that usually occurs at work because people usually have very specific job descriptions. He acknowledged this and then proudly replied that SPUs, “as our president [Hugo Chavez] has indicated, have to be a type of school”. “When the guys first got here”, he continued, “none of them knew how to open a vapour valve… and now look! You put one of the guys to work there and he can operate the concentrator, the PLC, the CIP [two different types of machines] and the dehydrator machines… they can operate everything!” In other words, SPU workers are learning about their organization’s whole production process, rather than just one aspect of it.

A central feature of alienated workplace relations under capitalism is that workers are forced to specialize in particular activities so as to maximize the company’s profit margins. This social division of labour means that workers often must perform repetitive tasks that have to do with some small aspect of their organization. Workers therefore have little control or knowledge over how the whole labour process is organized at their workplace. At SPUs, this feature of work under capitalism is being eroded. To be fair,
though, although SPU participants are indeed acquiring knowledge over their organization’s whole production process, there are persistent divisions between those workers who perform more administrative tasks and those that perform traditional manual labour. To expand, although administrative workers are engaging in jobs more related to manual labour, the reverse is not quite as true. That is, manual labourers rarely get to perform the more administrative tasks. This is particularly true in Tomas Montilla, where I saw no sign of a break from this division.

Solidarity, Humanness

“We are friends, we are almost brothers here” – Marisa Magas

The final main area of learning being acquired by SPU participants is solidarity and a sense humanness. This area of learning helps fulfill the SPU’s mission of eliminating alienated workplace relations under capitalism, in particular, the alienated relationship that exists between workers while at work. In addition, this learning helps SPUs fulfill their mission of developing a sense of social consciousness among themselves as well as the communities they work with.

When I asked Marisa Magas, from Pedro Camejo, what the most valuable thing she had learned while working at her SPU was, she replied:

Being ‘solidario’\(^9\), to understand one another more. We are friends, we are almost brothers here [at the SPU], to be honest. Sharing our lives is very important. Treating people well is primordial. I personally feel very close to the producers…

Echoing Marisa’s answer, Juan Cortez, from CASQ, responds to the same question: “the quality of humanness that exists here and the duty, as such, that exists with each one of the workers here and with the communities and producers outside”. Again responding to

\(^9\) Solidario roughly translates to ‘in solidarity with’.
the same question, Yanira Aguilar, from Pedro Camejo provides me with simply two words: “being human”.

Also noting an increased sense of social duty and solidarity at his SPU, Elías Escobar from CASQ points to how this learning was acquired, namely through democratic participation within the Workers Council:

Because our tasks are decided collectively, we all have a duty to fulfill our own selves…we all go with the same duty. On Monday when we arrive here we decide how many kilos to process so then we have to do it because that’s what we accorded… it is the duty we take on ourselves in the assembly.

Elías then recalls a concrete example when, some months back, the SPU was overloaded with tomatoes from local producers and they were starting to go bad. At this point the Workers Council met and decided that instead of letting the tomatoes rot, they would work extra hard to process them in time. As a result of the high level of social duty and solidarity developed through the assembly, Elías explains, the workers went on to process a record amount of tomatoes. “What we all decided at the assembly”, Elías sums up, we accomplished with energy. Yes we accomplished it and we saw the interest [of the workers], with a duty as such to the enterprise”. Elías then contrasts the above experience with his previous experience working at a private company where he also found himself working very hard, but for a boss who told him what to do. At his SPU, unlike at his previous job, Elías explains, no one can go and tell somebody else what to do “as if with a whip”. Therefore, Elías continues, “the human element [of work] matures a great deal”. So it seems that the relatively horizontal organizational culture of SPUs, where people simply can’t boss other people around, is another source of this type of learning.

Other participants were less clear as to how they learned these values. For Juan, these values were already there at his SPU but simply weren’t very visible at first. Then,
as time went by, Juan explains, people slowly started to express them, setting examples and teaching other people that everyone can move forward on the basis of them. Similarly, Yanira Aguilar from Pedro Camejo credits the learning of solidarity and humanness to a combination of the formal education she had acquired before entering her SPU as well as to the human quality that she “breathes in” through the daily living at her workplace. Yanira also notes how she learned these values at University as well as within her family, but that at her SPU she is able to “reacquaint” herself with them. So it seems that at the very least, for the above three participants, SPUs provide an excellent setting in which previously learned values are further developed and honed through everyday practice.

