

How to Create a Solidarity Enterprise: a theoretical-practical manual

by Luis Razeto Migliaro
translated by Matt Noyes

*Creación de Empresas Asociativas y Solidarias: Manual Teórico-práctico
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PREFACE

After many years working and conducting research in the field of solidarity economy I have had the opportunity to see many successful businesses created, and others fail. Having participated in several projects, successful and unsuccessful, provided support and training to others, and studied and analyzed this type of business, I believe I have learned a fair amount about what makes for the success or failure of solidarity economy initiatives, or, as I call them here “solidarity enterprises.”¹

The theory of solidarity economy offered here, based on experience and practical application, is intended to help you in your own process of business creation by providing key elements for organizing and operating effective solidarity enterprises, relating to the market, managing resources and operations, and resolving problems, difficulties, and internal conflicts.

This manual presents in an ordered and simple manner the principal lessons I have learned from both practice and theory regarding how to create, organize, and develop solidarity enterprises, so that they can grow to their full potential and provide optimal benefits to their participants and the social environment in which they grow.

It is my hope that this manual will be of use to people and groups who want to create a solidarity enterprise in which to work, obtaining the means to live with dignity and progressing economically, socially, and culturally, as well as to those working in institutions or support organizations of some kind who are trying to facilitate the formation and development of solidarity initiatives of various types, scales, and characteristics.

– Luis Razeto Migliaro

1 Razeto uses the terms “solidarity enterprise” and “associative and solidarity enterprise” interchangeably, in most cases I have used the simpler term. -MN

Translator's Introduction

*hagamos profesión terrestre
toquemos tierra con el alma*
- Pablo Neruda, *Sonata con algunos pinos*

*Let our profession be an earthy one
Soul touching soil*
- Pablo Neruda, *Sonnet with a few pines*

As soon as I started reading this manual I knew I wanted to translate it. I had just translated Luis Razeto's **Solidarity Economy Roads**, an introduction to the theory and practice of solidarity economy in Latin America but this book was different.²

I needed it and knew others who did too. Through conversations with social movement organizers and cooperative developers it had become clear that if cooperatives were to succeed and fulfill their promise a slower, deeper, and more deliberate approach to learning and organizing was needed. As the Japanese saying goes, "if you are in a hurry, take the long way" (急がば回れ).

And, as a long-time practitioner of worker education in academic and activist contexts – unions, union democracy and reform groups, community-based immigrant workers centers, university labor centers, etc. – I have always treasured manuals and handbooks in which practitioners share their ideas, experiences, and techniques.³ The practice of learning that is democratic, participatory, and incorporates social transformation through collective action – often called popular education – requires not just theory but practical technique. A well designed, usable manual is a treasure.

As a manual, **How to Create a Solidarity Enterprise** is unique. In many popular education handbooks, organizing is separated from learning, treated as something to be done at a later point, after the educational process is complete. In the best examples, organizing is understood to be central to the ongoing spiral of learning but, even then, the actual practice of organizing takes place in a different space than the one where learning happens. In this manual learning and organizing share the same space. Razeto assumes a group of people intending to create a solidarity enterprise – a business that will function in the real world – for whom he provides an educational and organizing framework for self-organization. There are no teachers here, the manual is designed for collective self-study. But it is not just a workbook or collection of forms to complete; it contains theoretical texts that address some of the most challenging problems of cooperative economic organizing. This is learning by doing, but also doing by learning, a form of economic practice that is simultaneously and self-consciously a learning process.⁴

2 **Solidarity Economy Roads.** Luis Razeto Migliaro. Grassroots Economic Organizing (GEO.coop). 2019 -MN

3 Two of my favorites are **Técnicas Participativas para la Educación Popular**, by Laura Vargas Vargas et al., Centro De Estudios y Publicaciones, San Jose, Costa Rica, 1992, and **Educating for a Change** by Bev Burke et al., Between the Lines, Ontario, Canada, 1991. -MN

4 "Cooperatives can be thought of as businesses with an important educational element; it is just as accurate to think of them as educational projects with an important business element." Jose Maria Arizmendiarieta, in Azurmendi, **El Hombre Cooperativo**, Mondragon, 1991. -MN

A summary of Luis Razeto Migliaro's life and intellectual trajectory is available in **Solidarity Economy Roads**, so I won't repeat it here. Let it suffice to say that as a leading figure in the history of solidarity economy in Latin America, author of numerous books and studies, and founder of educational institutions, he brings to this manual a unique combination of theoretical and practical experience bridging the 20th and 21st centuries.

