



Universiteit Utrecht



Financial cooperatives & local development

**The case of the savings and credit cooperative Jardín
Azuayo**

By Natalia Vázquez Rodríguez

September 27, 2019

MSc Sustainable Development
Track International Development
Faculty of Geosciences
Utrecht University

Submitted by Natalia Vázquez Rodríguez
 Student number – 5815088
 n.m.vazquezrodriguez@students.uu.nl

Supervisor: Dr. Griet Steel
 Assistant Professor
 Department of Human Geography and Planning
 Faculty of Geosciences
 Utrecht University

Second reader: Dr. Ajay Bailey
 Assistant Professor
 Department of Human Geography and Planning
 Faculty of Geosciences
 Utrecht University

Abstract

In Latin America, there is a critical view of development because, despite the expansion of the world's economy, there are still millions of people living in extreme poverty. For this reason, alternatives to development such as buen vivir in Ecuador have emerged. However, to achieve buen vivir a new type of economy is necessary, one that fits its proposals of solidarity, harmony, and equity both among human beings as between them with nature. This type of economy is called social and solidarity, and savings and credits cooperatives are part of it.

In Ecuador, one of the most important savings and credit cooperatives is Jardín Azuayo. Understanding the impact of this cooperative on the development of rural communities in Azuay also means to comprehend how people in these communities imagine development. This thesis analyzes this imaginary based on which the contributions of Jardín Azuayo are evaluated. These results provide a more global vision of Jardín Azuayo role in the configuration of a more supportive, cooperative, and inclusive society.

Acknowledgments

This thesis would not have been possible without the support of several people in several places. First of all, I would like to thank Jardín Azuayo, which opened me the doors of the communities in which this work was developed and introduced me to the world of social and solidarity economy. I also want to recognize the people who participated in this research who shared with me their time and experiences.

I want to express my gratitude to my supervisor to Griet Steel for her guidance and invaluable feedback in the execution of this thesis and her support throughout this process. Your comments allowed me to develop better the ideas contained in this work.

Finally, I want to thank my family in Ecuador and France who have always supported me in my adventures; to my friends for inviting me a cup of coffee in times of stress; and Paul for listening patiently while I was trying to sort my ideas.

Content

Introduction	6
Chapter 1 Theoretical background	9
1.1. Development. A failed strategy.....	9
1.2. Buen Vivir. An alternative to development.....	12
1.3. Social and solidary economy (SSE)	14
1.4. Financial cooperativism	17
Chapter 2 Research strategy and methods.....	19
2.1. Research objective and research questions	19
2.2. Methodology	19
2.2.1. Research methods and data collection.....	19
2.2.2. Data collection.....	20
2.2.3. Data analysis	22
2.3. Potential limitations.....	22
2.4. Ethical considerations	23
Chapter 3 Context and actors	24
3.1. Three rural cantons in the province of Azuay: social and economic context.....	24
3.2. Buen vivir in Ecuador	29
3.3. The Cooperative Jardín Azuayo.....	32
Chapter 4 Results and discussion	41
4.1. Two groups of analysis	41
4.2. Towards the decolonization of development.....	43
4.2.1. Understanding Buen Vivir	44
4.3. Contributions of Jardín Azuayo to the communities.....	59
4.3.1. Building Buen Vivir.....	59
4.4. Conflicts and tensions in the territories.....	70
Chapter 5 Conclusions	76
References	78
Appendix 1. Interview guide.....	83
Appendix 2. Focus group guide	85

List of tables and figures

List of tables

Table 1. Interviews conducted during the fieldwork.....	21
Table 2. Territorial extension and population of the research area.	25
Table 3. Interest rates for fixed deposits.....	36

List of figures

Figure 1. Research area location.....	24
Figure 2. Net attendance ratio by the level of education	26
Figure 3. Composition of economically active population by gender.....	27
Figure 4. Components of buen vivir for rural communities in Azuay, Ecuador	45
Figure 5. What buen vivir means for members/clients and directives/staffers of Jardín Azuayo.....	46
Figure 6. Contributions of Jardín Azuayo for members/clients and directives/staffers	60
Figure 7. How Jardín Azuayo contributes to communities' buen vivir	70

Introduction

Development is usually understood as economic growth, modernization, industrialization and has been seen as the only way to solve world's problems of poverty, overpopulation, permanent threat of famine and illiteracy; but the results have been contradictory. On the one hand, the world is nowadays more equal than 60 years ago, but on the other, the gap between the wealthiest people in society and the poorest has increased (Larrea, 2014; World Bank, 2018). Currently, there are 1.2 billion people still living in extreme poverty, while 26 people concentrate more than 50% of the world's wealth (Oxfam, 2019).

Besides development's unfilling promises for a vast majority of the world, scholars in the Global South have argued against it because it is seen as a powerful instrument to normalize the world, and produce the notion of Third World and developing countries through concrete practices of thinking and acting against which these societies are measured (Escobar, 1995). Consequently, Escobar argues, 'reality had been colonized by the development discourse' (1995, p. 5) and its apparatus has been very efficient to produce knowledge based on one system, namely, the modern Western one.

Consequently, several voices have raised against it, urging to seek an alternative. One based on non-Western knowledge systems in which local constructions about what people want for their lives and communities have a central place, and where notions of social justice are also considered as a way to deal with the problem of concentration of wealth in the hands of a few which has turned Latin America into the most unequal region in the world (CEPAL, 2018).

As a response, during the past ten years, in Latin America has emerged the concept of *Sumak Kawsay* a Kichwa expression which is translated into good living or *buen vivir*. This concept is in continuous construction and, thus, there is not a single definition, but shares several concerns with similar frameworks, such as decolonization of development or deep ecology. *Buen vivir* is not an alternative development but an alternative to development to the extent that it proposes a new system where respect, equality, solidarity, harmony, and equity for both humanity and nature are central. With *buen vivir*, the accent is in life in community within a unique environmental context, where living better at the expenses of others is out of

question; hereto buen vivir also recovers emotional and ethical aspects regarding well-being (Albó, 2009 as cited in Gudynas & Acosta, 2011).

An alternative to development also requires a different economy, and in this case, social and solidarity economy (SSE) plays that role. It seeks to improve communities and people's quality of life and the economic system through cooperation, solidarity, and self-organized democracy. Like buen vivir, SSE also emphasizes the place of ethics in economic activity placing the economy at the service of people and their communities and not the other way around. In essence, SSE is about the type of economy that allows the reproduction of life, putting the human being over appropriation, profit, and capital accumulation.

The case of Ecuador is particularly interesting regarding both buen vivir and SSE. These two concepts were introduced in the Constitution in 2008, with the former becoming its backbone instituting a new development regime based on equity, fraternity, solidarity, complementarity, equitable access, participation, social control and responsibility (Walsh, 2010). Additionally, the Constitution establishes a social and solidarity economic system which led to passing several bills, and policies, alongside with the creation of government institutions to support and impulse SSE and its different forms of organization.

In Ecuador, one of the SSE areas that has grown the most in recent decades has been the savings and credit cooperatives (SACCO), which currently are the most significant channel of credit with 66% of participation compared to 34% of private banks (Jácome, 2016). There are several explanations for this growth, but mainly it has been because of the loss of confidence in the banks due to the banking crisis of 1999. Another explanation is that SACCOs are mostly located in rural areas where, until recently, banks did not provide their services.

Jardín Azuayo is one of these SACCOs which due to its social and financial coverage has become one of the most important Savings and Credit Cooperatives in Ecuador's Southern Region. Currently, it has 45 offices in 8 provinces which encompasses more than 458.000 members.

This Cooperative, along with three rural cantons in Azuay where it provides its services (Paute, Sígsig, and Nabón), was chosen to carry on this research which aim is to understand

how savings and credit cooperatives contribute to local development. Although the vast literature regarding the impact of SACCOs in development (Gutberlet, 2009; Hoinle, Rothfuss, & Gotto, 2013; Hossein, 2013; Trujillo Duque, 2005), the studies do not start from the analysis of how development is understood by communities and thus achieve a better articulation between the effects of financial cooperatives and what communities expect. This thesis, thus, analyzes communities' perceptions about development in order to learn how Jardín Azuayo's has contributed (or not) to this development.

In order to gain more knowledge on how communities understand the development and the contributions of Jardín Azuayo, in-depth interviews, focus groups, and observations were conducted in which representatives of this Organization (employees and members) shared their visions.

This thesis starts with a literature review in which the main topics about development, buen vivir, and the social and solidarity economy are discussed (Chapter 1). Chapter 2 includes the research design and describes the methods for data collection and data analysis. Chapter 3 provides information about the research area and Cooperative Jardín Azuayo. An analysis of the findings and discussion are presented in Chapter 4. Finally, Chapter 5 presents the conclusions.

Chapter 1 Theoretical background

This chapter contains a brief literature review and current debates related to the negative consequences and critics to development from scholars in Latin America, to the rise of *buen vivir* in Ecuador as an alternative to the Western idea of development. The chapter ends with an overview of the social and solidarity economy (SSE) and its role in implanting a new economic system.

1.1. Development. A failed strategy

According to the UN (2015), ‘Sustainable development recognizes that eradicating poverty in all its forms and dimensions, combating inequality within and among countries, preserving the planet, creating sustained, inclusive and sustainable economic growth and fostering social inclusion are linked to each other and are interdependent.’

Therefore, there is a link between development and economic growth, because, without the later, it is not possible to improve people’s quality of life through social inclusion.

Although there has been an increase in the world’s wealth, last year billionaire’s fortunes grew by 2,5 billion, 3,5 million people are living on less than USD 5,50 a day (Oxfam, 2019). This data shows there has been an unequal distribution of the fruits of development which is also corroborated by the Gini coefficient, an indicator that measures the income distribution by country. Its value ranges from 0 to 1, with the former representing perfect equality and the latter representing perfect inequality. Worldwide, this coefficient has gone from 0.51 in 1960 to 0.57 in 2000 and then down again to 0.55 in 2009 (Larrea, 2014). This reduction was mainly due to rapidly rising incomes in very populous countries, most notably China and India, although inequities within these countries have increased (Alvaredo et al., 2018).

Likewise, one of the most widespread ideas about development and, therefore, economic growth is the trickle-down effect. According to this effect, backed by the IMF, the World Bank and the OECD, public policies should favor the so-called ‘generators of wealth’ because benefiting them will help to create jobs and improve the living conditions of all citizens. In this way, the wealth generated will trickle down towards all social strata.

Once again, the number of people living in extreme poverty contradicts the idea of the trickle-down effect. Many countries in the world have experienced growth in the gap between the wealthiest people in society and the poorest over the past 30 years (World Bank, 2018). Furthermore, according to an Oxfam report (Hardoon et al., 2016), since the turn of the century, the poorest half of the world's population has received only 1% of the total increase in world wealth, while that the richest 1% has received 50% of this increase. In real terms, this means that more than 1.2 billion people still live in extreme poverty and a significant majority of the population lives in societies that are more inequitable than 20 years ago (Seguino, 2013). These consequences are there even though the development and its strategies have more than 70 years of history.

The deception of the trickle-down effect has even been recognized by the scholars (Basu & Mallick, 2007; Greenwood & Holt, 2010; Odhiambo, 2011) and the IMF as well, which in a report states: 'if the income share of the top 20% (the rich) increases, then GDP growth actually declines over the medium term, suggesting that the benefits do not trickle down' (Dabla-Norris et al., 2015, p. 4). However, this institution still considers GDP as an adequate way to measure economic growth and therefore development.

In Latin America, the promises of development plans, programs, and projects do not come true, because the problems of poverty and inequality in the continent persist, and the benefits announced by development have not achieved substantive changes in national or local economies. It cannot be said that all the development enterprises failed, but it did happen in many cases.

All these negative consequences of development, together with the environmental deterioration that accompanies it, have raised several voices in Latin America, not only from scholars but from social movements as well, against development urging for the decolonization of development which means the recognition the existence of other ways of being and living from which other logics are identified that are far from the current relationship between economic growth and development.

Escobar is one of the scholars urging for the decolonization of development. For him, it is crucial to analyze the hegemonic development discourse, and its strategies are 'powerful instrument for normalizing the world' (Escobar, 1995, p. 26) in which Western

representations about reality are dominant and have shaped how reality is imagined and acted upon. As a result, Escobar continues, many countries see themselves as underdeveloped and, consequently, have embarked on the task of development through systematic interventions planned from the outside. Hence, social relations and production were reshaped in a way that only those activities that could be inscribed inside the market logic are valuable and, thus, worthy of investment in terms of training, financial resources, and technology by government programs, international development institutions, or the private sector development strategy.

According to Escobar (1995), this dominance of the Western discourse about development has had two outcomes. On the one hand, the creation of the Third World, or the Global South, referring to countries in Africa, Asia, and Latin America.

On the other hand, the dream of development, understood as economic growth, in which these regions embarked themselves as the only way to solve their social and economic problems.

Escobar also states that this discourse creates categories of clients which are seen as objects, passive recipients of the development and not subjects which a particular way of interpreting their problems, lives, and development. In this creation of categories of clients also comes into play the structures and institutions that sustain development and linked unsucces of developing countries to a lack of an optimal set of policies or good governance (Fuchs, 2001).

Therefore, it is necessary to go to the conceptual bases, even ideological or cultural, on which conventional developmentalism is based. A reconceptualization of development is needed, one in which local constructions have a central place, giving origin to alternatives to development - rather than alternative developments - which should also recognize the existence of a plurality of economic models (Escobar, 1995; Mosse, 2005). Notions of social justice should also accompany this deconstruction because it implies dealing with the enrichment of the few at the expense of the many, engrained in the current system, which is exemplified in Latin America as the most unequal region in the world (CEPAL, 2018).

Participatory processes engage individuals from the community in shaping their development. Although it can be time-consuming and resource-intensive, community participation helps to avoid the bias of development agencies and focus on aspects relevant

to local situations (Fraser et al., 2006). Furthermore, local engagement has been shown to have an impact on community capacity to address future problems because it responds to local context and the interest and values of the communities involved (Seyfang & Smith, 2007).

Another bottom-up approach to development is the Andean indigenous concept of *buen vivir* (Good Living) – explained below – which scholars in Ecuador frame as an alternative to development (Gudynas & Acosta, 2011). It also calls for a direct and participatory democracy where the needs and interests of heterogeneous people are represented through creative solutions that flow from the bottom upwards.

1.2. Buen Vivir. An alternative to development

Buen vivir encompasses a series of ideas and positions that escape the limits of Modernity to recover notions anchored in the knowledge of the Andean indigenous peoples. Its roots are in the concepts of *sumak kawsay* (in Kichwa) or *suma qamaña* (in Aymara) which are used by indigenous communities from Ecuador and Bolivia respectively. However, it also shares a common political platform with other indigenous cultures, like *küme mogen* of Mapuches in Chile, as well as with some ethic postures which recognize the intrinsic value of nature, like deep ecology, and receives contributions from critical perspectives like feminism or the notion of decolonization of knowledge (Gudynas & Acosta, 2011).

To understand *buen vivir*, one must realize that among Ecuadorian indigenous societies there is no concept of development. That is, there is no conception of a linear process that establishes a previous or later state. There is no vision of a state of underdevelopment to be overcome, and neither there is a state of development to be achieved. There is no, as in the Western view, this dichotomy that explains and differentiates much of the processes behind the pursuit of development. For indigenous peoples there is also no traditional conception of poverty associated with the lack of material goods or wealth linked to their abundance (Acosta, 2008).

Buen vivir is a plural concept (one can talk about *buenos vivires*) in continuous construction where diverse knowledge and sensitivities sharing similar frameworks – such as critics to development or the search for another relationship with Nature – interact and mix. It is no

possible, then, to come up with one single definition or recipe for *buen vivir* but there are some common elements such as the questioning of development as economic growth and progress, the urge to recognize human beings as part of Nature and not outside it, and a different posture regarding the market. In this sense, it seeks to avoid a commercialized society through the construction of a variety of types of markets where the economy is not controlled by monopolists and speculators neither the State but pursues to dynamic and constructive relationships between the market, society and the State (Gudynas & Acosta, 2011).

Buen vivir is not an alternative within a list of options of development, but an alternative to all them (Acosta, 2013) to the extent that it seeks for a substantial change in the economic, cultural, environmental and political paradigm and proposes a new development built on respect, equality among all, solidarity, harmony and equity for both humanity and *Pacha Mama* (Mother Earth) (Gudynas & Acosta, 2011; Salgado, 2010). In other words, it aspires to build multiple societies while embracing the notion of cohabitation with others and nature. With *buen vivir*, the subject of well-being is not about the individual, but the individual in the social context of their community and in a unique environmental situation.

Buen vivir, thus, conceptualizes the idea of a good life, of well-being, in a broader sense, beyond material consumption, and recovering emotional and ethical aspects. This last element is expressed in the austerity and refusal to live better at the expense of others (Albó, 2009 as cited in Gudynas & Acosta, 2011). Some ideas, such as ensuring that the real freedoms, opportunities, capacities, and potentialities of individuals flourish are also incorporated (Ramírez, 2010 as cited in Gudynas & Acosta, 2011). It also recognizes the unfeasibility of the dominant lifestyle in which its political, economic, social and environmental limits become evident acquiring the character of a regulating paradigm of life.

In the context of *buen vivir*, local development should be understood as a participatory process, build with local participation within each community and in which local resources are used. This notion of local development becomes even more relevant for the improvement of quality of life especially in rural communities because public institutions in Latin America have a restricted role on local development, with limited political, economic and social

resources; therefore, civil society usually takes the lead as the promoter of local development actions (Gómez Aparicio & Miranda García, 2007).

Therefore, *buen vivir* calls for a direct and participatory approach where the needs and interests of heterogeneous groups are represented through creative solutions that flow from the bottom upwards; a process that will also lead to the transformation of people from an object-person into a subject-person (Max-Neef, Elizalde, & Hopenhayn, 1992). In this regard, *buen vivir* is not about living, but the art of living well in which development must allow people and communities to be coherent with themselves (Max-Neef, 1994).

The participatory approach of *buen vivir* also resonates with Chambers' work on Participatory Rural Appraisal (PRA) which enables '... local (rural and urban) people to express, enhance, share and analyze their knowledge of life and conditions, to plan and act' (Chambers, 1994, p. 1253). Therefore, as with *buen vivir*, there is a valorization of local knowledge, and it seeks to empower people to determine what is important for them.