As the above data reveal, SPU participants are learning solidarity as well as how to be more human. This learning is a result of their daily activities at their SPUs, in particular, their participation in the Workers Council. Also significant to this learning, is the SPU’s general workplace culture, characterized by horizontal social relations. Lastly, for those workers that already possessed these values, participation at their SPUs allows them to put these values into practice, as well as further develop them in collaboration with their colleagues. Therefore, on the whole, this learning is helping participants fulfill their mission of developing a sense of social consciousness amongst themselves as well as within the nearby communities. Simultaneously, this learning is also contributing to the elimination of alienated workplace relations between workers.

**Conclusion**

In this chapter I have outlined the five most important areas of learning acquired by SPU workers. These are: knowledge about their own needs and those of the
community, collective organization and planning abilities, active participation or ‘protagonism’, knowledge of their SPU’s whole production process, and solidarity and humanness. Crucially, most of this learning was acquired informally, that is, through workers’ day to day practice at their SPU, and in particular through their participation in the democratically run Worker’s Council. These five areas of learning, I argue, help fulfill many of the SPU’s social goals while challenging market relations. In addition, this learning contributes to the building of a new society that is based on people’s needs and abilities, and that prefigures non-alienated relations of production. This learning is therefore an excellent example of revolutionary praxis.
Summary, Conclusion and Recommendations

Summary

This thesis was guided by two central questions, namely i) how do SPU workers experience the contradiction between their organization’s goals and those of the market, and ii) whether participation at their SPU helps them learn how to better fulfill their organization’s goals over those of the market. To answer these questions (and in fact in the formulation of these questions also), I draw on Marx’s philosophical method of inquiry, namely dialectical historical materialism. In addition, I employ a Marxist theoretical framework based on four central concepts, praxis, learning, cooperativism and participatory democracy. Lastly, for data collection, I employed a combination of textual analysis, in-depth semi-structured interviews, participant observation, and a survey instrument. My specific research sites were three SPUs located in the states of Lara and Barinas, Venezuela.

In Chapter 1, I traced the emergence of Venezuela’s cooperative movement, focusing on the political and economic history of the country and region. Central to this discussion was the emergence of neoliberalism as a global phenomena whose consequences proved devastating for Venezuela’s working class. As a reaction to the neoliberal project, large sections of Venezuela’s poor majority demonstrated their discontent in the streets, eventually electing Hugo Chavez into the country’s presidency. In keeping with its promise to break from the neoliberal model, the Chavez government quickly moved to develop the country’s social economy sector, emphasizing participatory democracy, national development, and state control over key industries. Out of this sector
of the economy, two organizations emerged as central to the changes taking place in the country, namely cooperatives and the still newly emerging Socialist Production Units.

In chapter 6, I outlined the political economy of SPUs, focusing on three aspects, namely their relations of production, their social mission and how democracy is practiced in them. Although SPUs emphasize active democratic participation, production for need and are non-exploitative, they nevertheless continue to reproduce capitalist social relations of production. SPUs do this in their relationship to the world market, consumers, producers and most importantly the labour market. However, in being non-exploitative, by engaging in a somewhat democratic hiring process, participating in the production process of local producers, and servicing communities in need, SPUs, to a certain degree, subvert market relations. Therefore, I argued, SPUs are contradictory organizations that both reproduce and challenge market relations.

In Chapter 7, I outlined how exactly SPU participants experience the contradictory character or their organizations by focusing on the relationship between the SPU’s goals, as expressed in their social mission, and the demands of the market. I found that SPU participants are experiencing a contradiction between their organization’s social mission and the market in their relationship to intermediaries, producers, and the state bureaucracy, as well as in the SPU’s social division of labour and hiring practices. These experiences also reveal an ongoing tension between reproducing capitalist social relations of production and challenging these.