I am grateful to Luis Razeto for agreeing to the English translation of this book which I am confident will be useful to cooperative and solidarity economy practitioners around the world. In the North American context, the manual's radically peer-to-peer self-organizing approach and emphasis on the "solidarity group" as the starting point for enterprise development and the "C Factor" as the key to success are timely contributions to recent debates about best practices of cooperative development.⁵ The manual is also timely in a larger sense, insofar as the creation of cooperatives and other solidarity enterprises is an essential part of the larger project of creating the "New Civilization" – as Razeto calls it, following Gramsci – needed to address the economic, social, cultural and ecological crises of our time by transforming, through work, our relations to ourselves, each other, and our planet.⁶

How to Create a Solidarity Enterprise will be published serially on the websites of the Cooperative Educators Network (<https://ed.coop>) and Grassroots Economic Organizing (<https://geo.coop>), followed by print and electronic versions.

I have added footnotes to suggest additional techniques, relevant references, and brief supplementary explanation of some terminology. In general, I have made an effort to keep the language familiar and non-academic, though some terminology from economics, cooperativism, and business administration is unavoidable. Sharing this terminology is a key element of Razeto's strategy; each Unit includes a glossary.

– *Matt Noyes*

About the Translator

Matt Noyes is a social movement educator specializing in worker self-organization, living in Colorado Springs, Colorado. He has a Masters in Applied Social Economy and Cooperative Organization from Mondragón University and is a member of several cooperatives and collectives including Grassroots Economic Organizing (GEO.Coop). He translated Luis Razeto's **Solidarity Economy Roads** and is collaborating on the translation of Joxe Azurmendi's **The Cooperative Man**, about the life and work of Mondragón founder José María Arizmendiarieta.

5 See the website of Grassroots Economic Organizing (GEO.coop) for some of this discussion.

6 See **How can we begin to create a new civilization?** Luis Razeto Migliaro. Translated by Lafayette Claud Eaton Henderson. Universitas Nueva Civilización, Santiago de Chile, 2013.

CONTENTS

How to Create a Solidarity Enterprise includes seven Units and two Final Projects. Each Unit covers a fundamental theme which is approached both theoretically and in its practical aspects.

Unit 1 – WHERE TO BEGIN?

The solidarity group and the C Factor

Unit 2 – THE IDEA AND OBJECTIVE OF THE ENTERPRISE

Needs, market, profit

Unit 3 – THE FACTORS OF A SOLIDARITY ENTERPRISE

The theorem of defined proportions

Unit 4 – WHERE TO GET THE NECESSARY FACTORS

Member contributions and group development of factors

Unit 5 – EXTERNAL FINANCING

Donations, subsidies, loans, and solidarity funds

Unit 6 – ECONOMIC ORGANIZATION OF THE ENTERPRISE (1)

Forms of property, recruitment of members, and management structure

Unit 7 – ECONOMIC ORGANIZATION OF THE ENTERPRISE (2)

Payment for labor and distribution of surplus.

Final Project 1 – Write the Bylaws and Internal Rules for your enterprise

Final Project 2 – Create your Business Plan

Each Unit is designed to be done in two sessions of group study, followed by a “*jornada*” or practicum in which participants organize and carry out a learning-organizing activity.⁷ Between the sessions and the *Jornadas*, readings, exercises, and activities have been provided for participants to do individually or in small groups.

Each Unit includes the following elements:

1. The Plan for the Session
2. Readings
3. Questions for Reflection and Discussion
4. Individual Tasks
5. Group Tasks and Exercises

⁷ I will use the Spanish word “*Jornada*” in the text, rather than the more academic “practicum.” - MN

6. Practical Activities (*Jornadas*)

7. Evaluation

8. A Glossary

HOW TO USE THIS MANUAL

How to Create a Solidarity Enterprise is designed for group work. It is intended for a group of people who not only want to learn ideas and get information, but also *to create a solidarity enterprise*. Using this manual you can *learn* what a solidarity enterprise is and *begin to create one* at the same time. The exercises, individual and group work, practical activities, and final projects all contribute directly to this goal.

But the manual is also useful for existing solidarity or associative enterprises whose members want to improve, reorganize, or make their organization more efficient.