The economic system goes hand in hand with the type of development. Therefore, a people-centered development also requires an economy that places human life above capital. In this sense, as explained next, social and solidarity economy has become the economic system linked to *buen vivir*.

1.3. Social and solidary economy (SSE)

SEE has several names (popular economy and solidarity, community economy, another economy, among others) and encompasses various forms of organization (cooperatives, associative ventures, social enterprises, associations of producers, popular fairs, family farms, among others). However, independently of its name and form of organization, SSE deals with life and the daily conditions that it requires for its reproduction (food, clothing, health, education, leisure, care, among others), in contrast to the economy of development that seeks profit. It also promotes decentralization and local development parting from the reality of millions of producers, workers, citizens, and communities around the world that seek to enhance their livelihood and transform the means of production and consumption patterns through cooperation, solidarity, and self-organizing democracy (Coraggio, 2010). It emphasizes the place of ethics in economic activity and pursues the mobilization and

redistribution of resources and surplus to allow people to meet their essential needs. In essence, it seeks for a model of development away from the rampant individualism, profit-maximization, and corporate-led approaches.

Social and solidarity economy, points out Coraggio (2010), does not search for well-being, a concept belonging to Western modernity, that defines wealth as the goods produced and distributed, and individual welfare as the share of that wealth. SSE promotes the dignification of people through work, taking into account economic, sociocultural, political, and environmental dimensions. Its results are based on democratic and participatory decisions about how to produce, distribute and commercialize the goods and services produced for the satisfaction of collective and individual needs. This means that it does not only produce and distribute material goods and services but also generate and enable other forms of relations, whether they are social or with nature, other modes of (re)production, and other life options different from the paradigm of capitalism.

It also recognizes and incorporated into the economic system the informal, micro and small economic practices developed by 'subaltern groups' (Esteves, 2015, p. 71), such as street markets, craft workshops, self-employed, and family business (Coraggio, 2013). Organizations belonging to SSE are oriented to satisfy needs and generate income, based on relationships of solidarity, cooperation, and reciprocity. They also privilege work and the human being as a subject and end of the economy over appropriation, profit, and capital accumulation.

The importance of the social and solidarity economy has been highlighted by the United Nations Inter-Agency Task Force on Social and Solidarity Economy (TFSSE) concerns that 'the process of crafting a post-2015 development agenda and set of Sustainable Development Goals has paid insufficient attention to the role of what is become increasingly known as the Social and Solidarity Economy' (United Nations Inter-Agency Task Force on Social and Solidarity Economy, 2014, p. IV). TFSSE understands SSE as a way to break out of informality and guarantee proper work (SDG 8: proper work and economic growth) helping to tackle vulnerable employment and to address a transition towards the formal economy.

In the same way, SSE's social nature, expressed through cooperation and solidarity, is recognized by traditional multilateral institutions as indispensable for sustainable

development and economic growth (Rankin, 2002). For instance, the World Bank states that ‘increasing evidence shows that social cohesion is critical for societies to prosper economically and for development to be sustainable. Social capital is not just the sum of the institutions which underpin a society – it is the glue that holds them together’ (World Bank as cited in Rankin, 2002, p. 4). However, Esteves points out that SSE is sustained not only by principles of social capital but also by a concept of social justice that ‘recognizes the emancipatory potential of the norms, social dynamic, and forms of organization of subaltern groups’ (2015, p. 71). This author also states that SSE goes beyond Western ideas about social justice as issues of equity, redistribution and the social contract, by adding the dimension of solidarity, a conception of community and social emancipation, as the principal goal of economic activity and politics. The solidarity in this economy is portrayed by its adherence to values such as equity, mutual help, and cooperation and its concern for others to achieve a common benefit.

If both the World Bank and TFSEE are taken as a reliable authority on the matter, development depends on the identification, use, and investment in social capital because social networks are the resources for fueling development from the bottom up (Rankin, 2002). Therefore, SSE social nature is a way to improve the population’s quality of life and well-being by emphasizing alternatives to capitalism and seeking social and systemic transformation (Neamtan, 2002; Utting, 2015). SSE is formed by enterprises and organizations which are autonomous and private, but capital and the means of production are collective (Coraggio, 2013).

Social capital, thus, is a central aspect of the social and solidarity economy. According to Robert Putnam social capital ‘refers to features of social organization, such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefit.’ (Putnam, 1993, p. 35). Therefore, mutual support becomes easier in a community with a significant stock of social capital.

Exclusion and financial vulnerability cannot be resolved simply with an increased income but requires understanding why this exclusion and vulnerability exists at both the individual and collective levels. For Johnson and Sherraden (2007), financial capability combines the ability to act with the opportunity to act, that is, it implies access to the ‘real opportunities’

that people have concerning the lives they value and desire (Sen, 1987, p. 36). In other words, the financial ability, knowledge, and skills must coexist with access to financial products and services oriented towards the creation of financial capability (Sherraden, 2013).

Together, ability and opportunity contribute to people's freedom to seek financial well-being and increase their opportunities for life chances. However, improving financial capacity is not only related to changing individual behaviors, but it must also be supported by institutions that play an essential role in creating opportunities to develop financial capability such as financial cooperatives (Sherraden & Bar, 2005).

1.4. Financial cooperativism

Social capital allows individuals and groups to trust each other and, thus, work together through shared links, values, and understandings (Putnam, 1993). Its recognition as critical for development has stimulated mainstream development agencies to advocate for microfinance models as a way to alleviate poverty. However, it is important to make a distinction between commercial microfinance models and financial cooperativism because, usually, there is a confusion of these two concepts, and they are used interchangeably

Commercial microfinance models are granted by financial institutions which often prioritize their economic sustainability by supporting almost exclusively the most immediately profitable local microenterprises rather than coordinate their efforts to promote local development by working with initiatives that have the most long term potential to growth (Bateman, 2007).

For financial cooperatives, on the other hand, development is not only a commercial activity and social and community development goals have a central role. For instance, in Bateman (2007) analysis on two cooperative local financial models in the Basque region in Spain and Emilia-Romagna in Italy points out two key factors for their success. First, these models emphasize on local savings and local investment cycle as crucial for the increasing growth of local enterprises and economic base. Second, the actively encourage of various forms of cooperative resulted in better employment opportunities (in terms of quality) and a local environment characterized by 'high levels of equity, dignity, respect, participation, social justice' (Bateman, 2007, p. 48).

Therefore, financial cooperatives seek to achieve their financial sustainability without regarding their social goals, their constituents, and their territory as secondary elements. They value the potential of the mobilization of local investments and represents an expression of collective self-organization in order to manage communities' economic resources based on principles of solidarity, trust and mutual help (França Filho, Silva Júnior, & Rigo, 2012).

In other words, conventional microcredit models work based on criteria of return on investment, while cooperatives value trust and solidarity which hold a central position in a system that is much more than merely a credit system. Indeed, this is a system of social relations in which economic activities are subordinated, thus inverting the usual market logic in which social relations are inferior to economic relations or to the economic purpose of the activity (França Filho as cited in França Filho et al., 2012). In this regard, economical operations become a mean, rather than an end in itself and other aspects of social life and community relations are taken into consideration.

Chapter 2 Research strategy and methods

2.1. Research objective and research questions

This research aims to better understand the possible contributions of savings and credit cooperatives on local development in Azuay by analyzing the case of Savings and Credit Cooperative Jardín Azuayo. In order to accomplish the research objective, the following research questions were answered:

What has been the contribution of Savings and Credit Cooperative Jardín Azuayo on the development of rural communities in Azuay Province, Ecuador?

Sub-questions:

- (1) How does Savings and Credit Cooperative Jardín Azuayo work?*
- (2) How development is understood by rural communities in Azuay, Ecuador?*
- (3) How has the Savings and Credit Cooperative Jardín Azuayo attempted to contribute to the development as understood by rural communities in Azuay, Ecuador?*

2.2. Methodology

2.2.1. Research methods and data collection

For this research, a case study with a qualitative research design was used. The Cooperative Jardín Azuayo was chosen because it is one of the most important financial cooperatives in Ecuador with over 400,000 members and assets of \$857 million (Jardín Azuayo, 2019a). Furthermore, in 2018 its governance structure was certified by the International Alliance of Cooperatives (Jardín Azuayo, 2019b) and it has also been recognized by the World Council of Credit Unions (WOCCU) as allowing Jardín Azuayo to be strongly connected with the communities it serves (Jardín Azuayo, 2019b).

For this research semi-structured in-depth interviews and focus groups with former and current directives of the Cooperative, members, and employees were complemented with observation of the credit process in the chosen Cooperative offices (branches) (Paute, Sígsig,

and Nabón). These offices were chosen because they were the first ones to be opened between 1996 and 1998.

This triangulation of methods used allowed to add validity and quality to this research. It can lead to a more accurate and complete description of the phenomenon under investigation (Johnson & Turner, 2003) because it allows to visualizing a problem from different angles. Furthermore, one of its advantages is that when two strategies yield very similar results, this corroborates the findings; but when, on the contrary, these results are not, the triangulation offers an opportunity to elaborate a broader perspective regarding the interpretation of the phenomenon in question (Johnson & Turner, 2003).

How the methods were used, and the data recollected is described in the following section.

2.2.2. Data collection

Semi-structured in-depth interviews

Semi-structured interviews are often used in qualitative research because they are flexible enough to allow the detection of information that may be relevant for the participants but was not taken into consideration by the researchers. Consequently, they provide a more in-depth understanding and better suited for situations where little is known about the study phenomenon.

According to Wengraf (cited in Hennink, Hutter, & Bailey, 2015), semi-structured in-depth interviews also can be used to identifying background characteristics that influence how people make decisions and understanding the perception or reasons for interviewees' behavior.

The interviews were conducted in Ecuador during May and June 2019. After the analysis of the information gathered, several telephonic conversations were held with the former General Manager during August 2019 to clarify specific points about the role of the Cooperative. In total 24 interviews were held: three office coordinators, four representatives of the directive and 14 members of the Cooperative, Jardín Azuayo's President and current and former General Manager (Table 1). The main topics addressed were about how people understand local development and how Savings and Credit Cooperative Jardín Azuayo has contributed

to this development (Appendix 1). A convenience sampling method was used for the selection of subject.

Table 1. Interviews conducted during the fieldwork

Semi-structured in-depth interviews			
	Members	Directives	Office coordinators
Sígsig	6 (5 women, 1 man)	1 (Woman)	1 (Man)
Paute	6 (Women)	1 (Man)	1 (Woman)
Nabón	2 (Men)	2 (Women)	1 (Man)

Note. Own elaboration

Focus group

In order to gain a broad range of views about Jardín Azuayo's impact and local discourses about development, focus groups were also be conducted. An advantage of the focus group is that participant interactions allow them to build up from the ideas of one another in a way that it could not be obtained in an individual interview (Rogers, Meyer, Walker, & Fisk, 1998). Furthermore, this technique could also help to clarify or extend the data collected during the interviews.

Three focus groups were carried out in total, one in each community. In Paute the focus group was formed by five people (two women and three men); in Sígsig six women; and in Nabón 6 persons participated (three men and three women). In total, 11 women and 6 men were part of the focus groups. For the recruitment of the participants a convenience sampling method was also used.

The questions asked during the focus groups aim to explore people's views about local development and the Cooperative's contribution to the development of the community (Appendix 2). A safe environment was provided in which participants were willing to express themselves openly.

Participant observation

Participant observation is a social research technique that involves the direct observation of phenomena in its natural environment. The advantage of this technique is that it allows observing behaviors or events that otherwise would not be accessible because informants cannot or do not want to share them because they consider them impolite or insensitive. It also allows observing the situations that the informants have described in the interviews (Marshall & Rossman, 2014).

DeWalt and DeWalt (2002) suggest the use of participant observation as a way to increase the validity of the study, as observations may help the researcher have a better understanding of the context and phenomenon under study.

In this sense, an observation was carried out in the selected offices regarding the credit process. This process was chosen because several studies about the Cooperative had highlighted the role of credit in the development on the territories (Jardín Azuayo, 2008, 2013; Orellana, 2009; Vázquez, Lalvay, & Vázquez, 2017).

2.2.3. Data analysis

The interviews were transcribed and coded using the software Atlas.TI. The coding list was first elaborated based on the literature review and later fine-tuned with new categories that emerged during the fieldwork and data analysis. When the coding was finished, the information was sorted out by each sub-question which allows creating families with the categories that were related between each other. This form of organizing the information helped to have a better understanding of how the information gathered was linked with the research questions.

2.3. Potential limitations

Due to time and resources constraints, only three communities were chosen for this research which prevents the generalization of the findings. Furthermore, mainly because most of the interviewees were women, it is possible the existence of gender bias. Additionally, all the interviewees were mestizos; therefore, minorities, such as the indigenous population, were not included.

All the participants in this research are part of the Cooperative Jardín Azuayo; thus further research will be needed to include other members of the community in order to understand their views about development and analyze the possible divergences, or congruences, with the results of this research. Another limitation is that the participants were contacted through Jardín Azuayo, which has an impact on the people who were selected as part of this research. Finally, being someone from outside the communities and conducting research of an international university could also have influenced the responses the participants gave.

2.4. Ethical considerations

The ethical dimensions of this research were given careful consideration and conducted by guiding principles as outlined by Hennink et al. (2015). The study was always performed respectfully, and respondents were not negatively impacted by their participating.

Furthermore, all participants in this research were informed regarding its purpose, how the information they provide will be used and were assured their participation is voluntary, so they can make an informed and voluntary decision of participating. This was arranged verbally in order to protect the anonymity of the respondents. Additionally, the names were changed except on those cases where the position inside the Cooperative was important to know to understand the findings. In these cases, the persons permitted to use their real name.

Chapter 3 Context and actors

This chapter is divided into two sections. The purpose is to provide background information about the study area, particularly related to the social and economic characteristics of the cantons where the fieldwork was carried out, as well as how *buen vivir* has been implemented in Ecuador. The third part of this section presents an overview about Credits and Saving Cooperative Jardín Azuayo which will give the reader a glimpse into the Cooperative and respond sub-question 1: *How does Savings and Credit Cooperative Jardín Azuayo work?* It will also allow a better understanding of this research's results discussed in Chapter 4.

3.1. Three rural cantons in the province of Azuay: social and economic context

The province of Azuay encompasses an area of 8.309 km², and it is in the south center of Ecuador in the highlands. The capital is Cuenca which along with other 14 cantons portrays the administrative division of this province. The fieldwork was conducted in three of these cantons, Paute, Sígsg, and Nabón, where Credits and Saving Cooperative Jardín Azuayo opened its first offices in 1996, 1997 and 1998 respectively.

The three cantons are located east of the province (Figure 1). Together they encompass 19.38% of the provincial territory; among these cantons, Sígsg is the largest canton in terms of territorial extension and population (Table 2).

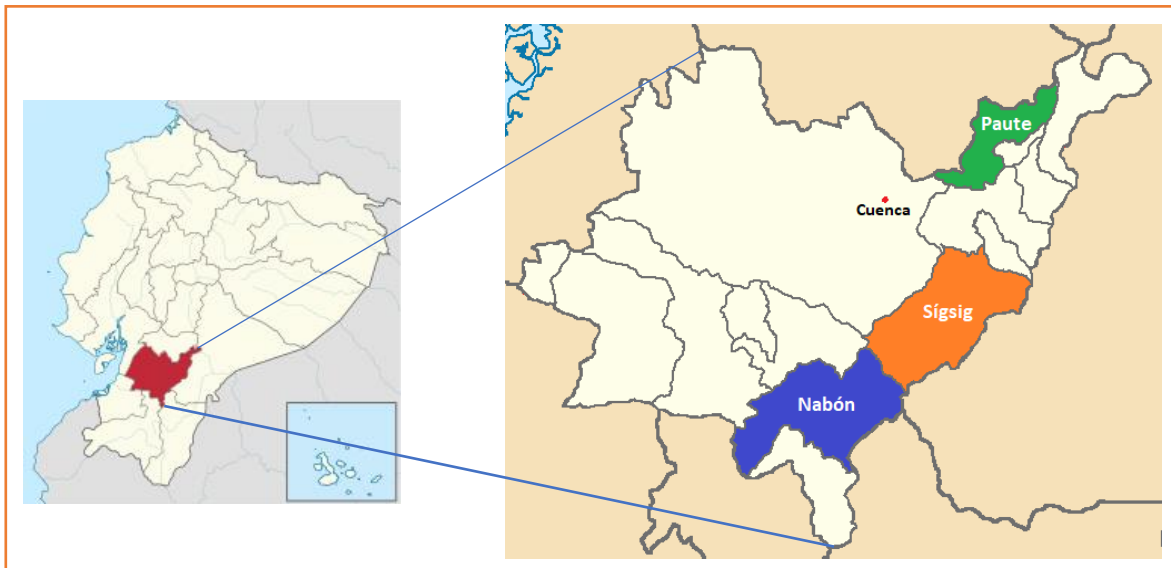


Figure 1. Research area location. Own elaboration.

Table 2. Territorial extension and population of the research area.

Canton	Territorial Extension (km ²)	Population	Men (%)	Women (%)
Nabón	668,2	15.982	46,2	53,8
Paute	267,2	25.494	46,6	53,4
Sígsig	674,5	26.910	44,3	55,7

Note. Adapted from Resultados del Censo 2010 de población y vivienda en el Ecuador. Fascículo provincial Azuay. INEC, 2010

In Ecuador, cantons are subdivided into urban and rural parishes which, in turn, are formed by geographically dispersed communities and settlements, connected by roads in bad condition which difficult the access to services for its inhabitants. The urban parishes, with the same name as the cantons, are the capitals and concentrate the trade, basic services, educational and health centers, and government offices. This convergence of services and institutions in the cantonal capitals, which is also reproduced at the provincial and national levels, explains the congregation of the population in these areas; for example, in the canton of Paute, consisting of 8 parishes, 28% of the population lives in its capital, Paute, while the remaining 72% is distributed among the 7 rural parishes (INEC, 2010a).

This centralism implies a vertical and hierarchical government model in which the capacity of local management is limited because public decision-making is usually at the central government level. Additionally, the inhabitants of the smallest administrative units provide resources to the largest ones, meaning that the inhabitants of the communities and settlements seek to sell their agricultural products, handicrafts and labor power in the parish capitals, which, in turn, look for the cantonal capitals. The centralism, in addition, wards off the governmental structures, which makes the identification of the problems that the population considers relevant and the search of solutions with a bottom-up approach more difficult. A reason why citizens participation in the formulation and implementation of policies that affect their interest are also scarce.