In Chapter 8, I outlined the five most important areas of learning acquired by SPU participants. These are: knowledge of their own needs and those of the community, collective organization and planning abilities, active participation or protagonism, knowledge of their organization’s whole production process and, lastly, solidarity and
humanness. Central to this learning, I argued, was democratic participation, particularly within the Workers Council. This learning, I also argued, indeed helps participants fulfill their organization’s social mission while challenging the demands market. Lastly, this learning contributes to the building of a new society that is free of alienation and based on people’s needs and abilities.

As outlined in my literature review chapter, the research presented in this thesis contributes to the existing literature on informal learning, participatory democracy, and cooperativism by conceptually linking these three fields while employing a Marxist framework, an approach rarely taken in previous research. In addition, by looking specifically at SPUs, rather than at traditional cooperatives, my research adds a layer of knowledge to the ongoing debates regards Venezuela’s social economy and its role in the country’s transition to socialism.

**Conclusion**

Venezuela’s cooperative movement, and its social economy more broadly, presents us with clear alternative to the neoliberal model that plagued the country and most of the region during the past three decades. Out of the universe of social economy organizations in Venezuela, including communal councils, cooperatives and social missions, the newly emerging Socialist Production Units demonstrate a high degree of innovation, bringing together workers, communities and government into a democratic space whose long-term mission is to help Venezuela transition into socialism.

The contradictory character of SPUs expresses itself in the everyday experiences of their participants who must then navigate through them, moving SPUs either closer to their goals or in the opposite direction, towards the market. Central to this navigation
process is the quality of learning being acquired by SPU participants. As I have argued, learning is a central aspect of our uniquely human ability to engage in praxis, the dialectical relationship between knowing and being. It is also a process of production whereby both subject and object change. Therefore what we learn says a lot about where we are going.

From the perspective of learning and praxis then, SPU participants, I argue, are heading in the right direction, that is, what they are learning is, to a significant extent, addressing their contradictory experiences and helping them fulfill their organization’s goals. In doing so, this learning challenges dominant market relations and contributes to the building of a new society that is free of alienation and based on people’s needs and abilities. Therefore, I argue, this learning is an example of revolutionary praxis.

Particularly outstanding in this regard is participants’ learning of their own needs as well as of how to break down the social division of labour that continues to exist at SPUs.

Without a doubt, the space most conducive to the type of learning mentioned above has been the Workers Council, pointing to the powerful effects of participatory democracy on people’s learning. But although the Workers Council is central in the learning process, other spaces are also significant, including the Socialist Council of Participation, and the working committees. All three spaces, I should emphasize, are informal learning spaces, as participants learn through their own active day to day participation.

SPU participants’ learning also confronts important challenges. Although one of the key contradictory experiences of workers is the SPU’s relationship to intermediaries, little of what they are learning while participating in their SPU adequately addresses this issue. As it is, for the most part, SPU participants treat the problem of intermediaries as a
discrete and isolated issue, and therefore their solution is to go after them. The result of this is that the real culprit of the problem of intermediaries, namely the fact that producers are still private and are therefore free to sell their products to the highest bidder (usually intermediaries), is not addressed. In other words, on this count, participation at their SPU reproduces dominant market relations. This is not surprising given that producers are only weakly integrated into the SPU’s democratic structure.

Another important challenge that SPU participants face is that little of what they are learning addresses the contradictory relationship between their SPU and consumers. In other words, their learning does not address the fact that in order to acquire the products produced by SPUs, consumers must have access to money, which they can only acquire through their participation in the labour market. In fact, not only are SPU participants not learning how to solve this problem, they don’t even experience it as a problem. This is perhaps best evidenced in the popular use of the phrase, ‘Precio Solidario’ (meaning price solidarity). The phrase accurately points to the fact that the goods produced by SPUs are sold at an accessible price, but it fails to recognize how it ties consumers to an exploitative and unjust labour market.