It is possible to use the manual as an individual, in order to learn how solidarity enterprises are created, and may be helpful for people who work in organizations that train and support these types of enterprises or those who are thinking of and evaluating the possibility of organizing an enterprise in which they plan to participate. Nonetheless, the manual is primarily designed for collective learning and organizing and many of its exercises and practical activities can not be done individually.

Using this manual as a group requires a certain level of organization and planning, the instructions for which are as follows.

Materials

- Before working on each Unit, all participants should have the full text corresponding to the Unit, not just the readings. For this reason it is best if each participant has a copy of this manual.
- Each person should also have a notebook to be used only for work in this course.
- Some of the exercises and practical activities require participants to prepare materials to be used; instructions are provided in each case.

Plans

Each Unit includes:

- **Two sessions for group work and study** of about three hours each. Ideally these should be done in the same day. If the group is very large, or the participants need more time, it is possible to extend the indicated times. The group will have to plan the course based on their unique circumstances and characteristics, keeping in mind that all of the activities should be completed.
- **Individual work and study** are assigned after each session and can be done either at home or in another location. The individual assignments are important for various reasons: for understanding new ideas, deepening knowledge of the theme, developing one's capacity for written and figurative communication, creating the habit of meeting assignments, and deploying one's creativity. Individual assignments are indispensable for the learning process used in this manual and provide information and analysis that is later used in group sessions and practical activities. Each participant should do assignments in their notebook and present their work in the following session.

- **Exercises**, to be done in accordance with the instructions provided.
- **A day-long practical activity (*jornada*)** that requires planning, preparation, and the carrying out of various individual and group tasks.

Every session starts with a plan or agenda that has been designed for work with grassroots groups. Groups can adapt the plan to their particular characteristics or circumstances.

The language used in this manual is pretty simple. But some technical terms have to be used, along with other uncommon expressions. So, to make the text easier to understand, there is a glossary at the end of each Unit. It is best for members of a solidarity enterprise to use the same terminology when referring to certain themes and important aspects of their work as they develop their business activity. Study of the glossary can be helpful for this and for formulating and sharing one's thoughts with precision.⁸

The Facilitator

Each group should have a **facilitator**, who should follow these instructions:

- The facilitator should study the Unit and all material before each session and be available to participants in the course of the meeting.
- Nonetheless, the facilitator should not take any initiative, not even to get meetings started or form work groups. The manual should be used by the participants *autonomously*. Organizing the meeting, choosing a moderator, calling on people to speak, setting the sequence of activities – all of this is part of the learning process for creating a solidarity enterprise and should be done by the group.
- Facilitators should not intervene unless they are explicitly asked to speak. However, they should offer to help when disputes arise or the group is getting too far off the agenda.
- It will be useful for the group if facilitators take their own notes and record their observations as the meeting goes on. At the end, the facilitators can be asked to share their comments if the group feels it would be helpful.
- As a rule, in group sessions people should speak for no more than three minutes at a time, which is enough to explain most things if the speaker has a clear idea of what they want to say. Long speeches are not well suited to the management of solidarity enterprises. It is important that everyone participate, so before calling on a person a second time, the moderator should be sure that at least one third of the participants have already spoken.⁹ If the moderator is not attentive to this or fails to enforce it, a facilitator should remind the group of this recommendation.

Note: if the group determines that this procedure is too strict, they can modify it, but it should be noted that unlike many types of popular education and personal development approaches which use more open-ended methodologies, this manual includes content that requires formal learning. The objective is to create enterprises which can meet the requirements of economic reality, which include orderly and disciplined work, efficiency in decision-making, and execution of operations

8 It may be useful for the group to keep a “living” glossary to which they can add terms and explanations. - MN

9 Another useful rule of thumb is no one speaks twice until all have had the chance to speak once. If people are reluctant to speak in front of the whole group, the moderator may want to include some paired discussion. - MN

when time is limited and scarce. The learning process itself is designed to help prepare participants to work together in such conditions.

UNIT I
WHERE TO BEGIN?
GROUP SOLIDARITY AND THE C FACTOR

Session 1

Plan

1. Gather, welcome, ice-breaker¹⁰, form a circle¹¹, choose a moderator for the meeting.
2. Participants introduce themselves. (Briefly: name, job, main work or activity, other personal information that they wish to share. The activity should not take more than 20 minutes, so the moderator should calculate the time available to each participant accordingly.¹²)
3. “Reading #1.” (One or two people read out loud as others follow along in the text.¹³)
4. Break, snack¹⁴.
5. Questions for review and discussion. (Participants volunteer to answer questions, raising their hands to speak. Other participants build on their answers but it is best if nobody speaks twice before others have had a chance to speak.)
6. Questions for the facilitator, exchange of ideas and free conversation on the theme.
7. Suggestions for the Individual Task. (The facilitator will explain the content and purpose of the individual task, clarifying any issues and answering questions that come up.)