The consequences of this center-periphery relationship can be seen in education. The farther away a place is from the cantonal capital, the more difficult is the access to education because the coverage of the public education is inadequate, and most educational institutions are usually around the cantonal capitals. The canton of Sígsig, for example, has 60 educational

establishments of which 1 in three is located in the cantonal capital (GAD Sígsig, 2015); in Nabón, out of 60 educational centers almost 50% are located in the urban parish (GAD Nabón, 2014); while in Paute out of 47 educational institutions, 33% are in the urban area (GAD Paute, 2015).

Territorial differences in educational coverage become more evident as students want to continue their studies in upper secondary education. Among the educational centers existing in Nabón, Paute, and Sígsig, most of them only cover the 10-year basic education, so that students in rural areas should travel out of their communities if they want to keep studying. This lack of establishments for upper secondary education, coupled with the geographical dispersion of the villages, a mountainous topography, and poor road infrastructure means time travel, generally on foot, greater than 30 minutes. Additionally, economic barriers also limit access to higher levels of schooling. Proof of this is the differences in the net attendance rate¹ by income level. As of December 2012, nationwide, high school attendance of 20% of the population with the highest income was 32,6 percentage points higher than that of the 20% with the lowest income (91,8% vs. 59,2%) (INEC as cited in Senplades, 2013). For these reasons, it is not surprising that the percentages of net attendance rate by level of education decrease at the highest levels, as shown in Figure 2.

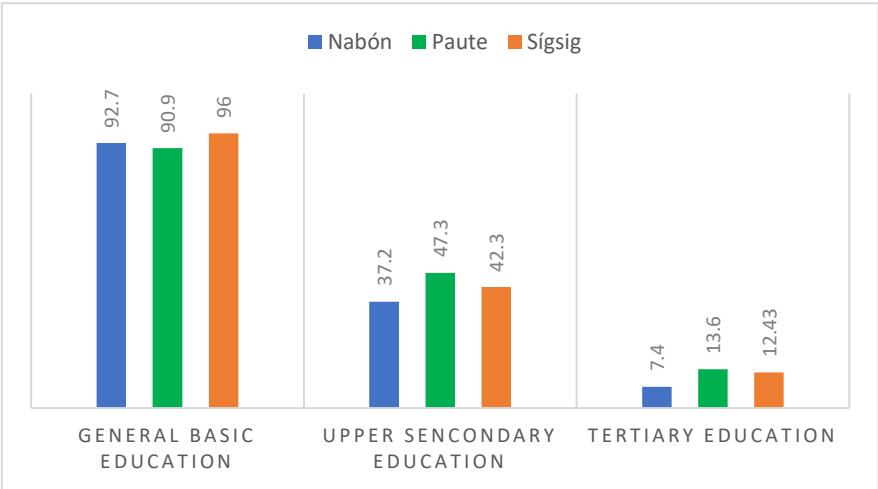


Figure 2. Net attendance ratio by the level of education. Adapted from Población y Demografía by INEC, 2010a

¹ Percentage of people attending the level of education that corresponds them according to their age group at any time during the reference academic year

However, the average years of schooling at all education levels in the three cantons are low. In Nabón, this indicator is 4,9 years, while in Paute and Sígsig, it is 6,7 years (GAD Nabón, 2014; GAD Paute, 2015; GAD Sígsig, 2015).

The lack of access to education contributes to the training deficiencies and lack of opportunities for the population because stop going to school leaves people without literacy and numeracy skills needed to further their careers. In this regard, human capital theory associate education with the enhancement of employee productivity, increased competitiveness, economic growth, and improved income levels (Bonal, 2007). However, in rural areas education has greater impact on non-farm employment than in farmer because the latter requires limited skills (López & Valdés, 2000).

There is, thus, a relationship between education and job opportunities which, in the case of the study area means unequal access for men and women because women have fewer years of schooling than men. Therefore, although the economically active population is mostly female (Figure 3), it is generally men who are employed in construction, trade and manufacture while women are engaged in household chores or subsistence production.

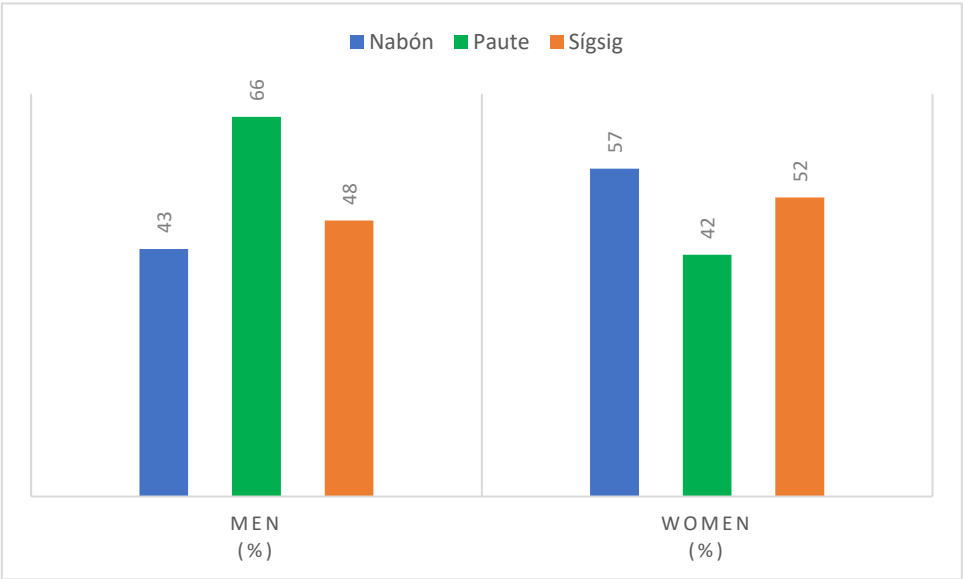


Figure 3. Composition of economically active population by gender. Adapted from Población y Demografía by INEC, 2010a

The economy of the three cantons is characterized by agricultural, commercial, artisanal, and service activities, being the first two the ones that are the most significant. Another key

income for the households is the remittance flows from both internal and international migration. For instance, Azuay received USD 642,03 million in remittances during 2018, which represents 21,2% of the total amount of remittances during that year country-wise; of this quantity, Sígsig got 3,2%, Paute 4,1%, and Nabón 1% (Banco Central del Ecuador, 2019).

Agriculture is oriented mainly for self-consumption and very little for sale, being the main products corn, beans, fava beans, potatoes, and peas (GAD Nabón, 2014; GAD Paute, 2015; GAD Sígsig, 2015). It is traditional agriculture on land unfit for agriculture, highly eroded and very slope, in which the smallholding predominates. The peasants usually have the worst land and in insufficient extensions, no more than 5 hectares, which combined with traditional agriculture practices impacts on the production yields leaving little for commercialization. The few products destined for sale are affected by the lack of trade infrastructures, such as collection centers, access roads to parishes in poor conditions and lack of irrigation water (GAD Nabón, 2014; GAD Paute, 2015; GAD Sígsig, 2015).

The lack of employment opportunities impacts the poverty rate due to unsatisfied basic needs, that is, people suffering from a lack of adequate housing characteristics, adequate services, school attendance, overcrowding, or economic dependence. According to information from INEC (2010a), poverty due to unsatisfied basic needs is 70% in Paute, 87.8% in Nabón and 79.10% in Sígsig; in the three cantons, the rural population presents more poverty than the urban area.

Emigration has been an escape valve to combat the lack of job opportunities and the economic crisis in the cantons (García Sánchez, 2015; Herrera & Martínez, 2002; Walmsey, 2001). However, there are also extra-economic reasons, in addition to the networks, that promote or facilitate emigration, including what is known as the ‘migratory syndrome.’ This syndrome describes the cultural environment produced by high levels of migration, in which the transformation of migrant families is accompanied by the appearance of ‘migratory myths’ that affect the values, attitudes, and aspirations of the entire local population (Walmsey, 2001). According to this author, the cultural impact of migration, besides creating a real economic disadvantage for families that do not migrate, has also created a relative

social deprivation, fostering the idea that migration is the only way they can improve their economic status.

Emigration has been a long-standing process that is still present in all cantons, so the pressure on young people to migrate is usually high since not doing so is considered a failure. In Azuay, before 1997 emigrants were usually men, but this tendency has changed with more women emigrating especially to Spain, where, in 2000, 70% of Ecuadorians were women (Herrera & Martínez, 2002).

The main destinations for the migrants are the United States and Spain. Between 2001 and 2010, 1,338 Pauteños had emigrated abroad (García Sánchez, 2015). In Nabón, 4.5% of the population emigrated, with the inhabitants of the rural sectors contributing the most to this percentage with 95.5% (GAD Nabón, 2014; GAD Sígsig, 2015).

In her research Walmsey (2001) found out that remittances do not improve production, and employment, but provide stability to families because they spend the money mainly in the satisfaction of basic needs such as food, education, clothing, housing, and health, but also to acquire goods and celebrate parties (García Sánchez, 2015; Herrera & Martínez, 2002; Walmsey, 2001).

Paute, Sígsig, and Nabón also lacked financial services before the Cooperative Jardín Azuayo opened its offices there. There is a current debate about the impact of financial services and solidarity economy on local development (Bateman, 2007; França Filho et al., 2012; Hossein, 2013; Solo, 2008), therefore, it is important to understand how this Cooperative works to have a better comprehension of its impact on the development of these three cantons (explained in Chapter 4), which is described in the following section.

3.2. Buen vivir in Ecuador

In 2008 a new Constitution was approved in Ecuador that incorporates the concept of buen vivir as a transversal axis. This was the first time in the history of Ecuador, and Latin America that a text of this nature includes conceptions of life that are not based exclusively on Western traditions. The importance of this fact is that the approaches introduced in the Constitution, through buen vivir, go beyond the concepts generally used to design and talk about modernity in Ecuador and introduces a new development regime.

This new regime responds to the urgent need for a radically different social contract that represents an alternative to capitalism and the neoliberal development project, as the Preamble states: ‘We decided to construct a new form of citizen coexistence, in diversity and harmony with nature to reach buen vivir, sumak kawsay’ (Ecuador Const. Preamble, p. 15). The Constitution defines this regime as an organized, sustainable and dynamic unit of the economic, political, socio-cultural and environmental systems to guarantee the realization of buen vivir, in which the State must guarantee the exercise of rights and the achievement of the objectives of this new regime.

Thus, buen vivir is a right. In this sense, the Constitution states ‘Buen vivir requires that persons, [indigenous] nationalities and peoples, effectively enjoy their rights and exercise responsibilities in the frame of interculturality, respect for diversities, and harmonic co-existence with nature’ (Ecuador Const. art. 275, chapter 5). Additionally, the buen vivir regime postulates a direct link between rights and development strategies and includes issues related to inclusion and equity (for example, education, health, housing, culture, among others), biodiversity and natural resources (Gudynas & Acosta, 2011).

The Constitution organizes the development regime into seven objectives (Ecuador Const. Art 276, chapter 6):

1. Improvement of quality of life and life expectancy
2. A fair, democratic, productive, supportive and sustainable economic system based on the equitable distribution of the benefits of development and the generation of decent and stable work
3. The promotion of participation and social control including the equitable representation of diverse identities in all areas of public power
4. Recovery and conservation of nature and the maintenance of a healthy environment guaranteeing equitable access for all people and communities.
5. Guarantee national sovereignty and Latin American integration
6. The promotion of a balanced and equitable territorial ordering that helps the unity of the State.
7. The protection and promotion of cultural diversity, social memory, and cultural heritage.

All this means substantial changes in development strategies, starting with participatory planning in communities that allow a new balance that includes quality of life, democratization of the State and attention to biocentric concerns. The vision of the Constitution concerning development is that of a new society based on equity, fraternity, solidarity, complementarity, equitable access, participation, social control, and responsibility (Walsh, 2010).

A first attempt for designing and exercising buen vivir was the National Plan of Development, referred to also as the National Plan for Buen Vivir 2013-2017. This Plan describes buen vivir as ‘...style of life that enables happiness and the permanency of cultural and environmental diversity; it is harmony, equality, equity, and solidarity. It is not the quest for opulence or infinite economic growth’ (Senplades, 2013, p. 6). It continues saying that:

‘Good Living is a mobilizing social idea, which goes beyond the concept of development – as it currently exists in the Western tradition – because it is associated with a broader notion of progress. This is not a new development paradigm, but a social, liberating alternative, which proposes other priorities for social organization, unlike the mere economic growth implicit in the traditional development paradigm. Economic growth is desirable in a society, but its distributive and redistributive patterns matter, too’ (Senplades, 2013, p. 9).

Finally, the 2008 Constitution reaffirms the dominant position of human beings over the capital, by establishing a social, solidary economic system as instrumental in achieving buen vivir. In this regard, the National Plan of Development states: ‘The social, solidary economic system in addition to establishing a series of principles and guidelines for social interaction, seeks alternatives for accumulation, redistribution and regulation, and new forms of democratic coordination for society’ (PAIS Alliance Movement, 2012: 46). From this perspective, the economic system must serve the lives of human beings and Nature, placing them above capital and not human beings and nature at the service of capital. Hence, social and solidary economy is seen as a way to eradicate poverty by an equitable distribution of the benefits of production and socially and environmentally responsible consumption as it is explained next.

3.3. The Cooperative Jardín Azuayo

Cooperatives, in general, are democratic organizations controlled by their members, who democratically set their policies and make decisions (International Cooperative Alliance, n.d.). Men and women serving as elected representatives (directives) are accountable to the membership. All members have equal voting rights (one member, one vote).

Savings and Credit Cooperative Jardín Azuayo was born in the context of the reconstruction of Paute as a project from Paute Construye (Paute Builds) program, after a landslide, in 1993, blocked two rivers, Paute and Jadán, which its subsequent release destroyed Paute and its communities downstream; this event is known as the Josefina disaster (Vázquez et al., 2017).

Four events shaped the creation of Cooperative (Vázquez et al., 2017):

1. The banking system allocated the wealth of localities in other regions. For instance, in Cuenca, only 54% of the savings obtained were invested locally, whereas the rest was placed in Quito and Guayaquil. In Paute there was a similar situation because there were no mechanisms to retain local savings.
2. The need for a financial institution was evident when after a training event during the recovery phase, after the Josefina disaster, it was pointed out the necessity of a financial institution to be able to access credit and buy the tools and materials necessary to exercise their newly acquired skills.
3. Also, during the recovery phase, businesses and enterprises claimed resources to invest. That coincided with the availability of international resources to support the ventures.
4. The existence of savings generated by community stores, which needed to be channeled in some way because of the absence of financial institution in Paute.

As a result, it became evident the need for financing and self-financing as a mechanism to retain local savings and invest them in ventures and boost Paute's economy.

In this context, it was necessary to create financial services adapted to rural conditions because a large sector of the population did not have access to services from any public or private financial institution. The adaptation consisted of offering new products and services, with appropriate technologies adapted to the characteristics of the countryside, which reduce

costs for users. For example, Jardín Azuayo has a covenant with an NGO called CECCA to provide technical assistance for productive credits. This assistantship consists of a technician responsible for monitoring the productive ventures related to agricultural production and breeding of minor animals, giving suggestions to the members to improve their ventures and guarantee their success. This technician is also responsible for verifying the member's situation before their credit is approved.

Another way in which the Cooperative has adapted its services and products to the territories is in the logic behind the application of interest rates for savings and credits. For savings, the interest rate does not depend on the amount of money in the account but on the terms. For instance, the interest rates for fix term deposits depends on the time, therefore the longer the time, the higher the interest. For credits, the rate interest does not depend on the amount of money, but on the use of the money (Vázquez et al., 2017).

Additionally, the setting of interest rates seeks to adapt the profits to the requirements of growth and solvency of the Cooperative, under the following scheme: 1) minimization of the active rate until the coverage of costs; 2) maximization of the passive rate (having as a ceiling the active rate); and, 3) maximization of personnel expenses (with the financial margin as a limit) (Juan Carlos U. Jardín Azuayo's General Manager. Personal Communication, May 30, 2019).

Management of the Cooperative Jardín Azuayo

For the Cooperative's management to be effective, three instances balance each other and make the objectives of the members possible. These instances are the general assembly, management committee, and supervisory committee and, on the other side, the administration which is formed by the general manager, offices coordinations, zone coordinations, and general coordination.

General Assembly, composed exclusively by the members of Jardín Azuayo or its representatives, is the supreme decision-making body of the Cooperative.

The growth of the Cooperative demanded to seek for new ways to bring the Cooperative management closer to the territories to guarantee the participation of the members. Thus, the General Assembly is currently made up of the representatives of each one of the offices,

usually their president, elected in the local assemblies. Currently, the General Assembly consists of 68 people who are distributed as follows: one representative from each office and the rest is divided proportionally between the offices with the highest number of partners (Jardín Azuayo, 2017b). Until December 2018 there were 49 offices.

The election of the representatives for the General Assembly begins with local assemblies held in the parishes belonging to the cantons in which Jardín Azuayo is located. These assemblies meet every six months to know the status of the Cooperative and every four years they elect, by secret vote, the local management committee, known as the directive. The members appoint candidates for these elections (Jardín Azuayo, 2017b).

Once the local directives are formed, they meet at the office assembly to choose the office's directive; who gets the most votes chairs the Cooperative in the town and is the first representative to the General Assembly. There are also zone assemblies formed by all the representatives of the offices belonging to that area (Jardín Azuayo, 2017b).

Management and Supervisory Committees, appointed by the General Assembly to direct and control the activities of the Cooperative, towards the achievement of the objectives set by the General Assembly. The Management Committee, formed by five people, elects from among its members the president of the Cooperative who chairs this Committee and the General Assembly.

In addition, there is the Institutional Advisory Board formed by the presidents of the offices, whose primary function is to channel proposals from the offices and make suggestions to the Management Committee.

General Management and administrative and operational personnel allow the cooperative to provide its services to members effectively, following the guidelines of the General Assembly and the instructions of the Manager Committee. The Management Committee appoints the general manager.

It is essential to take care of the balance between the three previous instances since the tensions between them are permanent. That is why it is necessary to mark the limits of authority and responsibility of each one of them, to define with precision the functions of each instance so that managers and collaborators know and assume the roles that correspond

to them, respecting each other, without interfering and above all, with the permanent dialogue to make consensual decisions based on the collective interest of the members (Vázquez et al., 2017).

Services provided by Jardín Azuayo

The services provided by the Cooperative can be clustered into two components: financial – compounded by the savings and credits; and social, through its program of cooperative education, Educoope.