Third, although SPU participants’ contradictory experiences around hiring is being addressed through the learning they have acquired from their participation in the Socialist Council of Participation, their learning is being hampered by the fact that it’s the SPUs administration that has the final word on who gets hired. This clearly limits the ability of communities to learn how, as workers, they can determine how their labour is used. Although at the moment, the SPU’s administration is taking the interests of community members seriously when it comes to hiring, this situation is not guaranteed to remain as such and is therefore less than ideal. To conclude then, on at least three counts,
namely in their relationship to intermediaries, consumers and in their hiring practices, SPU workers are to some extent engaging in reproductive praxis.

**Recommendations**

The recommendations that follow have in mind both people working within the state bureaucracy as well as community activists and SPU workers. My first recommendation is that SPUs address the private character of local producers by integrating them into a democratic process whereby both workers and community members can decide what is to be produced, who is to produce it and for what purpose. As it is, it is just too easy for local producers to develop close relationships with intermediaries. This loose alliance between producers and intermediaries must be broken and the solution is to be found at the level of production not at the level of consumption and distribution. This is not to say that fighting the intermediaries is not necessary but that what will ultimately get rid of them is the socialization of production.

Many producers, especially larger ones, will very likely resist such democratization attempts. A first step towards countering such resistance could be to make a list of potential producer allies and begin asking them to commit a certain percentage of their production efforts into a democratic process with the SPU. Also, because in some cases small producers don’t actually own their land, but simply rent it from a large landowner, organizing these small producers to fight against the ‘terratenientes’ (the Spanish term for large landowners) could be a productive way to build long-term collaborative alliances with them. Lastly, the SPU’s Workers Council should build a closer relationship with the United Socialist Party of Venezuela and sympathetic government officials, and draw up plans to expropriate large local
landowners directly via the use of available legal instruments, such as the Ley de Tierra.

Second, the hiring process must be made fully democratic. In other words, the SPU’s administration should not have the final word. Workers and communities should not expect that this change will come from above. Because SPUs are tied to a bureaucracy that to a large degree is tied to the world market in oil, SPU administrators operate under the logic of the market whose essence is to use labour not to meet the needs of workers and communities but rather to meet the demands of the market. Therefore communities and workers will likely have to take up this fight on their own. As demonstrated by the workers of CASQ, fighting the state bureaucracy is both necessary and possible, and certainly not counterrevolutionary, as some Chávez supporters might be tempted to argue.

Third, SPU workers should continue to push to create the ‘integral worker’, as already discussed at Pedro Camejo and CASQ. But this initiative should be expanded to include mandatory job rotation schemes that include both manual and administrative workers. This would go a long way in helping workers learn that salary ranks on the basis of formal education is simply a justification for reproducing the class division, and is therefore not desirable nor necessary.

Fourth, attempts should be made at moving from exchanging goods to exchanging labour at the local level. To expand, SPUs could commit a certain percentage of their production to remain outside of the market. These goods could then be distributed to local communities on the basis of labour performed. To do this, large assembly-style meetings would have to take place between SPU workers and communities where people evaluate work that needs to be done and then determine what the worth of this labour is using labour time as the anchor. Volunteers would then have access to the products
produced by SPUs without the need of money, or through an alternate currency that reflects the decisions made at the assemblies. The exact mechanisms for how to do this is not what is most important. What is important is that labour begins to be consciously used and exchanged voluntarily without the need of the market. Given that, as mentioned above, SPU participants do not experience how selling the goods they produce through subsidized markets reproduces the relationship consumers have to the labour market, I recognize that this recommendation should be taken more as a long term goal. On the other hand though, as discussed throughout this thesis, many of the practical democratic and political skills needed to progress in this direction already exist at SPUs, meaning there is already a basis from which to move forward on this point.

I should emphasize that the above four recommendations are not meant to be final solutions to the problem of capitalism in Venezuela, but important next steps based on the concrete experiences and conditions of SPUs and communities. In other words, the above recommendations begin where communities and workers are currently at, and push forward from there. Without a doubt, in order to move in the direction of these recommendations will require struggles that go beyond the walls of SPUs. But at least now, these struggles are armed with a concrete alternative. They can now point over to an SPU and say, ‘look, another world really is possible’.
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Appendix A: Interview Guide

Demographic Questions:

Age:
Current position/title at your organization:
When started work at firm:
Highest level of formal education completed:

[RQ1: How are SPU participants experiencing the contradiction between the SPU’s social mission and the demands of the market?]