10 “Ice-breakers” have a bad reputation in the United States where they are often used in a way that is instrumental and patronizing. In popular education, “*dinámicas de animación*,” which are perhaps better described as thematic games, are often used to create space for creativity, friendship, mutual recognition, inventiveness, and solidarity. It is important to be clear about the intent of any “ice-breaker” and to carefully consider whether/how it should be used in a given context and with a given group. - MN

11 The facilitators should consult with participants ahead of time about getting a space that will work for group work in various formats and is accessible to all participants. - MN

12 Razeto is not explicit about the optimal number of participants, but many activities are designed for groups of eight to twelve people. If there are more than twelve participants, it makes sense to form two groups for most activities. Where it is important for the whole group to participate, other techniques may be needed to ensure that all can participate equally. - MN

13 Reading out loud is useful in two ways – it ensures that everyone is familiar with the reading and it is helpful for people with limited eyesight or literacy. It also encourages participants to verify their mutual understanding with reference to a shared text. (See Jacques Rancière, *The Ignorant Schoolmaster*) - MN

14 After the first session, the group should decide who will provide snacks next time. - MN

[BOX] READING #1

The point of departure is crucial, because it indicates the direction to be followed, the contours of the road, and the objectives pursued. Success or failure of the enterprise is at stake from the start. The first thing, then, is to be clear about where and how to begin to create a solidarity enterprise.

The creation of a *capitalist* enterprise begins with... capital. Only those with capital to invest, or with access to credit or other forms of financing, can think of creating a capitalist enterprise.

That's not how it works in the solidarity economy. Capital is not the starting point for a solidarity enterprise and if you want to create a business that will be significantly different from a capitalist enterprise there are more important things to do before you start thinking about financing.

We have seen many initiatives claiming to be part of the solidarity economy in which micro-enterprises and popular economic organizations were formed on the basis of some source of financing, whether through a grant or some form of credit. In nearly all of the cases, after a short time the enterprises failed, usually because the financing ran out. Numerous Non-Governmental Organizations, public bodies, revolving loan funds and other systems that receive financing to promote popular economic organizations have believed that they could facilitate the development of solidarity micro-enterprises by offering a certain amount of money, on the basis of which they could assemble a target group to whom to propose projects. Motivated by the possibility of gaining access to resources, the groups throw themselves into elaborating projects, sometimes with the assistance of technical consultants. They nearly always fail and this has resulted in an unfair prejudice against the solidarity economy.

They failed because they started wrong. They didn't start where an economy of labor and solidarity should.¹⁵ As we saw, in an economic context organized by capital and money people believe that when, and only when, you have enough financial resources is it possible to organize and launch economic initiatives. This is the first idea we have to abandon and replace with another:

YOU DON'T NEED CAPITAL TO START A SOLIDARITY ENTERPRISE

This does not mean that solidarity economy does not use financial resources or that we don't need money. But those come later and we will see, when the time comes, how to *get* or *create* them in order to start a solidarity enterprise.

What we mean to say is that a solidarity economy enterprise does not begin with money or capital and that it is possible to begin to create an enterprise – with confidence that it will become a true business functioning efficiently in the market – without having money and even without any idea of where or how to get it. *The solidarity economy is full of surprises for those who are willing to explore its paths.*

The most important thing in a solidarity enterprise is the *solidarity group* that creates it.

¹⁵ Razeto uses the terms “solidarity economy” and “solidarity and labor economy” interchangeably, reflecting the centrality of labor in his conception. - MN

The solidarity group can be made up of family members, a small circle of friends, a social organization, a community, or simply a group of workers who get together to create a business.

The fate of the enterprise – its chances of success or failure – depends on the people who create it and work in it, on their capacities, values, ideas, objectives, limitations and potential, qualities and defects.

For this reason, for a person who wants to create a solidarity enterprise the most important thing to focus on is the formation of a solidarity group, a collective of individuals who are united and capable of conceiving and undertaking a project that will be carried out in practice.