Financial component

One of the purposes of Jardín Azuayo is to counteract the ‘leakage’ of money out of the communities, a common practice in the banking system, through the provision of financial services in the communities. For instance, out of the total savings in Azuay, only 54% remained in Cuenca, and the rest was used to finance inversions in Quito or Guayaquil (Vázquez et al., 2017). Furthermore, financial exclusion increases the cost of households which already are in the lower-income brackets, by making more expensive to be paid, to make payments, to save and borrow than for those who do have an account in a financial institution (Solo, 2008).

This section describes the savings and credits system. It worth to be mentioned that the rationale behind how these systems works is to foster the equity among the members, regardless of the amount of money each of them has. One way to accomplish this equity is that the interest rates for savings do not depend on the amount held in the account, but on how long the members want to save their money. The same goes to the credits, where the difference in the interests rates are based on whether the member has savings or not.

Savings

Until June 2019, Jardín Azuayo had USD 691.823.632,70 in savings (Jardín Azuayo, 2019a), divided into three different types of savings services:

Sight savings accounts, where the Cooperative’s members can have access to their money at any time. The monthly interest rate for this type of account is 3,50% (Jardín Azuayo, 2019c).

Planned savings accounts. It was created to help members with their future ventures or to cover possible eventualities, through periodically fixed deposits for a defined period. The members decide how much they want to save, the frequency of the deposits and the time.

There are two products: *Mi pequeña alcancía* (my little piggy bank) which allows to save up to five years with an annual interest rate of 8%; and *Mi gran alcancía* (my big piggy bank) for more than five years with an annual interest rate of 8,5% (Jardín Azuayo, 2019c)

Fixed deposit. It provides a higher interest rate than regular savings accounts. The interest rate varies according to the stated period for the deposit, as shown in Table 3 (Jardín Azuayo, 2019c).

Table 3. Interest rates for fixed deposits

Time	Interest rate
30 to 59 days	5,75%
60 to 89 days	6,00%
90 to 179 days	6,25%
180 to 269 days	6,75%
270 to 359 days	7,00%
More than 360 days	8,75%

Note. Reprinted from ‘Ahorros’, by Jardín Azuayo, 2019a (<https://www.jardinazuayo.fin.ec/coacja/web/ahorros>)

Savings became a way of locally recirculate the wealth through using that money for the credits granted in the same community. Therefore, communities’ economic resources are used to improve people’s quality of life through the use of credits for productive ventures, acquisition of goods or assets, or the satisfaction of basic needs such as education, which is explained in more detail in section 4.3. Next, the credit system is explained.

Credits

Credits help to bridge a financial gap and enable borrowers not only to improve their economic situation but also to overcome bottlenecks in the production and commercialization processes such as lack of farming tools or producer goods. An experience in Brasil involving

a recycling cooperative shows how credit can impact on people's lives by also providing them with a sense of dignity and reassurance (Gutberlet, 2009).

Essential to the Cooperative's credit system is its micro-scale which means the amounts borrowed are usually small. In this regard, in 2017, the 100 biggest credits accounted only for 2% of the total (Jardín Azuayo, 2017a).

By June 2019 the Cooperative has USD 725.418.342,53 granted in credits. These credits can be divided into commercial, consumer, housing, or microcredits with or without savings. This last difference determines the interest rate of the loan, as explained next:

Credit with savings. The member must have in his account, for a month, an amount equal to 10% of the requested loan. The maximum credit amount is determined according to their ability to pay; the interest rate is 12.27% per annum; and the maximum term seven years (Jardín Azuayo, 2019c).

Credit without savings. This credit is intended for those situations in which the member does not meet the conditions to access credit with savings, cannot leave the money in his account for a month, or has no savings. In this case, the way to determine the maximum amount of the credit and the maximum term are equal to those mentioned above, but the interest rate is 14.50% per year (Jardín Azuayo, 2019c).

The Cooperative also implemented an emergency credit which is granted to for health issues, education or proven calamity. The maximum amount is USD 5000 at an interest rate of 11,22% per annum for a maximum of 48 months (Jardín Azuayo, 2019c)

The cost of loans differs greatly depending on the source of the credit. In the banking system, interest rates are capped at 17,30 percent for consumption loans, and 28,50% for microcredits (Jardín Azuayo, 2019c). Furthermore, the absence of formal credit usually leads people to moneylenders whose usurious credit rates often means the loss of people's assets and therefore, greater poverty (Solo, 2008).

In the financial component, the importance of Jardín Azuayo for local development lies in the ease it provides its members to access loans with interest rates lower than those of the banking system, which means payment terms adjusted to the small finances of rural populations of Ecuador.

Social component

The cooperative is a political project that seeks to transform people's lives through the provision not only of financial services but also of spaces for the training and formation of their members, youth and organizations of the popular and solidarity economy. Through these training spaces in which the capitalist system, the consumer society and the importance of solidarity finance for the improvement of the quality of life of people and communities are analyzed and discussed, it is also encouraged the construction of a critic conscience towards problems of poverty, inequality, and natural resources overexploitation.

Jardín Azuayo organizes these training and formation spaces through its cooperative education program Educoope, which is explained below.

Educoope

Cooperative education should be aimed at raising awareness among partners and the community about the importance of cooperation, mutual aid, community organization for the transformation of people's living conditions (International Cooperative Alliance, n.d.). In this sense, Educoope seeks that the members, managers, and collaborators of the Cooperative to be the builders of a solidarity organization and the desired changes in their villages and communities (Vázquez et al., 2017). The impact of this program in the communities will be analyzed more extensively in section 4.3, but it is important to have an overview for a better understanding of the results.

Educoope has 31 cooperative educators who teach two education programs: Cooperative Education for Youth aimed at people between 16 and 19 years old, in which the financial system is analyzed, and responsible savings and consumption are encouraged. The program lasts four months, during which the following modules are analyzed:

- Module 1 How does knowing about finance influence your future and happiness?
- Module 2 The financial system
- Module 3 Savings and responsible consumption
- Module 4 How do I do what I want by controlling my money and my resources?

The other program, Training Program in Cooperativism, Citizenship, and Leadership, is aimed at all the members of the Cooperative, with no age limit. During the eight months that it lasts, issues ranging from financial aspects, such as family finances and SSE to personal development and leadership are analyzed. The following are the modules of this program:

- Introductory Module. Training Program in Cooperativism, Citizenship, and Leadership
- Unit One: Cooperativism
- Unit Two: Personal Development
- Unit Three: Leadership and Citizenship
- Unit Four: Popular and Solidarity Economy
- Unit Five: Financial Education

The participants on both programs meet once a month in study assemblies, in which the corresponding module is analyzed, and each study group presents its reflections on a specific topic of the module. To reach this point, participants first had to perform an analysis of the contents of the modules individually, in order to understand the problem and discover possible solutions, and then share these individual reflections with the study group, formed in the first Educoope session, which allows them to delve deeper into the contents of the modules. At this point, the study groups can request the support of the cooperative educator to solve doubts, improve the information, and prepare their presentation. At the end of the program, participants present a project in which they apply the knowledge acquired.

Educoope has not only strengthened the mechanisms to access the directives, so that all members have the same opportunity to be part of them, but also provides the directives' new members with information about their environment, about the operation of the Cooperative, but especially about his office. Additionally, it has played a fundamental role in enhancing how members can participate and create the basis for a social evolution that emphasizes respect and dialogue with other people who may think differently. This allows developing new forms of relationship through solidarity and respect and provides the tools so that participation is not limited only to the cooperative sphere but to the exercise of social policy and participatory democracy, which will allow the creation of a new model of society, fair, safe and dignified for all.

Educoope represents and nurtures the mutual support, the cooperative and collaborative spirit that exists between those who are part of Jardín Azuayo and represents one of the most important elements that differentiates Jardín Azuayo from other cooperatives.

Cooperativism has in its essence basic conceptions contrary to the capitalist system such as the recovery of the human being as the center and end of economic activity. In the case of the Cooperative Jardín Azuayo, this is reflected in the form of structuring interest rates for both savings and credits and the importance given to the education and training of its members so that they effectively contribute to the development of the Cooperative and their communities. Similarly, the youth-oriented program is a way of bringing them closer to cooperativism. All these aspects configure the work of Jardín Azuayo and its impact on families as will be seen in the next chapter.

Chapter 4 Results and discussion

The following sections present the finding of this research. First, the groups used to sort out the data are described, followed by results for sub-questions 2 and 3 proposed in section 2.1.

The chapter ends with an analysis of the conflicting views found in the territory.

4.1. Two groups of analysis

Before getting into answering the research questions, it is necessary to point out that the groups and communities submitted to this research are not homogeneous, so their notions about development and Jardín Azuayo's contributions are also diverse. Therefore, based on the analysis of the information, two groups were identified, named as member/clients and directive/staffers, whose characteristics are described below. This characterization helped to sort out the data collected and identify the most important aspects for each group concerning development (section 4.2.1) and contributions of Jardín Azuayo (section 4.3.1).

Member/clients

Their relationship with the Cooperative does not go beyond the financial services it provides; thus, it does not differ from other clients of any other financial institution. Their absence of interest in the functioning and principles that govern the Cooperative is reflected in the lack of knowledge and non-participation of other existing spaces within the Institution, such as the local assemblies or Educoope, as a young man this during an interview in Nabón explains:

...all I knew was I had to come (to the Cooperative), ask for a loan, and if it was approved, that was it (...). At that moment, I did not know what cooperativism was, (or) what was a cooperative, simply that I could come and see if the Cooperative can help us with a loan.² (Personal communication, May 1, 2019)

Based on this information, member-clients cannot be recognized as cooperativists, because, even though they have integrated their financial resources to Jardín Azuayo, they have not developed a sense of identity and belonging to the Institution and they do not ascribe to its

² The interviews were held in Spanish, for this report the quotes have been translated to English.

principles and philosophy. In this sense, their motivations are based on fulfilling their need for a credit to cover basic needs, investment in productive ventures or acquisition of goods.

Directives/staffers

They have been part of the governance body or are working with the Cooperative and perceive the Cooperative as a space of common benefit whose contribution goes beyond financial services. They are interested in its operation, and therefore they have participated in the assemblies and have a more in-depth knowledge of cooperativism and its contribution to alternative development. In this regard, a man in Nabón says:

... (when) I was part of the governance body (and) (...) I went to the first meeting, it was something totally new. I had no idea how a cooperative worked and much less how Jardín Azuayo worked. Being here, one sees the difference, how Jardín Azuayo is formed, how it thinks, what it believes. After I became part of the governance body, I was interested in the Cooperative. (Personal communication, May 1, 2019)

The difference between these two groups lies not only in the role that different members play within the Cooperative, which influences their level of involvement with it but in their vision of the development and the contribution of cooperativism to it. While it is certainly possible that some of their concerns preceded their membership in the Cooperative, it cannot be denied the role that cooperative education, through Educoope (explained in more detail in section 4.3.1), has played in promoting an alternative development in the localities where Jardín Azuayo works as was mentioned by a male interviewee in Nabón:

(Educoope) helps me to reflect a lot and change attitudes because I thought that things were not like this. They talked about (...) personal development, leadership, entrepreneurship, the social and solidarity economy (and one can) learn a little about them. I did not have much idea about what was the social and solidarity economy, I did know about the entrepreneurship but not how it can work or how we should do. So, these are issues that have helped me a lot to change my attitudes, to change my vision about what I want, about who I am. (Personal communication, May 1, 2019)

As it will be seen later in section 4.2 there are coincidences among these two groups about what development means, but the delegates/staffers have a more critical view of the current

system, and therefore their idea of development is focused on a paradigm shift in which solidarity and cooperation play a central role in the improvement of the quality of life for their communities. Given that solidarity and cooperation are at the heart of the Cooperative, and the creation of a solidarity society is its mission (Jardín Azuayo, 2019d), there is an alignment between the Cooperative's and delegates/staffers' values and purposes. Since the latter have participated in various spaces within the Cooperative, especially Educoope, it is possible to conclude that Jardín Azuayo has influenced rural communities' understanding of development.

4.2. Towards the decolonization of development.

This section elaborates on how development is understood by rural communities in Azuay, with a particular emphasis on four criteria related to buen vivir identified during this research. This section answers sub-question 2.

As explained in Chapter 1, traditional development conceptualizations have been focused on economic growth (Larrea, 2014; UN, 2015). This focus is the first difference between the dominant discourse and how rural communities in Azuay understands. While the economic aspect is important, this is not the ultimate reason for people's actions, nor is the search for material progress. On the contrary, their understanding of development goes beyond the economic aspect; it involves the community as a whole, where issues such as life in common and social inclusion become central. Therefore, to avoid confusions between traditional development and the development understood by communities, from now the term buen vivir will be used to refer to the latter. The next quotes from two women in Nabón and Sígsig exemplified the notion of development beyond economic growth:

...we had a business and used to believed that the idea was to earn more, and it didn't matter, for example, that alcohol was what sold the most (...). You can, on the one hand, as a capitalist system think that you have to increase sales and have more profits, but on the humanistic side, on the side of the people, one has to look for an alternative so that, if possible, sale less liquor. One of the things that have changed,

*on a personal level and in my family, is not to think only in the profits (...), but instead on something that helps others too*³. (Ana⁴, personal communication, May 17, 2019).

...development, I think, exceeds the economic barrier, we should think about a decent quality of life, we would go to what our government has proclaimed for many years, that of the buen vivir. It would exceed the economic to focus on people (Cristina, personal communication, May 2, 2019).

It can be said, then, that local conceptions of development are aligned with buen vivir, in the sense that the development imagined by rural communities is collective, solidarity, integral, and focused on people. This perspective seems innovative, but it has been confirmed by other studies where social relationships of cooperation are crucial in the improvement of communities' quality of life (Parra, Cárdenas, & Velásquez, 2018; Trujillo Duque, 2005). It is also explained because, in the rural inhabitants of the Andes, there is a long tradition of reciprocity relationships that are expressed through different practices such as minga⁵. Additionally, there is a sense of interdependence and reciprocity, given by the feeling of dependence on each other because, in these communities, which have suffered the abandonment of the State, mutual support (social capital) is essential to improve their quality of life. As Putnam (1993) pointed out, it is social capital that facilitates collective actions towards the mobilization of resources to, in the case of this study, accomplish buen vivir.

However, what exactly does buen vivir means for rural communities in Azuay? To answer this question, the most important findings made during this investigation are analyzed in the following sections.

4.2.1. Understanding Buen Vivir

Based on the analysis of the information collected during the fieldwork, buen vivir is related to the improvement of the quality of life in four spheres: social, economic, political, and personal which, in turn, contains different subcategories each (Figure 4). The three first

³ The interviews were held in Spanish. For this thesis, the quotes have been edited and translated into English.

⁴ The interviewees names have been changed to prevent their anonymity.

⁵ Minga is an ancestral practice of peoples in the Andes in which collective work is carried out to achieve a common purpose. It is an opportunity to share, exchange and consolidate community ties.

elements do not differ much from what was found during the literature review regarding buen vivir (see Chapter 1). Although this research focus was on the community level, it is not possible to reach buen vivir without individuals able to exercise control over their lives; therefore, elements related to the personal sphere were incorporated.

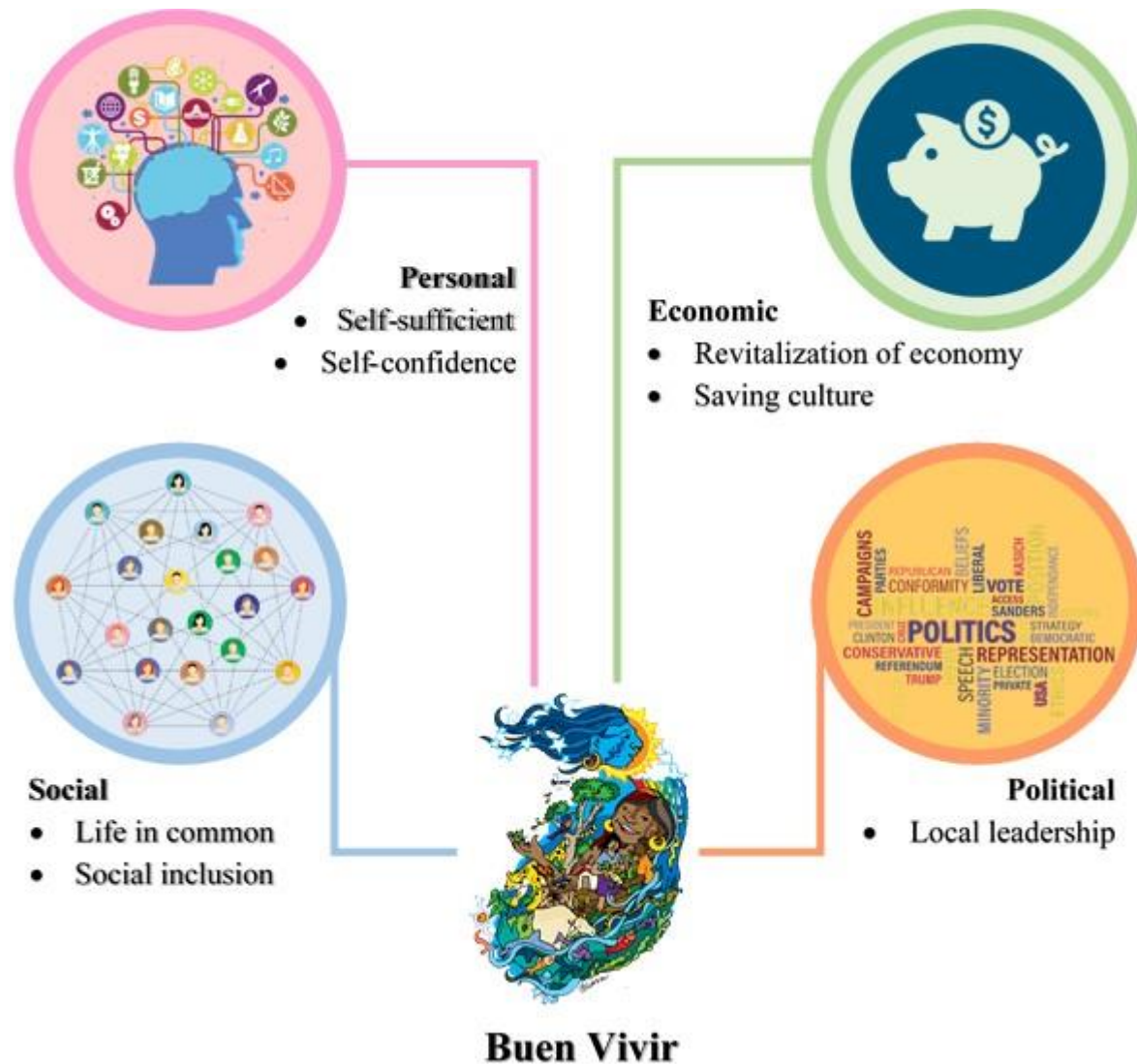


Figure 4. Components of buen vivir for rural communities in Azuay, Ecuador. Own elaboration

Although the two identified groups generally share the same vision about what kind of buen vivir they want for their communities, there are certain significant differences (Figure 5). On the one hand, for the group of members/clients the components of buen vivir are related to their most immediate concerns, such as lack of work, and those personal and social strategies that allow them to face these limitations, such as confidence in their ability to change their

reality and the cooperation they can give and receive in their communities. Directives/staffers, on the other hand, although they coincide with the member/clients in the aforementioned points, they have a more comprehensive and long-term vision about buen vivir. For instance, the generation of a savings culture through the responsible consumption of economic and natural resources challenges the current system where consumption is encouraged. Additionally, the revitalization of the economy is perceived not only as a way to create local opportunities but also to redistribute income with equity criteria. Finally, they also recognize the importance of developing local leadership to achieve an effective exercise of buen vivir where local views are taken into consideration.