Why did you decide to join your SPU?

What is the purpose of your SPU?

Is there differing views among your co-workers regards the purpose of your SPU? If so, can you describe these?

In your opinion, what is your SPU’s social mission?

Do you think there is a tension between your SPU’s social mission and what it needs to do in order to stay economically afloat? Please expand.

What are some of the challenges you organization experiences in terms of being able to fulfill this social mission?

Why does your organisation have these challenges?

How does your SPU measure success?

What would help your SPU become more successful?

What is your current salary?

Do salaries differ among participants? If so, how?

How do you think income should be distributed among cooperative members?

Do you think your current production process is adequate enough to meet the demands of your customers? Why or why not?

What are some of the accomplishments of your SPU?

How is the size of your SPU determined? Would you favour expanding your
organization's membership even if it meant a reduction of your income?

How does your SPU work with other SPUs?

Do you participate in the communal councils? Do you know people who do?

What is the role of your SPU within the broader community?

Has there ever been a conflict or tension between your SPU and the broader community? If so, please expand.

What is the relationship between your SPU and the state? What do you think of this relationship?

Has there ever been tension or conflict between your SPU and the state? If so, please expand?

Is there anything the state could do to help your SPU be more successful? If so, what?

Who are your SPU competitors? How do you deal with them?

If you could find a job that would give you more money, would you leave your SPU? Why or Why not?

[RQ2: Is participation at the SPU contributing to the learning of how to better fulfill the SPU's social mission?]

How is democracy practiced at your SPU?

Do you attend all the opportunities for democratic decision-making available at your organisation?

Do you feel you have an important role to play in making decisions? Why or why not?

How, if at all, has democratic participation at your SPU helped fulfill its social mission?

Does democratic participation at your SPU detract in any way from your organisation's economic success? If so, please expand.

Has there been any major changes in the way democracy is practiced in your organization since you started working there?

What are the most valuable things you have learned by participating in your SPU?

Have you learned any business skills while participating in your SPU? If so, how and when exactly?
What are some of the most memorable moments/experiences as a participant in your SPU?

Has your participation at your SPU changed how you understand the purpose of your organization? If so, how?

Has participation at your SPU changed how you understand your community? If so, how?

Do you take part in community activities outside of your organization? If so, please expand.
Guía de entrevista

Preguntas demográficas

Edad:
Título en su organización:
Cuando empezó a trabajar en organización:

[PI1: Como es que los participantes de las SPU experimentan la contradicción entre la misión social de la SPU y las demandas o necesidades del mercado?]

¿Por qué usted decidió tomar parte o participar en su SPU?

¿Cuál es el propósito de su SPU?

¿Hay diferentes opiniones o puntos de vista entre tus compañeros o colegas en el trabajo sobre el propósito de su SPU? Puede describirlas?

¿En tu opinión, cual es la misión social de su SPU?

¿Usted cree que hay una tensión entre la misión social de su SPU y lo que la SPU tiene que hacer para que se mantenga a flote del punto de vista económico?

¿Cuáles son algunos de los desafíos que tu organización experimentan en términos de poder cumplir con su misión social?

¿Por qué tiene estos desafíos?

¿Cómo se mide el éxito en su SPU?

¿Qué ayudaría a su SPU ser más exitosa?

¿Cuánto es tu salario?

¿Los salarios varían entre tus colegas? ¿Y si es que sí, como exactamente?

¿Cómo crees que los ingresos deberían de ser repartidos entre los miembros de la SPU?

¿Usted cree que el actual proceso de producción en su SPU es adecuado para cumplir con las demandas de sus clientes? ¿Por qué o por qué no?

¿Cuáles son algunos de los éxitos de su SPU?

¿Cómo se determina el tamaño de su SPU? ¿Usted favorecería la expansión de su SPU en términos de miembros aun que eso signifique un menor salario para usted?
¿Cómo trabaja su SPU con otras SPU?