The collective that forms a solidarity enterprise has two main dimensions:

It is a *work group*, or a collective of workers; and it is a *solidarity group*, a community and association of people.

As a work group, the enterprise is made up of people whose various capacities and specializations, experience, knowledge, skills, and abilities complement each other. Everyone collaborates in the realization of a common project; but they do it by fulfilling different functions and tasks.

As a result, we can speak of a division of labor in a solidarity enterprise in the sense that different and complementary tasks are performed by different people. Everyone collaborates in the achievement of business objectives in accordance with their capacities and abilities and the responsibilities they are assigned and accept.

As a solidarity group, what is crucial is that the group of people forming the enterprise be united in a common project and that they all work together for shared benefit.

Solidarity implies commitment, investment, and the capacity to embrace a common project; but it also implies participating in the benefits and results of work done. Solidarity involves, then, a give and take, contribution and compensation. The internal relations of the enterprise must be as fair as possible, characterized by solidarity, as much with respect to the contributions each members makes as to the benefits they get.

A bit of theory will help us better understand why forming a solidarity group is so important and why creating a solidarity enterprise should begin with creating a solidarity group in the right way. First of all it is necessary to have a clear shared idea of *what an enterprise or business is*.¹⁶

WHAT IS AN ENTERPRISE?

Economists say that *an enterprise is an organization of economic factors whose objective is to generate wealth*.

We can express the same concept less abstractly: an enterprise is made up of a combination of productive forces – natural, human, social – that an individual or group entrepreneur organizes and combines in such a way that they work together with efficiency. These productive forces, efficiently

16 In general, I have translated *empresa* as enterprise, using business to refer to capitalist enterprises. - MN

organized, are put to work making and distributing goods and services to satisfy the needs of people and society.

Economics refers to the productive forces, the energies that in one way or another contribute to generate wealth or economic value, as “factors.” The contribution that each factor makes to the generation of the economic product is its productivity.

The creation of a business consists of organizing, combining, and efficiently operating a set of productive factors in order to achieve economic objectives.

Further on, in another Unit, we will deepen this concept of the enterprise, its organization, its operation, and its modes of functioning. For the time being we are interested in the concept of productive factors, which deserve a closer look.

Usually people only talk about two factors: Capital and Labor. People think of Capital as the organizing factor, the factor that determines the objectives of the business and receives the profits from the wealth produced, while Labor is considered the subordinate factor, operating in the service of the business objectives, receiving for its contribution a fixed remuneration, a wage or salary.¹⁷

But this is just the capitalist enterprise form, the mode of being of a *capitalist business* in which capital is the beginning and the end. When creating capitalist businesses, everything begins with an entrepreneur with a certain quantity of capital who invests in a space, machinery or equipment, raw materials and inputs, technology and labor power, in order to obtain in the end, as a result, an increase in their capital. This is why, when we think of creating a capitalist business, we have to start with the previous accumulation of a certain amount of capital to invest. People sometimes call this the originary accumulation of capital.

But *capital and labor are not the only factors and there are other ways in which the factors can relate to each other and be organized, other ways for enterprises to exist*. The enterprises that characterize the solidarity economy are such alternative forms and the *C Factor* is a productive force they use intensely.

THE C FACTOR

This is the most important concept and real force in solidarity economy. What is it? Why is it so important?

We can define the C Factor as “*solidarity converted into a force of production*.” We should deepen this definition, though. First, why do we call it the “C” Factor?

Economists are accustomed to representing factors of production with a letter: capital is *K*, labor is *L* or *W*, technology is *T*. We represent solidarity with the letter *C* because it is the initial letter in a series of words that express its content: community, comradeship, communion, cooperation, communication, collaboration and many others that begin with the prefix “co” which signifies to *be together or do something together*.¹⁸

¹⁷ Remuneration, money payment in return for some contribution, is a key term in this manual. - MN

¹⁸ Even more so in Spanish where many words use this prefix, including trust (*confianza*) and sharing (*compartir*). - MN

It is a universal experience: *every time that people become unified in their consciousness, will, and feeling around a common objective, it produces an energy that fortifies the action of each member and the group as a whole.*

This social energy is manifest in every order of things and every type of human activity.