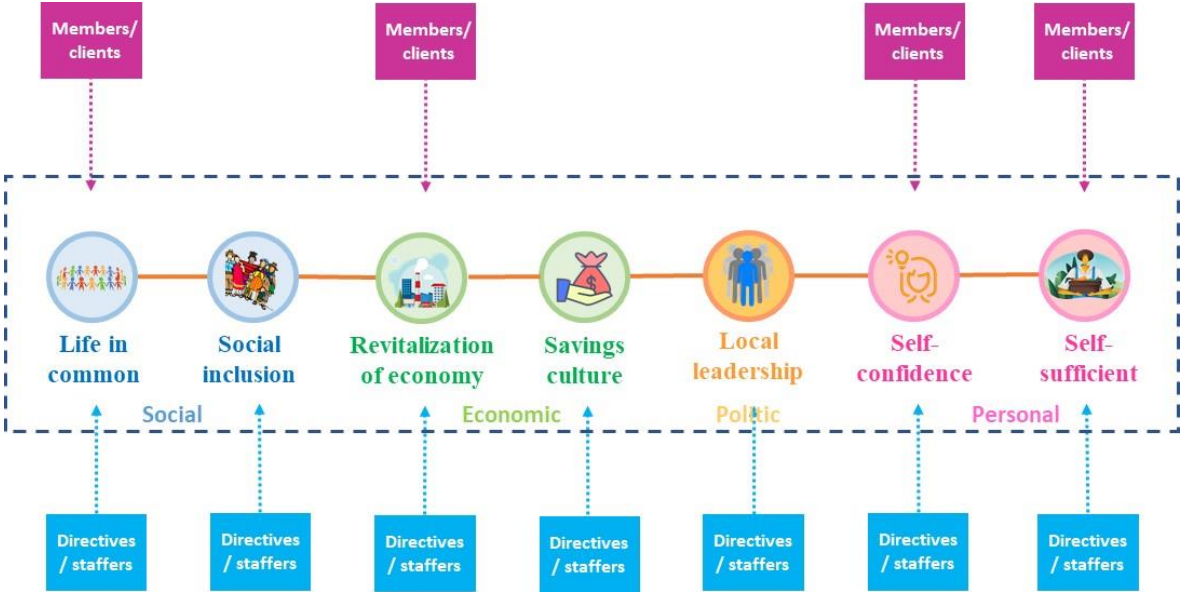


Figure 5. What buen vivir means for members/clients and directives/staffers of Jardín Azuayo. Own elaboration

As mentioned before, the difference between these two groups lies in their degree of involvement with the Cooperative Jardín Azuayo. Additionally, all directives and collaborators of Jardín Azuayo interviewed have attended the Educoope program, while most of the member/clients have not done so. This indicates the importance of cooperative education to transmit and involve members in the philosophy of the cooperative movement to create a more just and solidarity society as has been pointed out by the International Cooperative Alliance (International Cooperative Alliance, n.d.).

The following section elaborates on the findings regarding the social, economic, politic, and personal spheres identified during this research.

1. The social sphere of buen vivir

It is related to helping and sharing in an equality framework oriented to the search for opportunities for all. Three elements emerged as part of this sphere for rural communities: life in common, and social inclusion.

1.a. Life in common

It is based on an ethical principle of solidarity in which cooperation prevails over the competition allowing communities to improve their quality of life (Putnam, 1993). In this regard, one of the interviewees is very clear about it:

(a better world is that) in which we are solidary. When we are facing a supportive, cooperative society, we are already improving our quality of life (...) I consider that we are social beings and logically being able to work and to build a world through this (cooperative) society, it is much better. (Andrés, personal communication, April 27, 2019)

Cooperation, thus, is not understood as the search for external opportunities that may result from a mutual interest in competitive terms, but in reciprocal relationships that allow communities to solve their livelihoods through new ways of organizing the economic activities and face existing difficulties and challenges. In this regard, an interviewee in Sígsig says:

...if we think of an alternative solidarity development, this means that we can all have a balanced, equitable standard of living based on our living conditions that allow us to meet our needs. Therefore, we must think, and the Cooperative has made us think a lot, that we must support each other so we can have this new alternative to development. That is, if my neighbor produces food, I buy it from him or her, and the neighbor invests in the services that I provide (Cristina, personal communication, May 2, 2019)

So, here, the phrase ‘sort it out as best you can’ does not apply. What is behind Cristina’s words is the notion that cooperation, mutual support, amplifies individual options, but more so that collaboration is based on exchanges between equals.

Cooperation also gives way to other forms of organization that promote relationships of reciprocity rather than competition, where its members seek for mutual benefits that go beyond the maximization of profit as the ultimate and priority goal of their actions (Utting, 2015). This means an economy far from the free market doctrine in which competition is the norm as pointed out by Elena from Sígísig:

...it hinders local development when some people act from the individualism. That has happened sometimes. If a new business, a bakery, for instance, opened here, and another person opened another one close by began selfishness among the owners. (They compete), instead of strengthening their skills, strengthen each other through the creation of an organization of bakers. That is when local development begins. (Personal communication, May 1, 2019)

This context of collaboration and collective work, characteristic of SSE, creates a favorable environment to activate the knowledge, skills, and resources of the actors involved that can support collective learning processes. There is, therefore, the notion that mutual support is key to moving towards a more integral local development in tune with buen vivir. This integrality is also reflected in the tranquility and happiness that is perceived come from a life in common, as expressed during the focus groups held in Paute:

(cooperating) is important because it teaches us to live better. (...) I can have mansions, or I can have money, or I can have anything, but if I do not live with others, I do not interact with others, I will not have a happy life or a quiet life. (Personal communication, May 20, 2019).

The yearning for harmony that expresses this quotation recovers the idea of well-being in a broader sense transcending the limitations of material consumption and reclaiming affective aspects. Here is where family, community and buen vivir come together because the last highlight the need to care and nurture life, that of oneself, that of others, in an environment of coexistence and mutual support. Hence, there cannot be a full, cooperative life on the

sidelines of the family; communities cannot aspire to have buen vivir if the families are not well. One of the participants in the focus group in Paute expresses it this way:

...having the expenses covered, in my case, the pensions for the education of my children improve the quality of life because there is well-being in the family and there is peace of mind. When the economic situation is not good, there is a discomfort in the household, there are problems, sometimes we have a lousy character, and we are in a bad mood. (Personal communication, May 20, 2019)

Thus, the household economy plays a vital role in communities' buen vivir, not only because it allows to cover the needs of the family, but because of the peace of mind it offers, which in turn improves community relationships. Hence, money does not count so much, but what it can do for people's lives.

Given these findings, coexistence without misery, with a minimum of necessary things without these becoming the final goal, and the inclusion of considerations related to the sense of own well-being as well as of the community is the desired and possible vision of buen vivir for rural communities in Azuay. Under these assumptions, the improvement of living conditions is multidimensional because it implies security conditions, satisfaction of basic needs, and real possibilities for the projection and accomplishment of desires.

1.b. Social inclusion

Buen vivir demands equality which resonates with the desire of a more equitable society where different '*social groups are equal because they are all people and everyone has the same rights and opportunities*' (María, personal communication, May 17, 2019). Thus, coexistence as a guiding principle of buen vivir is extended from the family and community to include the others; those groups marginalized by their age, sex, religion, ethnicity, gender, disability or nationality. However, this coexistence will be possible as long as there are conditions, consensus, and willingness to include everyone in order to achieve harmony in the community as expressed by one of the interviewees in Paute:

It is good that we think of people, in each one, but it should not be individualistic, but including families, including communities, including towns, cantons. Because sometimes we are very individualistic, each one wants to work for himself and does

not care about the other. However, if we organize the people and see that we are all necessary and that organization is strength, things would change, people would be better, we would not be so pessimistic, so individualistic. (Jaime, personal communication, May 13, 2019)

Despite the optimism in this quotation, the reality is different. Within the communities some groups are suffering from discrimination for whom the pursue of buen vivir becomes even harder. Ironically, some of this groups are indigenous for which the structure and group dynamics within the communities constrain their ability to actively participate in the construction of the communities' buen vivir, which means their points of view are left aside. About this topic María, from Nabón, comments:

...here, there is a marked difference between the indigenous and mestizo cultures. Mestizos, depending on where they live, are increasingly an elite social class; so, those who live in the center (of the cantonal capital) is like they are at the top of the pyramid, those who live farther are lower and so on until the indigenous people are at the base. I always saw that, and it bothered me. (Personal communication, May 17, 2019)

This is the reason why buen vivir is important. People recognize that the current system is not working for everybody and yearn for something better, even if they are not part of those who are struggling more.

Buen vivir must, therefore, be collective and must be built that way. For Luis Macas (2010), historical leader of the indigenous movement in Ecuador, the objective of this collective construction is to recover and develop life systems of their own that allow decolonization of thought and development by including notions different from Western classical development. In this sense, the goal is for everyone to go together, without anyone being left behind which can be achieved through social networks and the norms of reciprocity and trustworthiness.

Therefore, from the perspective of rural communities in Azuay, buen vivir can be translated as a 'good co-living,' a good society for all with internal harmony.

If communities want to accomplish buen vivir, it is also essential that its members have the necessary confidence to design and implement the required changes, such as solidarity and

social economy. In this regard, factors such as self-confidence and self-sufficient – as explained below – becomes critical in the communities' definition of buen vivir.

2. The personal sphere of buen vivir

Two criteria emerged during the fieldwork, self-confidence, and self-sufficient, as factors that encourage individual determination and the capacity to exercise control over one's own life.

The situation of economic and social disadvantage that exists in rural communities, described in Chapter 3, coupled with a context of discrimination in which it is perceived that opportunities are linked to the economic factor, affect how people see themselves and their ability to generate real changes that allow them to improve their quality of life as is described in the next quotation from an interviewee in Sígsig:

I used to think that things were not possible for everyone, that if someone had a business or if someone can study or manages to do certain activities or to have a job, all these things depended a lot on their economic condition and that's why one felt a little more limited. (Luis, personal communication, May 1, 2019)

The lack of self-esteem is why factors such as self-confidence and self-sufficient are important because they foster a sense of acceptance, self-worth, and effectiveness that allow people to be able to adjust to the transitions they experience throughout their lives and do something to accomplish what they want for their future. In a study made by Hoinle, Rothfuss & Gotto (2013) with women living in favelas in Brazil, it is clear the role of self-confidence and self-sufficient in the appropriation of their own lives. When someone trusts in his or her abilities, there is a feeling of being able to shape the future. In this regard, one of the respondents in Paute comments:

Before, I didn't have so many pigs, or guinea pigs, or chickens because I didn't have that initiative and the idea of emerging, of getting ahead or maybe thinking about what I'm going to need in the future because you don't think about the future. (Susana, personal communication, May 10, 2019)

According to what was mentioned in this interview, the lack of perspectives in the future does not allow them to look beyond the daily activities they need to perform in order to secure

their survival. Besides, there is a sense of undervalue regarding their abilities and experiences which undermines people's ability to reclaim a space in the construction of buen vivir. As Juan, from Sígsg, mentions, '*...we feel that we are useless, that we do not have the capacity to make a decision, to give an opinion, to do something for the rest, we think we are just one of thousands...*' (Personal communication, May 2, 2019)

Regardless of the sense of defeat in previous quotation, Juan adds next:

So, I think it's time to start putting our feet on the ground and say let's start walking, but let's start by ourselves, to be autonomous and independent, where we are creators of our own rules, opportunities. We have to solve the problems because nobody else is going to do it for us. (Personal communication, May 2, 2019)

Therefore, people must believe that change is possible and act upon, actively looking for new options to support their survival. In other words, people must feel they can influence the outcome, that their opinion is taken into account, and that they can make a difference.

Self-sufficiency is also achieved in the economic aspect, allowing people to have enough means to meet their needs and improve their quality of life. In this case, economic self-sufficiency is not achieved through the accumulation of wealth, but through the reuse of surpluses. For example, at the end of the agricultural cycle, the farmers have a production that is used for family consumption and the excess (what they cannot consume) is sold. This money is used to meet the household needs or buy supplies for the next planting (land, fertilizer, better machinery), which help to increase next year's production, generating a greater surplus and higher family income. When these surpluses are not enough to cover their needs or acquire the necessary inputs, the farmers choose the credit, and the surplus of the production can be used to pay that debt.

Buen vivir, thus, means strengthening local capacities in which the exchange of information and knowledge can increase people's agency to plan and initiate action to achieve the desired effect, overcoming a sentiment of abandonment and low expectations for the future. This, in turn, fosters the generation of local entrepreneurship, that provides people with economic independence, allowing the satisfaction of needs.

3. The economic sphere of buen vivir

Through the analysis of the information collected, two important factors that contribute to the buen vivir of the localities were identified: revitalization of the economy and savings culture.

3.a. Revitalization of economy

The economy, for buen vivir, is the set of productive and reproductive activities that are subordinated to a communitarian social and environmental balance. In this sense, the objective is not to get rich, but that the economy supports life in fullness in a context of respect for nature (Pacha Mama) and in which no one is left out of the economic system, which in tune with social and solidarity economy. The general interest, therefore, is the success of each one of the existing businesses in the community and the consumption of local goods and services as Cristina expresses during the interview conducted in Sígsig:

...develop mutually in solidarity, supporting each other financially. I support my neighbor, and my neighbor supports me. If a venture is created, I do not consume outside. I prefer to consume locally because that allows the creation of sources of employment, improves the quality of life of people and also permits to spend in the service I provide, also improving my quality of life. In other words, (development) means mutual support. (Personal communication, May 2, 2019)

The idea in this quote contrasts with the competitive logic of capitalism because the rivalry between individual businesses is not necessary. What this means is that while capitalism seeks to maximization of profit of those who own the productive assets where competition to place their goods is essential, social and solidarity economy's principle of reciprocity implies that communities which that participate in it, cultivate and develop the value of solidarity, being the strategy the maximization of solidarity to achieve satisfaction of basic needs and generating development processes (Coraggio, 2011)

Beyond the economic benefit that local consumption brings to the community and people, it also generates a process that permits people to come acquainted about local products and value them, which, in Cristina's words, *'will allow a better development, a better exchange*

not only financial but also of products and at the same time a better social situation'. (Personal communication, May 2, 2019).

What Cristina is referring to is that local consumption enables surpluses to be reinvested locally to increase productive resources, so that year after year, the scale yield increases. In other words, by investing the surpluses generated during one year in the production of the next one, the result, theoretically, will be higher than that of the previous year.

The result of the recirculation of money within the community is that locally generated wealth energizes internal economic processes, which in turn allows new productive investments, increases production, and creates job opportunities in the territory. The goal is to get out of the logic of voracious capitalism by providing steady economic incomes for all, helping the population to have a decent life that gives them peace of mind and time to share with the family. The provision of economic incomes for all also resonates with the literature on social and solidarity economy that mentions it reaches all citizens, ensuring the inclusion of the poor, of the excluded (Coraggio, 2011). In this regard, Pedro, in Nabón, points out:

...boost work in the community so that people do not leave, that they will not need to get their income elsewhere and that the economy begins to circulate internally. In a way, this will help keep the family together. (Personal communication, May 19, 2019)

In the same line, César, also from Nabón, adds, *'for me, it is not so much about money. For me is being with my family, talking, working, all together, between in-laws, brothers, brothers-in-law*'. (Personal communication, May 17, 2019).

Therefore, the desire of these communities is the construction of economic relations that are contingent and compatible with the real needs of the locality, where solidarity plays a significant role. Additionally, people seek for an economy that enables them to spend time with their family.

3.b. Savings culture

In addition to the obvious aspect of encouraging the save of money in a financial institution, in this case, Jardín Azuayo, which allows to face unforeseen situations or, as in the previous section, reinvest the surpluses to increase production, there is another element related to the savings culture. That is the responsible consumption of goods and resources.

The first aspect, saving money, also involves training people on how to manage their finances, as they often have no idea what their income or expenses are. Thus, the Educoope program has a module aimed at personal finance whose objective is to provide participants with the necessary tools to manage their money, encourage savings and responsible consumption (Educoope, 2019). This is explained by one of the interviewees in Paute:

...through Educoope, what we are trying to do is to encourage people into the savings culture (...) In the organizations in which we are (working), through the theme of family finances, we have tried to insert these issues. Many people say, 'we don't have money to save,' but with them, we have done a drill to see their income and expenses so that they can plan better their finances. The idea is that they also get involved in a savings culture. (Teresa, personal communication, May 21, 2019),

Financial education not only allows them to manage their meager family finances better, but at the same time gives them responsibility and financial education, enabling them to come acquaintance with the financial system so they can make better decisions about savings, credit, and investments to improve their finances.