¿Usted participa en los consejos comunales? ¿Conoces a gente que lo haga?

¿Cual es el papel que su SPU juega en la comunidad en la que la SPU existe?

¿Ha habido conflictos o tensiones entre la SPU y la comunidad? ¿Puede expandir?

¿Cual es la relación entre su SPU y el estado? ¿Que piensas de esta relación?

¿Ha habido tension o conflictos entre su SPU y el estado? ¿Puede expandir?

¿Hay algo que el estado podría hacer para ayudar a que su SPU sea mas exitosa? ¿Que exactamente?

¿Quien le hace la competencia a su SPU? Como manejas a la competencia?

¿Si usted pudiera encontrar un trabajo que le diera más dinero que lo que usted actualmente gana en su SPU, dejaría su SPU? ¿Por que o por que no?

[Pi2: La participación en las SPU contribuye al aprendizaje de cómo cumplir mejor con la misión social de la SPU y/o el aprendizaje de cómo cumplir con las demandas del mercado]

Como se practica la democracia en su SPU?

Usted atiende todas las oportunidades de participación democrática que la SPU ofrece?

Usted siente que tiene un papel importante que jugar en la toma de decisiones en su SPU? Por que o Por que no?

Como, si es que en algo, es que la participación democrática ha ayudado que se cumpla la misión social de su SPU? Como y cuando exactamente?

La participación democrática en su SPU quita de alguna forma el éxito económico de su organización? Puede expandir?

Ha habido cambios en la forma en que la democracia es practicada en su SPU desde que usted empezó a trabajar ahí?

¿Que es lo mas valioso que usted ha aprendido participando en su SPU?

Usted ha aprendido algunas destrezas sobre como se manejan los negocios? Como y cuando exactamente?

Cuales han sido los momentos o experiencias más memorables como participante en su SPU?
La participación democrática ha cambiado como usted entiende el propósito de su SPU? Como exactamente?

La participación democrática ha cambiado como usted ve a su comunidad? Como exactamente?

Usted toma parte en actividades comunitarias fuera de su organización? Puede expandir?
Apendix B: Learning Indicators

Please indicate your level in the following areas and if you have experienced changes as a result of your participation in your SPU.

<table>
<thead>
<tr>
<th></th>
<th>Before joining SPU</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Knowledge of your own necessities and those of the community</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>2. Ability to organize and plan meetings</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>3. Collective decision-making abilities</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>4. Willingness to help others</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>5. Confidence in your capacity to influence political decisions</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>6. Interest in community problems</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>7. Interest in city problems</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>8. Interest in community participation</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>9. I feel connected to my community</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
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<tr>
<td>10. I have an interest in the common good</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
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<tr>
<td>11. I talk to my neighbors about problems in the city</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>12. I think of ideas and solutions for those problems</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>13. I go to community meetings</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>14. I procure information about political and social issues</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>
Indicadores de Aprendizaje

Por favor identifique su nivel en las siguientes áreas, y si experimento cambios como resultado de su participación en su Unidad de Producción Socialista.

<table>
<thead>
<tr>
<th></th>
<th>Antes de integrarse a la SPU</th>
<th>Hoy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Conocimiento de sus necesidades y las de su comunidad</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>2. Habilidad de organizar y planificar Reuniones</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
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<tr>
<td>3. Habilidad de tomar decisiones en forma colectiva</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
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<tr>
<td>4. Disposición a ayudar a otros</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
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<tr>
<td>5. Confianza en su capacidad de influir decisiones políticas</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>6. Preocupación sobre los problemas de su comunidad</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
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<tr>
<td>7. Preocupación sobre los problemas de la ciudad</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>8. Interés en participación comunitaria</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>9. Me siento conectado a mi comunidad</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>10. Me preocupo por el bien común</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>11. Hablo con mis vecinos sobre los problemas de la comunidad</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>12. Pienso ideas y soluciones para esos problemas</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>13. Voy a reuniones de la comunidad</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>14. Procuro información sobre asuntos políticos y sociales</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>