- The members of a family that is united progress much more than those from a family divided against itself. Children do better in school, parents are more successful and get more recognition for their work, the house looks better and is better maintained, everyone's life is more pleasant, the neighbors' respect for them increases.
- Is it well known that a soccer team in which all the members feel like comrades, are loyal to their jersey, and act as one, scores more goals than another in which each player tries to stand out above their teammates and show off their individual skill. If the coaches, fans, staff, and players are united, the outcomes (productivity) of the team are much better.
- History is full of examples that show how armies in which people on every level of the hierarchy are convinced of the justice of their cause and united in their objectives and operations can defeat much larger and better armed forces that are internally divided, lack conviction, or have less fluid relations between generals and troops.
- Political parties, religions, and social and cultural movements whose members are united in their consciousness, will, and feeling recruit more members, garner more support, and better achieve their goals than other, similar, groups that are divided into tendencies or shot through with internal conflicts.
- The same thing occurs in economic organizations and in businesses. The unity of the members increases productivity, causes costs to fall, and profits to rise. The company is better positioned in the market, management is easier, technological innovation is more dynamic.

There is nothing mysterious about these results, no esoteric explanation required. The facts mentioned have an objective explanation: the union of consciousness, will, and feeling around a shared objective *generates a powerful energy* with enormous practical effects.

It is this efficient energy, this unity converted into a productive force, that we call the C Factor, distinct from capital, labor, technology, and management.

Later on we will see how this factor operates in solidarity enterprises and the ways it affects productivity. For the moment it is enough to know that various studies have demonstrated that capitalist businesses – in themselves poorly suited to the development of the C Factor – achieve productivity gains of up to 30% when they improve their internal relations in various ways. In solidarity economy enterprises the contribution of the C Factor typically exceeds 50%. There is no doubt that we are dealing with a decisive factor, a principal determinant of the success or failure of an enterprise.

No solidarity enterprise can function without the C Factor: without it the internal social atmosphere deteriorates, human relations suffer due to internal conflicts that go on with no resolution, the group or community loses friendship and compassion among its members.

Because no solidarity enterprise can exist without a consistent C Factor, the creation of a solidarity enterprise must begin with the cultivation of this social energy.

A few years back, a famous North American economist – Albert O. Hirschman – traveled through Latin America to learn about cooperatives and other associative enterprises, hoping to understand their ways of being and the causes of their successes or failures.¹⁹ After studying numerous examples in many countries, his most important conclusion was that all of the enterprises had something in common: a previous history of social organization, of shared struggle for a cause, of living in community or association, motivated by objectives that were not strictly speaking economic. The enterprises arose *after members had united and acquired mutual trust*, be it through a religious community, a labor union, a social or political organization or a struggle over particular demands.

This led Hirschman to formulate what he called the “*law of conservation and transformation of social energy*” according to which each organization and collective undertaking generates a social energy. The essence of this energy is *the trust* built up among the participants in the group who act together based on certain objectives, whatever they may be: social, cultural, political, religious, etc. The energy is present and growing as long as the objectives are in the process of being won. Once they have been achieved or if they are not achieved, or abandoned, the social energy generated in the process is not lost, but conserved. It remains available, ready to be applied to other, new objectives. Social energy is conserved and transformed in the sense that it is oriented in a new direction. What Hirschman observed was that in successful associative economic experiences, social energy created in processes that were not directly economic had been conserved and transformed, re-oriented towards social-economic objectives.²⁰

Using our terminology, we see that the previous processes in which human relations of trust were generated constitute that **originary accumulation of the C Factor** that is so necessary for the creation of solidarity enterprises, as necessary for them as the previous accumulation of capital is for the creation of capitalist businesses.

THE C FACTOR CAN BE CREATED AND DEVELOPED

The *collective* that will become the solidarity group in an enterprise can be formed in one of two ways.

First, a preexisting social group or community, organized for other purposes, can decide at some point to create a solidarity enterprise. It could be a family group, a circle of friends, a “crew,” a

19 Hirschman, Albert O. 1984. **Getting Ahead Collectively: Grassroots Experiences in Latin America**. Pergamon Press. - MN

20 “It is as though the protagonists’ earlier aspirations for social change, their bent for collective action, had not really left them even though the movements in which they had participated may have been aborted or petered out. Later on, this “social energy” becomes active again but it is likely to take some very different form. ...we have here a special kind of sequence, a *renewal* of energy rather than a wholly new outbreak.” Hirschman 1984, p43 -MN

youth group, a women's collective, a local committee, a religious community, a cultural association, a labor union, etc.²¹

Second, an institution or organizing group, or a person who hopes to be part of the enterprise to be created, looks for people to become future members of the solidarity group, and brings them together in the initiative to create an enterprise.