The other element that is part of this sphere is responsible consumption. What the interviewees mentioned about it is the need to be aware of the effort it takes to earn money and therefore the need to spend it wisely. This is shown in the following quote from an interview in Paute:

(The culture of savings advocated by Jardín Azuayo) also promotes the consumption of what is necessary, the use of what we really need. We have talked a lot about the needless expenses that are made, for example, in technology, that (sometimes people) need to buy the best cell phone, the best TV. We have tried to influence people to analyze the needs that are primary and secondary. With some members (of the Cooperative) we do have managed to generate that culture (of responsible consumption). (Teresa, personal communication, May 21, 2019)

To this Cristina, from Sígsig, adds:

...(development) is solidary when we do not become chronic consumers (but) we consume what is necessary and create products that really are useful. In other words,

that you see the utility of the good from the benefit it provides you, (and analyze if) it really was helpful for you, if you really used it, if you could really feel its benefit.
(Personal communication, May 2, 2019).

It follows that responsible consumption is linked to the value of use of goods (their usefulness to meet needs) because a good is valuable as a result of *'the utility of that product'* (Cristina. Personal communication, May 2, 2019) and not for its cost (exchange value). Precision is necessary at this point because although consumerism, in appearance, is also linked to the satisfaction of needs these are induced, and the exchange value is generally privileged over the value of use of the acquired good. Therefore, to achieve buen vivir, a change in consumption habits must be promoted, adjusting them to real needs.

It can be concluded then that what these communities are looking for is a solidarity economy whose objective is the construction of relations of production and exchange in a system in which equity and cooperation take precedence over the maximization of profit and accumulation. These are key aspects of achieving a (more inclusive) local development with a human face.

4. The political sphere of buen vivir

Buen vivir is an active process in constant construction. Therefore, its configuration depends significantly on the intervention of community members to shape it according to their interests. However, the articulation of the different visions about buen vivir that exist within the community requires leadership (Rojas, 2013). In this sense, leadership is understood as a process that involves influencing other individuals to achieve a particular vision (Hitt et al., 2006 as cited in Rojas, 2013). From the perspective of buen vivir, this leadership must allow the formation of a cooperative network of work formed by people motivated and committed to realizing the vision, transforming their reality.

It may be evident, thus, that in order to achieve the changes that buen vivir poses, it is necessary to have committed leaders who promote and put this vision into practice. Therefore, it is not enough to establish a goal and hope that the ideals generate action. It is necessary the presence of people who drive the efforts to achieve the objectives, as one of the interviewees expresses: *'if we want changes within a community, within a town, there*

have to be leaders who know how to take people forward' (Jaime. Personal communication, May 21, 2019).

Leadership, therefore, is not merely to manage a set of responsibilities; it implies coordinating and influencing the actions of others through democratic participation. In the case of the communities studied, this influence is exerted by the directives not only within the Cooperative but also in other spaces as Ana points out:

All the leaders who have been trained by Jardín Azuayo manage processes not only of the Cooperative but of the parish boards, of the drinking water boards and, I think, that some directives even have had the opportunity to be councilors here, of the Nabón canton. (Personal communication, May 19, 2019)

There is, thus, the possibility of replicating the knowledge, experiences, and the type of leadership exercise inside the Cooperative - democratic, and with a social vision - in other spaces of importance and influence within the community. In this regard, Jaime, during the interview conducted in Paute, says:

The replica is fundamental because they (the directives), having a better understanding of what leadership is, put it into practice in their communities. A good percentage of the Cooperative's governance body are leaders from other sectors (...), and I know that they have transmitted (this kind of leadership) in their organizations and that is a very good thing. (Personal communication, May 13, 2019)

As Jaime points out, this replica is possible because generally, those who are part of the Cooperative's governance body are also leaders within their communities which allow them to exercise their leadership in other spaces. Therefore, the way in which the Cooperative carries out the election of the offices' directives contributes to the localities to choose their best leaders, and, among them, the best to lead the highest cooperative government bodies such as the General Assembly, the Board of Directors and the Supervisory Board (see chapter 2). The Cooperative's general manager explains that this way of electing the cooperative government bodies has allowed them to achieve territorial representation in which information flows back and forth, generating 'a polycentric governing government' whose nodes constitute each of the offices. Thus it has been achieved that the government of the

Cooperative is not hierarchical but is constituted in a network, in which ‘in the locality, in the small space where people know each other, direct social control and a direct participatory democracy are developed’ (Juan Carlos U. Personal Communication, May 30, 2019).

As Jaime points out, this replica is possible because those who are part of the Cooperative’s governance body exercise their leadership in other spaces. Therefore, how the Cooperative carries out its elections allows the best leaders to be chosen, and, among them, the best to lead the highest cooperative government bodies such as the General Assembly, the Board of Directors and the Supervisory Board (see chapter 2). The Cooperative’s General Manager explains that it has allowed them to achieve territorial representation in which information flows back and forth, generating ‘*a polycentric government*’ whose nodes are each of the offices. Thus, the government of the Cooperative is not hierarchical, but it is a network, in which ‘*in the locality, in the small space where people know each other, direct social control and direct participatory democracy are developed.*’ (Juan Carlos U. Personal Communication, May 30, 2019).

It is this direct participatory democracy, in which the Cooperative’s members participate in the decision-making process, and the information reaches all levels, which local leaders take as an example to implement in other organizations. In this way, there are changes in the way leadership is understood, generally exercised as a way to obtain personal benefits, towards one that encourages and motivates the participation of the group. Luis, from Sígsig, illustrates this point as follows:

It is key that the leader in charge of an organization, and the people who are part of it, know how leadership works. That helps, for example, when the leader has a different conception of his role, he can rectify, and those around him also are able to recognize when things are not being done well, or, if they are being done well, support their leader. That has helped the strengthened of organizations. (Personal communication, May 1, 2019).

Therefore, local leadership is vital for the buen vivir of the communities to the extent that it demands and makes visible the opinion of each of the members of the community to achieve a consensual project through democratic and participatory processes. In this sense, the leader exercises his function through the participation of the members of the community, which

mobilizes them and increases his commitment towards the achievement of the common objectives

Through all these four spheres, one can see that rural communities understand buen vivir as a human-centered approach because it is not about the accumulation of wealth and of material goods, but about the importance of a life in community that allows inclusion through an economy based on solidarity and responsible consumption. In this regard, the economy is subordinated to other aspects such as the social and affective aspect that become essential in communities' description of the quality of life.

4.3. Contributions of Jardín Azuayo to the communities

This section answers sub-question three by exploring the contributions of Jardín Azuayo to the communities' buen vivir. First, the contributions of Jardín Azuayo are categorized for members/clients and directives/staffers; then a more detailed analysis of each of these contributions and how they support the construction of buen vivir is made.

4.3.1. Building Buen Vivir

The contributions of the Cooperative to buen vivir of the communities can also be classified according to the two groups identified. On the one hand, directives/staffers share the philosophy of the Cooperative about an alternative to development which allows a paradigm shift in which solidarity and cooperation play a central role in the improvement of the quality of life not only for their families but of society as a whole.

Member/clients, on the other side, refers to the contribution of JA in terms of the use they have done of the credits: productive ventures, acquisition of goods, and education. Figure 6 resumes these findings:

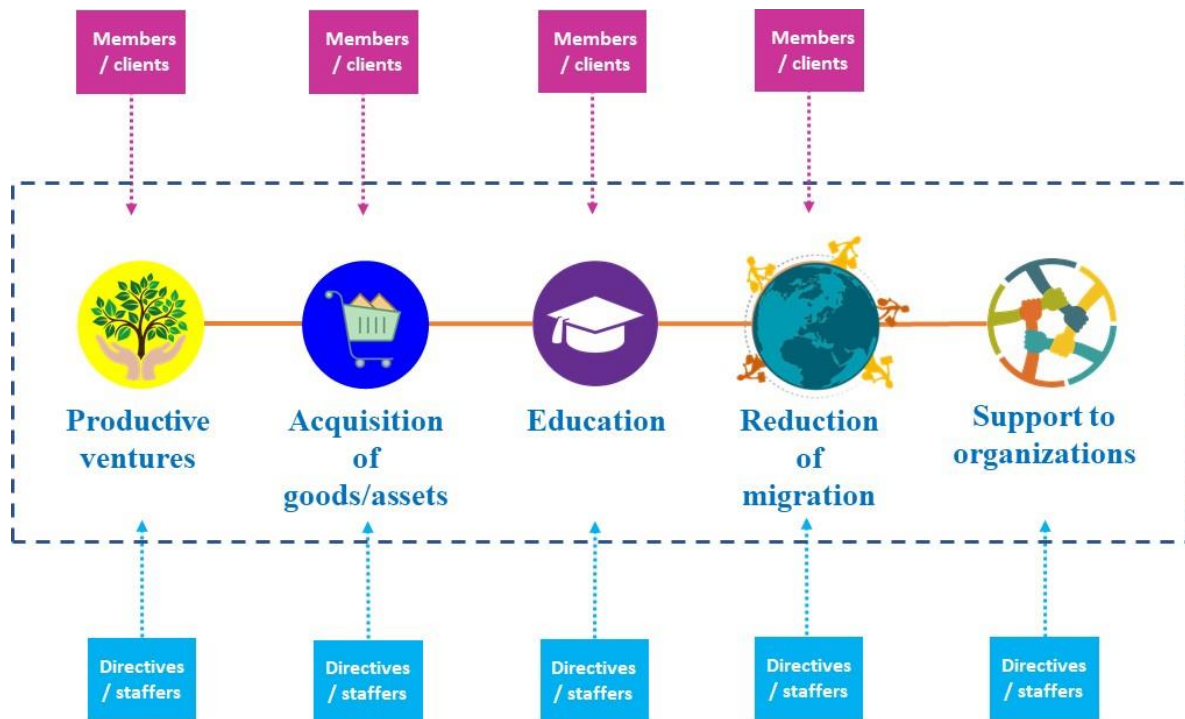


Figure 6. Contributions of Jardín Azuayo for members/clients and directives/staffers. Own elaboration

1. Productive ventures

It cannot be denied that behind the productive ventures lies an economic necessity. Therefore, the economic aspect also plays a role in buen vivir insofar as this development must be integrated and sustainable.

In the communities, people have invested their loans in small shops, whether to start it or to improve it, in the breeding of small animals, such as guinea pigs or chickens, or agricultural production. It has allowed people not only to improve their quality of life but to create local job opportunities which in turn helps to revitalize the economy. Marco explains it clearly:

Since the cooperative arrived in Nabón, it has given many benefits, many facilities to the residents. We have grown with the benefits, we have been able to move forward because before there was no income for the people, Nabón's economy was quite low. With the cooperative, we have access to credits and people have been able to implement business. In this way Nabón has been growing. (Personal communication, May 17, 2019)

The lack of economic activity generates unemployment, emigration and, therefore, diminution of human resources, economic inactivity, waste of natural resources, and even ecological destruction. However, it is also necessary to see beyond the economic factor to understand the impact of productive ventures in the territory:

- The transformation of the economic structure of the territory by investing local wealth which allows recirculation of money.
- The diversification of local productive activities which allows people to become more self-sufficient.
- The improvement of employment and the quality of life of the population.
- Greater dynamism of local productive activities.
- Greater social cohesion.

Furthermore, when the economy is embedded in social relationships, business activities assisted people's *buen vivir*. Therefore, the Cooperative has contributed not only at the economic level through the generation of income, democratization of property, efficiency in resources through economies of scale, but also to the construction of trust and social fabric in the communities, which makes it an instrument for the empowerment of the population as manager of their own progress and development.

2. Acquisition of goods/assets

Acquisition of goods or assets, such as housing, land, or farm tools, are not mediated by the desire to accumulate wealth, but their use-value. In other words, when investing their loans, people tend to think about how certain goods or assets can help them to satisfy their needs and, thus, they serve a useful purpose. Additionally, in case of an eventuality those assets are perceived as insurance for the family, especially children. In this regard, Elena, from Sígsig, says:

(I invested in land for) the stability. I have always thought that (many things) depend on the stability of the house. My parents always say: if something happens to us, you, as the older sister, (...) know we have this, this and this, (...) your siblings have to finish college, so you sell the assets, and you look after them. I still do not build my house, but I already have the land, (...) so if something happens to me, my children have something to support themselves. (Personal communication, May 1, 2019)

In this sense, needs should not be understood only in their physiological aspect, or ‘lack of something’ but as factors that engage, motivate and mobilize people to actively improve their quality of life. On this subject, another person in Nabón shares the next story ‘*People have begun to improve their houses by building another room so as not all of them have to sleep together or for separating animals from people. That is the improvement of the quality of life*’ (María, personal communication, May 17, 2019)

On the same topic, another person during the focus group in Sígsig adds:

A relative of mine didn’t have a house. Her income came from the toquilla straw hat, she requested a loan in the Cooperative for 1000 dollars and built her mudbrick house. Although she survives selling hats, she risked asking for a loan because the rate was low. (Personal communication, May 1, 2019)

Beyond the benefits for families' quality of life that means being able to acquire goods and assets, when it is mediated by responsible and local consumption, this also improves the community. As it was explained in section 4.2.1 Understanding Buen Vivir, the way people invest their money can help boost the local economy and, at the same time, fosters a culture of savings.

Through the promotion of productive ventures and acquisition of goods/assets, the core concern is to promote fair and dignified employment opportunities and equity which are translated into benefits for all, and not just for the most aggressive, entrepreneurial or well-connected individuals.

In this sense, the Cooperative through the savings and credits support the redistribution of wealth locally to the extent that the resources saved by the members recirculate within the localities, counteracting current economic system that siphons off local wealth, which allows the most depressed cantons to foster their economy.

However, ensuring that the local activation of the economy is beneficial for all, as well as the proper use of economic resources, education plays a central role, as explained below.

3. Education

Buen vivir directly involves residents as responsible for promoting and materializing this alternative. Therefore, buen vivir is not possible without an educational action aimed at making people, as protagonists of change, informed, trained, and motivated. In this sense, the Cooperative's contribution to the territories has been in two ways: first, through loans for education; and, second, through its program of cooperative education, Educoope.

In the first place, the Cooperative, as indicated by several of the testimonies collected during this investigation, has allowed its members to invest in their education and complete their studies:

... the support (of the Cooperative) can be seen. People have changed their lifestyle, their conditions. The majority (of adults) have not finished primary school, but now they already have the conditions so that their children can finish their studies. Almost all of them finish school, and even many of them go to university. These are things that years ago were practically impossible. (Luis. Personal communication, May 1, 2019)

I was studying a dental career, but I cannot finish it. I am now studying at the Universidad Técnica Particular de Loja. I am in the last semester; in August, I will graduate. I make a loan every cycle (to pay for the tuition fee) so thanks to the Cooperative I have been able to complete my studies. (Elena. Personal communication, May 1, 2019)

These stories are important because education allows for individual improvement and of each of the groups that make up the community, which impacts their quality of life. Besides, educational and social processes are intimately linked so that personal development also affects the social and cultural transformation of a given community (Nogueiras, 1996). Therefore, those who participate in developing buen vivir for their communities are the ones who are educated.

However, the type of education influences the kind of community processes. If education has an economic vision, it will train production agents, and the processes will be biased towards the financial aspect. If the view is humanistic, it will try to give people an integral preparation

where community well-being is essential. The last is what the Cooperative works to accomplish through Educoope; generate a critical awareness in their partners motivating them to develop a buen vivir for their people, as explained by the president of Jardín Azuayo:

(Educoope has been remarkable) because through education, we generate this (alternative) culture. There we understand the difference between a capital-centered society and a people-centered society. We involve people in the construction of a better world. (Personal communication, April 27, 2019).

In these words, it follows that the Cooperative's aim is not only financial but also political in the sense that it seeks to build a different society, a society based on buen vivir. In this construction, Educoope is key because the topics covered range from financial aspects to personal development. The latter, together with the family finance module, is the one that Educoope participants consider the most significant because it has allowed them to '*feel greater self-confidence*' (Cristina, personal communication, May 2, 2019

The family finance module, on the other hand, contributes to the creation of the savings culture, mentioned in section 3.b, through something as simple as better management of the household finances. Many families do not have a clear idea about their income and expenses, so teaching them how to make a budget allows them to plan better their finances.

Besides Educoope's contribution at a personal level, it has also had an impact at the community level because it fosters the idea of cooperation as a mechanism to improve the quality of life. '*If I join a group, I can go further; getting far alone is of no use to me, it is better to help each other, generating ideas (and) contributing among all.*' (Focus group - Paute. Personal communication, May 20, 2019).

That is, for the educational model to be aligned with buen vivir, it implies, among other things, learning of new techniques and different ways of doing, devise novel solutions, acquire new knowledge and a change in behavior. Also, buen vivir, as a process of community organization, requires that people obtain skills for group work and coexistence, with the capacity to dialogue, respectful of others, democratic, tolerant, pluralistic, optimistic and solidary. All of this, in a democratic environment in which the community participates from the consensus.

We can conclude then that for the Cooperative's contributions to the territories to be aligned with the different components of buen vivir, an education process is needed that drives this alternative. Otherwise, there is a risk that, for example, productive ventures will follow the logic of maximizing profit at any cost and the accumulation of wealth in a few hands, generating more deprived communities, which in turn can increase the rates of migration.

4. Reduction of migration

The cooperative's contribution has been in two aspects: one, through loans to the relatives of the migrants to cover their debts with the *chulquero*⁶; and two, discouraging migration through the generation of local opportunities, also through credit.

In the first case, in the province of Azuay has existed high levels of migration for decades, which has triggered a migratory industry consisting of *coyotes*⁷ and *chulqueros*. As reported by one of the interviewees, migrating illegally to the US costs around USD 15,000. Although several people stated that some have migrated with credits from the Cooperative, it is its policy not to finance this activity. Therefore, people generally declare in the credit applications the money will be used for other purposes, which is stated by a person during the focus group in Paute:

'People said that the loans they asked were going to invest in a business or a house, and in the end that money was used to travel (migrate). It is difficult to control. Although there is a follow-up (of the credits), there is such a diversion of funds. (We can say that JA) contributed, but it did not encourage migration.' (Personal communication, May 20, 2019).

The use of credits to finance migration was also verified during the fieldwork. The loan officer received a credit application for USD 15,000 to invest in greenhouses and tomato production. The CECCA technician was requested to follow-up this request because, for the amount, it was suspected that it would be used to migrate. During the visit to the lands where the investment was planned, it was discovered that two of the member's brothers had arrived

⁶It means usurer. Moneylender that lends the amount of money necessary to migrate at very high rates of interest, 10-12 percent compounded monthly, with all lands, animals and possessions of the migrant held as collateral

⁷A migrant smuggler who is paid by migrants to ensure their passage into the US

in the US just weeks ago. Additionally, the investment they claim would do was less than the amount of the loan requested. The technician concluded that there was a high probability that this person would use to credit to migrate, so it was recommended not to grant it.

When people realize they cannot access credit with the Cooperative to migrate, they turn to the *chulquero*. Having a debt with the *chulco* means, when the migration is not successful, the loss of family assets, placed as collateral, since the expected remittances will not arrive making even harder to pay the acquired debt. In these cases, the Cooperative grants credits to the relatives of the migrants, or the migrants themselves, to pay their debts.

Regarding this issue, there have been lengthy discussions within the Cooperative (Paciente V. Former Jardín Azuayo's General Manager. Personal communication, August 28, 2019). Migration is a fact and that a migrant does not reach his destination, or even if he does, means the debt with *chulquero* is a burden for the household economy because it exceeds their ability to pay. This means selling their few belongings or sacrificing the satisfaction of basic needs to cover that debt.

The second contribution of the Cooperative, favoring the reduction of migration, has been achieved through productive credits. Having access to loans and invest them in a business or productive venture not only is translated into access to employment for the household, but also other people in the community. For some of the interviewees, the existence of these alternatives has meant staying with their families in their localities. This has an impact on the affective aspect of their lives, as shown in the quotations below:

If there had not been that opportunity (to access credit), I would not have had that job, and then I do not know what would have happened; maybe I would have been another emigrant out of this country. (Luis. Personal communication, May 1, 2019).

(Investing in livestock helped) people to have a space to develop economically within their locality, so migration to other countries or from the countryside to the city is no longer necessary. (It has allowed to) families to consolidate where the father, the mother, the children (remains) together (and can) have a family project. (Arturo. Personal communication, May 17, 2019)

People acknowledge that migration still exists and in the last years it has been growing again. However, for some families, the credits lessen the continued pressure of having to seek income to support their family. Thus, the loan represents an economic aid, which allows the poor rural people to free themselves from the anguish of not being able to cover the needs of his family and helps him stay in his home community.

5. Support to organizations

Political interference in Ecuadorian cooperativism has excluded some people who cannot fulfill the requirements for a credit. To solve this situation, Jardín Azuayo has promoted and supported the creation of *cajas de ahorro* (community-based saving groups) where people pool-in their money, and then provide soft loans. The membership of the group is voluntary; the members deposit and pool their savings (per their capacity and affordability), and a record of individual's savings is maintained in a register. The interest rate for savings and credits are pre-defined via consensus.

However, the amount of money saved by the *caja* is usually not enough to cover for the loans its members need, and here is where the Cooperative comes into play, usually through an agreement with the *caja de ahorro*.

This agreement stipulates, among other things, the appointment, through a secret vote, of a credit committee which will be in charge of the analysis of the loan requests and deciding to whether or not grants them. The members of this committee are also in charge to get back the loans in case someone misses the payment date. To ensure that the members of the credit committee, as well as other members of the *caja's* governance body, are skillful enough to comply with their responsibilities, the Cooperative provides them with the financial formation needed which is later strengthened through the exercise of their daily activities. It also carries out training workshop to provide them with the necessary administrative knowledge and tools for the responsible management of the *caja*. César, who is also the president of one of these *cajas de ahorro*, explains it:

...in the community (the Cooperative) helped us to open the caja de ahorro and always has helps us since then. Since I became a member of the caja it is much better because I also learn a lot and our initial \$ 7,000-cajita it is already reaching \$ 20,000. This also motivates people. (Personal communication, May 17, 2019)

The *cajas de ahorro* provide a simple, transparent, cost-effective entry-level financial service for poor rural populations allowing the recirculation of local wealth and revitalization of the economy.

Additionally, the requirements for a loan are less challenging to accomplish than in the Cooperative because local trust, that comes from knowing each other and social network, plays a critical role when deciding upon a credit request as is commented by César:

... for example, a lady now has two cows, and she wants to buy manure to put in the grass and asks for a loan. As we know that with the sale of milk, she can cover her debt, we approved her credit. It is easier because no guarantor is needed. (Personal communication, May 17, 2019)

The quotation above also shows how *cajas de ahorro*, as part of solidarity economy, offers socially and geographically excluded groups the possibility of reintegrating into the productive sphere, fostering their micro ventures and acquiring their own income. It also allows them to have access to the Cooperative's economic resources, through the loans ask by the *cajas* to being able to cover its member's requests for credits. In this case, a part of its saving is held by the Cooperative as collateral.

Cajas de ahorro are an example of people's perseverance and agency because they open local spaces for action that gives rural people the possibility of deciding with self-determination the management of local resources. Besides, to the extent that members of a community form their *caja* and perceive the need to acquire knowledge and manage their own money, their self-esteem also begins to grow.

In summary, through the cooperation between the Cooperative and the *cajas* two thing as accomplished. First, since the former cannot provide its services in all the communities, especially small geographically isolated settlements, the *cajas de ahorro*, although autonomous, act as an extension of the Cooperative bringing financial services closer to poor excluded rural populations. Second, the *cajas de ahorro*, being an economic entity of the community, become a tool for buen vivir because they empower communities and their inhabitants by providing people with financial education and responsibility, as well as with

economic resources. With more economic independence, people can make their own decisions becoming more autonomous.

The five elements identified as Jardín Azuayo contributions to the localities do not work separately but are in a relationship of mutual influence; for example, productive ventures can decrease migration and foster education, as well as allow people to acquire goods and assets. However, improving the household economic situation usually represents the beginning, the reason to trigger empowerment processes in other areas.

Nevertheless, the Cooperative's contributions alone do not automatically translate into mechanisms that support the *buen vivir* of people and their communities, because, as explained in the next section, there are also conflicts and opposing views within the territories. For this reason, there must be educational processes, like those developed by Educoope, that sensitize local stakeholders about the importance of another type of economy, in this case, social and solidarity, and the participation and cooperation to achieve the desired change: a people-centered society which leads to benefits for all, and not just for the most aggressive, entrepreneurial or well-connected individuals. Therefore, through cooperative education, it is possible to articulate how people invest their credits with the elements identified as part of *buen vivir* (Figure 7).

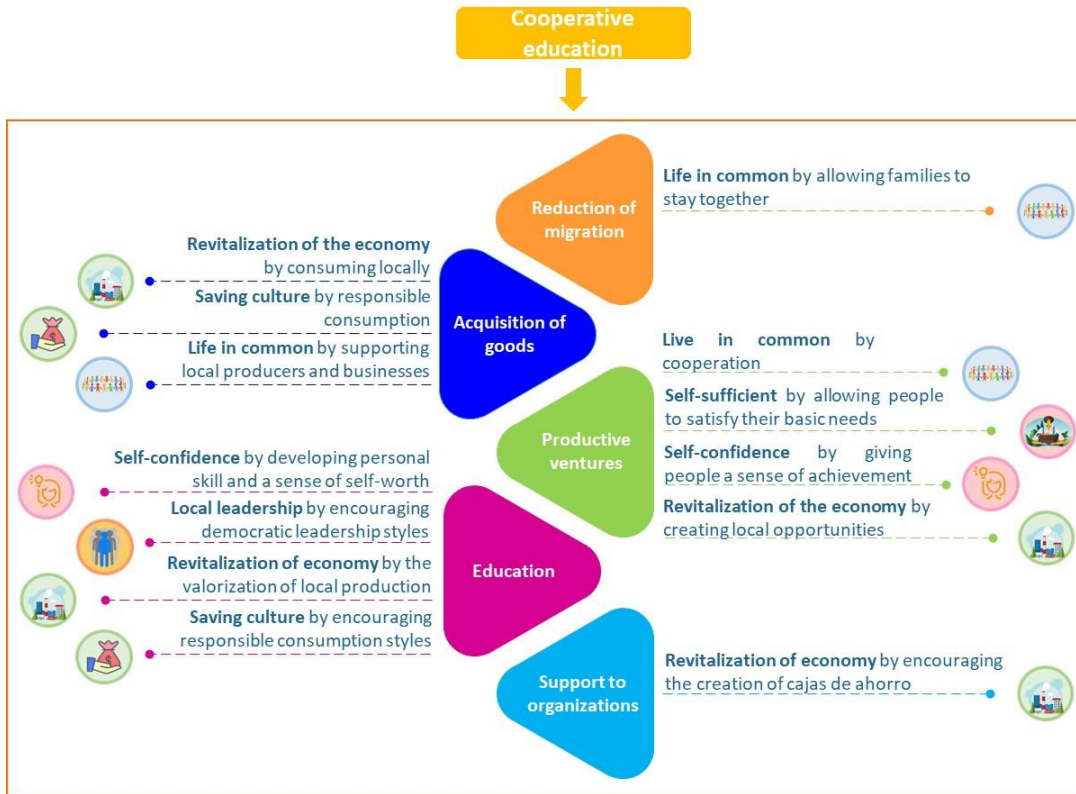


Figure 7. How Jardín Azuayo contributes to communities' buen vivir. Own elaboration

Reality is complex, and this report would not be complete if the conflicts and tensions that exist within the territories around the conception of buen vivir and the contributions of the Cooperative Jardín Azuayo are not considered. Next, some of these conflicts and their consequences for the buen vivir of the communities are analyzed.

4.4. Conflicts and tensions in the territories

Although it is undeniable the transformative role that the Cooperative has had in the territories, it cannot be denied that there have been moments of tension both inside and outside this Institution because the vision presented here does not represent the totality of opinions, life options, or the conflicts of interest existing in the communities.

In this section, three aspects that can jeopardize buen vivir are considered: leadership based on personal interests, consumerism, and a centralist culture:

1. Leadership based on personal interests

To begin, the consolidation of democracy and its quality presents serious problems in Ecuador. There is no institutionalized State, which triggers the presence of autocratic regimes, whose actors operate on informal institutions such as personalism, despotism, privileges, and chiefdom (cacicazgo). The latter is a form of exercise power in a personalist, arbitrary, and authoritarian way in which the cacique brings together clients who can mobilize according to their personal interests. This is what Luis explains in the following quote:

I know of a water board in which the president had been in that function for 20 or 30 years. People attended the meetings, but they did not participate, they simply listened to what the president said and did what he decided. That continues to happen in some organizations in which the leader takes advantage of his position for his personal benefit, does not participate in the activities, and only gives orders. It is done what he wants and decides (Personal communication, May 1, 2019).

The result of this thin line of separation between public and private spheres is the emergence of cases of corruption or lack of ethics. In the Cooperative, these types of leaders have sought to favor family or friends with credits or positions within the Institution or have used the Cooperative as a political springboard as mentioned by one of the interviewees in Nabón.

These actions not only jeopardize the construction of that common life longed for by the majority of the interviewees because the individual interest on the collective prevails, but it represents a type of leadership contrary to the democratic and participatory one that is promoted within the Cooperative.

According to the former Cooperative's General Manager, the way this has been counteracted is through social control and an election system with secret ballot (which avoids the pressure of the caciques). Besides, directives can only be re-elected immediately once, after which they must wait a period (4 years) to re-aspire to be part of the cooperative government. Additionally, institutional values have become part of the organizational culture and are defended by the majority (employees and directives). It also has been insisted that all members, regardless of their functions, have the same rights and duties. Of course, this does not mean that there are no those who row against the current, but there has been zero tolerance

towards dishonest behaviors contrary to cooperative's values. For instance, there have been cases where employees have used their position inside the Cooperative for their benefit (e.g., charging members with non-authorized commissions for their transactions) which prompted an investigation which led to dismiss those involved (Vázquez et al., 2017)

Tensions for leadership have also occurred between directives and the administrative side of the Cooperative. Due to the delicate nature of the Cooperative, managing its members' saving, its success requires professionals in the executive functions. As a result, the processes to generate new services or administrative tasks are carried out without directives participation.

Consequently, directives get the information through the administrators, which in some occasions has put the former in disadvantage to exercise their functions. This situation is especially true in those offices where the coordinator has a predominant role and executes activities beyond his field of action, such as organizing everything related to the directives or the appropriation of their subordinates' responsibilities. This situation was evidenced during the participatory observation in which one of the coordinators moderated the Educoope study assembly, relegating the cooperative educator to a secondary role.

Democracy is based on a conception of the human being as an agent, so all these practices delegitimize it to the extent that they transform human beings into a subject dependent on others' will.

2. Have more to be more

The model of hyper-consumeristic societies in which the value of the individual is based on his material possessions by direct comparison with neighbors and friends has permeated the local imaginary. At the same time, there are other financial institutions, including cooperatives, that feed this imaginary through the delivery of credit cards without considering people's ability to pay. In Teresa's words:

... while we (in Jardín Azuayo) foster a savings culture, not to fall into over-indebtedness, the aggressive competition (from other institutions) are offering credit cards. Right now, in Paute credit cards are on the rise, although there are few places where you can pay with them, unlike Gualaceo or Cuenca. (...) Some people have

limited borrowing capacity and already have credit cards with large debts. That is worrisome because (...) (these institutions) encourage the use of the credit card with promotions that, if you buy \$ 300, we give you a free vacuum cleaner. So, the little we have achieved, they are destroying it.

Ans, she continues:

... it is the fashion of consumerism. Financial institutions give them (credit cards) regardless of whether (the person) is illiterate or a professional. (...) There are people that we have given small credits because their payment capacity is low, but we see them with cards with USD 800 with USD 1000 of consumption. And that later they come here to ask for a credit because they can no longer pay the credit card debt. (Personal communication, May 19, 2019)

These quotations show that not all cooperatives, because they are called that way, comply with the principles that should govern them, but that they are managed under a logic in which the profit prevails.

Another aspect that has contributed to exacerbating consumerism is migration. Its impact has been extensively analyzed in other studies in which family members who receive remittances have changed their consumption patterns. These changes affect traditional ties of solidarity by deepening socio-economic stratification, which in turn alters social cohesion and the local value system. This was stated during the focus group in Paute:

... there is competition even within families for who has more, the best car, the biggest house, who has a new cell phone, a watch or new clothes. It is a competition where the affective part is left aside. (Personal communication, May 20, 2019)

Everything that has been noted summarizes the context of conflicting views on what it means to have buen vivir in which the Cooperative operates. In addition, one realizes that the culture of savings, expressed as part of buen vivir, is a process in construction and must be continuously reinforced to counteract the permanent bombardment, through advertising and other financial institutions, of the idea that it is necessary to consume more to be happy.

3. Centralistic culture

One of the most important concerns in the communities subjected to this research is education. As mentioned earlier, several people have used credits for their studies or those of their children with the desire that upon completion, they will return to their communities to foster their development. This has not always been the case.

The lack of job opportunities and the better quality of life offered by the city means that most professionals look for opportunities in Cuenca and that they desire to live in that city. This yearning is stated by one of the interviewees, '*... my illusion, my dream was to look for a job in Cuenca. For a while, I was working in an accounting assistant hotel, and my idea was to stay in Cuenca.*' (Teresa, personal communication, May 19, 2019).

This reality points out another point of conflict. The rural cantons do not offer attractive opportunities, either at the educational level, nor at the labor level, which generates, first, that children and young people, often alone, migrate to the city to finish their studies, and, once there, they seek to stay. This accounts for a different migration from those looking to be employed in the construction or informal activities (informal vendors) sectors, as this is usually temporary, while the lack of options to develop their career in their places of origin makes that the most qualified professionals are established in the city, thus existing a brain drain, hindering local development.

This brain drain has made it difficult, for example, to hire local professionals for the Cooperative's offices in the territories. To solve it, the Institution carries out an induction program that lasts three months and provides continuous training so that employees can properly perform their duties.

Despite all these efforts to train and develop people's potential, the centralism suffered by the cantons in relation to Cuenca also has an inertia effect on behaviors both in the Cooperative's General Coordination in Cuenca and its local offices. On the one hand, most office coordinators expect everything to be resolved in Cuenca and that any change or initiative comes from there. On the other hand, in the General Coordination, some reinforce this behavior upon consideration efficiency above all, favoring quick decisions to the detriment of processes in which arrangements are agreed. This view contrasts with another trend, also within the General Coordination, in which, although it takes more time, the

participation of the offices is sought to make decisions democratically. The former Cooperative's General Manager expresses this tension within the Cooperative next:

There is a permanent conflict between the General Coordination and the offices. We have always tried the exercise of their rights by the offices, but there is a concern in a part of the General Coordination that makes them think giving autonomy to the offices means that they are going to revolt. Besides, there is a management notion in which decisions must be made quickly, and, therefore, vertically, because, in terms of time, it is more efficient. What we are looking for are consensual decisions, with the participation of all, which, although they take longer, have a higher value. (Paciente V. Personal communication, August 28, 2019)

In summary, the importance of education cannot be denied in the achievement of buen vivir that the communities studied yearn for and the improvement of people's quality of life. However, higher levels of education generate new migration processes towards the city. Additionally, there is a strong impact of the centralist culture that inhibits the offices from participating in the decisions of the Cooperative, although there are also people who see democratic participation the best option to reach consensus.

What is expressed in this chapter's last section shows the diversity of ways of exercising leadership and conflicts of interest within the communities. This accounts for the heterogeneity of the stakeholders involved in the construction of buen vivir and the difficulty of reaching agreements when these visions are opposed. It also points out that not everyone within the Cooperative shares its vision about democratic participation, which influences how these processes are carried out in the territories. However, in the balance sheet, the Cooperative has made significant contributions to the localities transforming them not only economically, but also socially.

Chapter 5 Conclusions

The devastating social consequences of market fundamentalism have driven, in response, new forms of social mobilization and a greater awareness of the environmental, social, and economic unsustainability of that model.

This awareness has promoted changes in the ways of producing, consuming, exchanging, and financing, different from capitalism. The rural communities subjected to this research are proof of that because their understanding of development is more in line with the concepts of *buen vivir*, rather than those focused on economic growth. In this regard, they seek for a small-scale local economy, based on exchanges between peers, that encourages the recirculation of economic assets and aims to create closer social ties.

These social ties, in turn, are strengthened by the elements of life in common, usual in Andean rural communities, such as mutual support and cooperation that seek for opportunities for all and act as embryos of a more just, democratic and sustainable economy. That is, goods and services necessary for a dignified life are produced and distributed, taking into account the limitations of nature and linking social, political and economic actors with personal factors such as self-sufficient and self-confidence.

There is, therefore, in *buen vivir* personal and social dimensions as well as the economic, but the latter is only one more element among others that facilitate the construction of *buen vivir*. In this sense, the credit and savings services provided by the Cooperative, beyond its financial function, are seen as mechanisms of democratization of access to economic resources. Its purpose is not to be simple instruments of accumulation and concentration of wealth, but instead, they play a role in supporting the productive apparatus, income distribution and redistribution of local wealth by allowing domestic recirculation of money and revitalization of the economy. The credits granted by Jardín Azuayo, thus, have served to invest in productive ventures, acquisition of goods or assets, and education whose ultimate goal is the satisfaction of human needs and not personal enrichment.

The elements that are part of *buen vivir* range from personal awareness to forms of collective organization with visions of a just society and economy.

Jardín Azuayo's interest is that people and communities display their potential, that they have more power, more decision-making capacity, more autonomy.

How communities' vision about buen vivir is articulated with the use they make of the credits and Jardín Azuayo's interests is achieved through processes of cooperative education that foster for an alternative to development based on solidarity, cooperation, and community organization.

It should be noted, however, that not all people participate in the same way and do not share the same vision about buen vivir, so there are tensions and conflicts in the communities. However, this research intends to point out Jardín Azuayo's contributions to local development, in which cooperation and solidarity facilitate access to resources to build positive-sum power, in the sense of being able to choose and make strategic decisions about what is buen vivir for rural communities in Azuay.

References

- Acosta, A. (2008). El Buen Vivir, una oportunidad para construir. *Debate*, 75, 33–47.
- Acosta, A. (2013). El Buen Vivir, Sumak kawsay: una oportunidad para imaginar otros mundos. *Revista de Economía Mundial*, 33(265–269).
- Alvaredo, F., Chancel, L., Piketty, T., Saes, E., & Zucman, G. (Eds.). (2018). *World Inequality Report 2018*. Cambridge, USA: Belknap Press of Harvard University Press.
- Banco Central del Ecuador. (2019). Bases de datos - Remesas. Retrieved September 13, 2019, from <https://contenido.bce.fin.ec/documentos/Estadisticas/SectorExterno/BalanzaPagos/Remesas/indice.htm>
- Basu, S., & Mallick, S. (2007). When does growth trickle down to the poor? The Indian case. *Cambridge Journal of Economics*, 32(3), 461–477. <https://doi.org/10.1093/cje/bem053>
- Bateman, M. (2007). Financial cooperatives for sustainable local economic and social development. *Small Enterprise Development*, 18(1), 37–49.
- Bonal, X. (2007). On global absences: Reflections on the failings in the education and poverty relationship in Latin America. *International Journal of Educational Development*, 27(1), 86–100.
- CEPAL. (2018). *La ineficiencia de la desigualdad. Síntesis*. Santiago, Chile. Retrieved from https://repositorio.cepal.org/bitstream/handle/11362/43566/4/S1800302_es.pdf
- Chambers, R. (1994). Participatory Rural Appraisal (PRA): analysis of experience. *World Development*, 22(9), 1253–1268.
- Coraggio, J. L. (2010). La economía popular solidaria en el Ecuador.
- Coraggio, J. L. (2011). Economía social y solidaria. El trabajo antes que el capital. In A. Acosta & E. Martínez (Eds.), *Economía social y solidaria. El trabajo antes que el capital* (pp. 33–41). Quito, Ecuador: Abya-Yala.
- Coraggio, J. L. (2013). *La presencia de la economía social y solidaria (ESS) y su institucionalización en América Latina*. Retrieved from [http://www.unrisd.org/80256B42004CCC77/\(httpInfoFiles\)/6C316ABB64A13A7CC1257B720034103A/\\$file/JL_Coraggio.pdf](http://www.unrisd.org/80256B42004CCC77/(httpInfoFiles)/6C316ABB64A13A7CC1257B720034103A/$file/JL_Coraggio.pdf)
- Dabla-Norris, E., Kochhar, K., Ricka, F., Suphaphiphat, N., & Tsounta, E. (2015). *Causes and Consequences of Income Inequality: A Global Perspective*.
- DeWalt, K., & DeWalt, B. (2002). *Participant observation: a guide for fieldworkers*. Walnut Creek, CA: Altamira Press.
- Escobar, A. (1995). *Encountering development: The making and unmaking of the Third World*. Princeton, USA: Princeton University Press.
- Esteves, A. M. (2015). Decolonizing livelihoods, decolonizing the will: solidarity economy as a social justice paradigm in Latin America. *The Routledge International Handbook of Social Justice*. New York, USA: Routledge. <https://doi.org/10.4324/9781315857534.ch6>

- França Filho, G. C. de, Silva Júnior, J. T., & Rigo, A. S. (2012). Solidarity finance through community development banks as a strategy for reshaping local economies: lessons from Banco Palmas. *Revista de Administração (São Paulo)*, 47(3), 500–515.
- Fraser, E. D. G., Dougill, A. J., Mabee, W. E., Reed, M., & McAlpine, P. (2006). Bottom-up and top-down: Analysis of participatory processes for sustainability indicator identification as a pathway to community empowerment and sustainable environmental management. *Journal of Environmental Management*, 78(2), 114–127.
- Fuchs, S. (2001). Beyond Agency. *Sociological Theory*, 19(1), 24–40.
- GAD Nabón. (2014). *Plan de ordenamiento territorial del Cantón Nabón. Diagnóstico y diagnóstico integrado*. Nabón, Ecuador.
- GAD Paute. (2015). *Actualización del Plan de Desarrollo y Ordenamiento Territorial del Cantón Paute. Diagnóstico por componentes e integrado*. Paute, Ecuador.
- GAD Sígsig. (2015). *Actualización del plan de desarrollo y ordenamiento territorial del cantón Sígsig*. Sígsig, Ecuador.
- García Sánchez, A. (2015). *Economía de la migración. Decisiones con respecto a los usos dados a las remesas en dos cantones de la Sierra Andina ecuatoriana: Paute y Saraguro*. Universidad de Murcia.
- Gómez Aparicio, P., & Miranda García, M. (2007). Las sociedades cooperativas dominicanas como agentes de desarrollo territorial. *Cooperativismo y Desarrollo*, 91, 80–101. Retrieved from <http://eprints.ucm.es/10626/>
- Greenwood, D. T., & Holt, R. P. F. (2010). Growth, Inequality and Negative Trickle Down. *Journal of Economic Issues*, 44(2), 403–410. <https://doi.org/10.2753/JEI0021-3624440212>
- Gudynas, E., & Acosta, A. (2011). La renovación de la crítica al desarrollo y el buen vivir como alternativa. *Utopía y Praxis Latinoamericana*, 16(53), 71–83. Retrieved from <https://www.scopus.com/inward/record.uri?eid=2-s2.0-80053077047&partnerID=40&md5=68d38c244602a9094ac7a24fc1b5da04>
- Gutberlet, J. (2009). Solidarity economy and recycling co-ops in São Paulo: micro-credit to alleviate poverty. *Development in Practice*, 19(6), 737–751. <https://doi.org/10.1080/09614520903026892>
- Hardoon, D., Ayere, S., & Fuentes-Nieva, R. (2016). *An Economy for the 1%*.
- Hennink, M., Hutter, I., & Bailey, A. (2015). *Qualitative Research Methods*. SAGE Publications.
- Herrera, G., & Martínez, A. (2002). *Género y migración en la región sur*.
- Hoinle, B., Rothfuss, R., & Gotto, D. (2013). Empoderamiento espacial de las mujeres mediante la Economía Solidaria. *Cuadernos de Desarrollo Rural*, 10(72), 117–139.
- Hossein, C. S. (2013). The black social economy: perseverance or banker ladies in the slums. *Annals of Public and Cooperative Economics*, 84(4), 423–442.
- INEC. (2010a). *Censo de Población y Vivienda*. Retrieved from <http://www.ecuadorencifras.gob.ec/base-de-datos-censo-de-poblacion-y-vivienda/>

- INEC. (2010b). *Resultados del Censo 2010 de población y vivienda en el Ecuador. Fascículo provincial Azuay*. Retrieved from <https://www.ecuadorencifras.gob.ec/wp-content/descargas/Manu-lateral/Resultados-provinciales/azuay.pdf>
- International Cooperative Alliance. (n.d.). Cooperative identity, values & principles. Retrieved September 13, 2019, from <https://www.ica.coop/en/cooperatives/cooperative-identity>
- Jardín Azuayo. (2008). *Plan estratégico 2009-2013*. Cuenca, Ecuador.
- Jardín Azuayo. (2013). *Plan estratégico 2014-2018*. Cuenca, Ecuador.
- Jardín Azuayo. (2017a). *Balance social 2017*. Cuenca, Ecuador. Retrieved from <https://www.jardinazuayo.fin.ec/coacja/web/balance-social-2017-coac-jardin-azuayo>
- Jardín Azuayo. (2017b). Reglamento de elecciones. Retrieved September 13, 2019, from <https://www.jardinazuayo.fin.ec/coacja/web/resources/files/Reglamento de Elecciones-Reglamento de Elecciones.pdf>
- Jardín Azuayo. (2019a). Balance general, 30 de junio 2019. Retrieved September 14, 2019, from <https://www.jardinazuayo.fin.ec/coacja/web/transparencia>
- Jardín Azuayo. (2019b). *Balance social 2018*. Cuenca, Ecuador. Retrieved from <https://www.jardinazuayo.fin.ec/coacja/web/balance-social-2018>
- Jardín Azuayo. (2019c). Pizarra informativa. Retrieved September 15, 2019, from <https://www.jardinazuayo.fin.ec/coacja/web/resources/files/undefined-Pizarra oficinas Septiembre 2019.pdf>
- Johnson, B., & Turner, L. A. (2003). Data collection strategies in mixed methods research. *Handbook of Mixed Methods in Social and Behavioral Research*, 297–319.
- Johnson, E., & Sherraden, M. . (2007). From financial literacy to financial capability among youth. *Journal of Sociology and Social Welfare*, 34(3), 119–145.
- Larrea, C. (2014). Límites de crecimiento y líneas de codicia: un camino hacia la equidad y la sustentabilidad. In G. Endara (Ed.), *Post-crecimiento y Buen Vivir. Propuestas globales para la construcción de sociedades equitativas y sustentables* (pp. 21–59). Quito, Ecuador: FES-ILDIS.
- López, R., & Valdés, A. (2000). Fighting Rural Poverty in Latin America: New Evidence and Policy. In R. López & A. Valdés (Eds.), *Rural Poverty in Latin America* (pp. 1–31). London, UK: Palgrave Macmillan.
- Macas, L. (2010). Sumak Kawsay. La vida en plenitud. *América Latina En Movimiento*, 452, 14–16.
- Marshall, C., & Rossman, G. B. (2014). *Designing qualitative research*. Thousand Oaks, CA: Sage publications.
- Max-Neef, M. (1994). *Desarrollo a escala humana: conceptos, aplicaciones y algunas reflexiones*. Barcelona: Icaria.
- Max-Neef, M., Elizalde, A., & Hopenhayn, M. (1992). Development and human needs. *Real-Life Economics: Understanding Wealth Creation*, 197–213.
- Mosse, D. (2005). *Cultivating development: An ethnography of aid policy and practice*. London and Ann Arbor, MI: Pluto Press.

- Neamtan, N. (2002). *The social and solidarity economy: Towards an 'alternative' globalisation*.
- Nogueiras, L. M. (1996). *La práctica y la teoría del desarrollo comunitario. Descripción de un modelo*. Madrid, España: Narcea.
- Odhiambo, N. (2011). Growth, Employment and Poverty in South Africa: In Search of a Trickle-Down Effect. *Journal of Income Distribution*, 20(1), 49–62.
- Orellana, E. (2009). *Posicionamiento 2008*. Cuenca, Ecuador.
- Oxfam. (2019). *Public good or private wealth?* <https://doi.org/10.21201/2019.3651>
- Parra, M., Cárdenas, S., & Velásquez, M. (2018). Gestión de economía solidaria y calidad de vida en las comunidades campesinas. *Desarrollo Gerencial*, 10(1), 83–104.
- Putnam, R. (1993). The prosperous community: Social capital and public life. *The American Prospect*, 13, 35–42.
- Rankin, K. N. (2002). Social Capital, Microfinance, and the Politics of Development. *Feminist Economics*, 8(1), 1–24. <https://doi.org/10.1080/13545700210125167>
- Rogers, W. A., Meyer, B., Walker, N., & Fisk, A. D. (1998). Functional Limitations to Daily Living Tasks in the Aged: A Focus Group Analysis. *Human Factors: The Journal of the Human Factors and Ergonomics Society*, 40(1), 111–125. <https://doi.org/10.1518/001872098779480613>
- Rojas, R. (2013). El liderazgo comunitario y su importancia en la intervención comunitaria. *Psicología Para América Latina*, 25, 57–76.
- Salgado, F. (2010). Sumaq Kawsay: the birth of a notion? *Cadernos EBAPE.BR*, 8(2), 198–208.
- Seguino, S. (2013). *Humanity divided: Confronting inequality in developing countries*. New York, USA.
- Sen, A. (1987). The standard of living: Lecture II, lives and capabilities. In G. Hawthorn (Ed.), *The standard of living* (pp. 20–38). Cambridge, UK: Cambridge University Press.
- Senplades. (2013). *Plan Nacional para el Buen Vivir 2013-2017*. Quito, Ecuador. Retrieved from <http://www.buenvivir.gob.ec/69>
- Seyfang, G., & Smith, A. (2007). Grassroots innovations for sustainable development: Towards a new research and policy agenda. *Environmental Politics*, 16(4), 584–603.
- Sherraden, M. . (2013). Introduction. In J. M. Birkenmaier, M. S. Sherraden, & J. C. Curley (Eds.), *Financial capability and asset building: Research, education, policy, and practice* (pp. xi–xxiii). New York, USA: Oxford University Press.
- Sherraden, M. ., & Bar, M. . (2005). Institutions and inclusion in saving policy. In N. Retsinas & E. Belsky (Eds.), *Building assets, building credit: Bridges and barriers to financial services in low-income communities*. Washington, DC: Brookings Institution Press.
- Solo, T. M. (2008). Financial exclusion in Latin America - or the social costs of not baking the urban poor. *Environment and Urbanization*, 20(1), 47–66.
- Trujillo Duque, A. (2005). *Los proyectos de economía social como un espacio de empoderamiento y participación para las mujeres dentro de la familia y la comunidad: Caso Maquita Cushunchic*

- y Queseras de Bolívar. (Tesis de maestría). FLACSO, Quito, Ecuador. Retrieved from <https://repositorio.flacsoandes.edu.ec/bitstream/10469/978/12/TFLACSO-02-2005ARTD.pdf>
- UN. (2015). *Transforming our world: the 2030 Agenda for Sustainable Development*. New York, USA. Retrieved from https://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/70/1
- United Nations Inter-Agency Task Force on Social and Solidarity Economy. (2014). *Social and Solidarity Economy and the Challenge of Sustainable Development*. Retrieved from http://unsse.org/wp-content/uploads/2014/08/Position-Paper_TFSSE_Eng1.pdf
- Utting, P. (2015). Introduction: The challenge of scaling up social and solidarity economy. In P. Utting (Ed.), *Social and solidarity economy: Beyond the fringe* (pp. 1–37). London, UK: Zed Book Ltd.
- Vázquez, P., Lalvay, F., & Vázquez, N. (2017). *Somos nuestra memoria*. (Jardín Azuayo, Ed.). Cuenca, Ecuador.
- Walmsey, E. (2001). Transformando los pueblos: La migración internacional y el impacto social al nivel comunitario. *Ecuador Debate*, 54, 155–174.
- Walsh, C. (2010). Development as Buen Vivir: Institutional arrangements and (de)colonial entanglements. *Development*, 53(1), 15–21. <https://doi.org/10.1057/dev.2009.93>
- World Bank. (2018). *Poverty and Shared Prosperity 2018: Piecing Together the Poverty Puzzle*. Washington, DC.

Appendix 1. Interview guide

This appendix contains the interview guide used during the in-depth interviews. During the interviews, the phrasing of the questions was changed accordingly to the interviewee's role inside the Cooperative. For instance, the representatives of the Cooperative's governance body were asked about the time they have served in this body, and how they were elected, instead of their membership.

Opening questions

1. How long have you been a member of Jardín Azuayo?
Probe: why did you decide to become a member? / responsibilities / how do you become a member
2. Does anybody else in your family is a member of Jardín Azuayo?
Probe: how long / why they also decided to become a member

Key questions

3. What have been the most important contribution of JA for your community?
Probe: why / results /changes in the community
4. How your life has changed since you become a member of Jardín Azuayo?
Probe: how those changes have impacted in the community
5. Have you applied for a loan with Jardín Azuayo? What did you use it for?
Probe: why was it important to use the loan in that way /results/impact on community
6. What kind of services provided by Jardín Azuayo have you used?
Probe: influence in their community / results
7. What changes would you like to see in your community?
Probe: role of Jardín Azuayo
8. When I say 'buen vivir', what comes to your mind?
Probe: how has your membership contributed to achieve those goals? / differences with development
9. What is the relationship between buen vivir and money?
Probe: relationship of buen vivir with life in community / inclusion
10. How do you think buen vivir could be achieved in your community?
Probe: role of Jardín Azuayo

Closing questions

11. If you could change something about Jardín Azuayo, what would be?

Probe: why

12. Is there anything else you would like to add?

Appendix 2. Focus group guide

Introduction

In this phase, I will make introductions, provide information about the study and explain how the discussion will be conducted.

Opening questions

1. As an introduction, let's go around so that you can introduce yourselves and tell us why you decided to become a member of JA and what do you hope to achieve at the end.
2. Write on a paper in one word what JA means for you (family / canton)? There will be a discussion in public afterward.

Topic 1: understanding development

3. How has employment for men and women changed in this area over the last years?
4. What do you think people want for their lives, families, and canton?
(Probe: why is that important?)
5. We often hear the term buen vivir. Can you describe what this term means to you?
6. What would you like for your canton, the families and the people in the near future?
(Probe: why is that important?)

Topic 2: Contributions of Jardín Azuayo

7. About what you have mentioned before regarding people's aspirations for themselves, their families, and the canton, how do you think JA contribute to that?
8. What do you think has been the role of credit in achieving the 'buen vivir' you mentioned before? Why?
(Probe: Educoope)
9. What have been the most important contribution of JA for people's lives, their families, and the canton?
10. What makes JA different from other Cooperatives in the area?

Conclusion

We are now reaching the end of the discussion. Does anyone have any further comments to add before we conclude this session? I would like to thank you all very much for your

participation in this discussion; your opinions are very valuable to understand what local development means to you.