In both cases, the *minimum requirement* for creating a solidarity enterprise with a chance of success is that the people who form it start from mutual trust and shared interests, objectives, and aspirations with respect to what they want to do. It is also necessary to have a good match of skills as a work group; that is, the group needs to be able to find or develop among its members the skills and the willingness to work necessary in order to create an enterprise of a particular type. Some needs are permanent: the need for bonds of trust and mutual understanding, for a union of consciousness, will, and feeling around a common objective, and a shared desire to cooperate in its accomplishment, *converting the group's internal solidarity into a productive force*, the C Factor.

The C Factor is not just friendship and comradeship but practical cooperation in the realization of a common task.

Before going on we should say something about the ***quality of the C Factor***.

Like any economic factor, the C Factor can be of high, regular, or low quality, just as labor power, technology, management, or financing can be of high, regular, or low quality. The strength and efficiency of an enterprise depends to a large extent on the quality of the factors and how they are organized. For this reason it is critical to create a C Factor of the highest possible quality.

The quality of the C Factor depends on the degree or level of unity of consciousness, will, and feeling among the people who form the solidarity group, with respect to their common objective.

The greater the intensity of unity and solidarity, the more energy the collective generates.

This is a true "law" which applies as well in the field of material reality. The force fields established by the union of physical or chemical elements are more or less intense, and radiate and attract with greater or lesser intensity, depending on the cohesion or force holding the system together. Atomic reactions are more powerful than molecular and chemical reactions because the elements comprising an atom are much more strongly bonded to each other than those of a molecule or a chemical element.

To create a solidarity enterprise it is necessary first of all to develop a process of original accumulation of C Factor of high quality.

More than quantity, i.e. the size of the group, it is the intensity of the force uniting the members that counts.

A strongly cohesive human group is indestructible by normal means. A solidarity group, even a small one, if it is held together by an unshakable love and faith, can change the world. There are

21 See the work of Richard D. Bartlett and others from Enspiral for recent reflections on group formation.
<https://www.microsolidarity.cc/> - MN

many examples in history. A small group of disciples of Jesus of Nazareth, who formed a community in which everything was shared, created a civilization.²² A small group of faithful followers of Muhammed generated a movement that ended up founding a huge empire whose decadence was marked by a rupture in its internal unity. The great social, political, and cultural revolutions were initiated by small groups that started by creating a common consciousness, will, and feeling. The great experiment in self-management at Mondragón, in which now more than 60,000 people participate, was launched by six young people whose unity was capable of generating an immense, expanding social energy.²³

On the other hand, you may have seen or perhaps personally experienced the weakness, insecurity, lack of faith in one's own abilities, loss of self-esteem, failure to follow through on what you have proposed, into which an individual can fall when they feel, or are in fact, alone. You may also have seen or experienced the power, security, and conviction that you can accomplish great things that people acquire when they love each other and feel loved, participating in groups that are united and well organized.

There are people who say things like “solidarity economy is a utopia,” or “solidarity enterprises are not viable companies.” The problem is they don't know the C Factor, or they haven't experienced it. It is true, however, that solidarity economy and solidarity enterprises are not viable in the absence of a real C Factor. How could there be solidarity economy or a solidarity enterprise without authentic solidarity?

What defines a solidarity enterprise is the presence of unity converted into an economic force, not just the mechanical adoption of a cooperative model of organization or some other specific type of association.

Once a cohesive solidarity group has been formed and the C Factor energy has been generated, the members immediately realize that there is no difficulty they can not overcome and that they are capable of creating an efficient solidarity enterprise even if they do not have money, power, social contacts or friends in high places.

We will repeat this phrase: unity of *consciousness*, unity of *will*, unity of *feeling*. The three elements are equally important because each contributes to the cohesion of a human group and generates human and social energy. Some people believe that solidarity is just something sentimental or emotional; others think it is only about conscience and ethical values; still others understand it as nothing more than the will to really do something. But it is the integrity of the three things combined that makes a human group indestructible and their initiatives viable and successful. These three aspects determine the quality of the C Factor.

Everything depends, then, on the people and the group they form. Now we know where to begin. The first and fundamental thing to do if you want to create a solidarity enterprise is to form a solidarity group whose members are strongly united.

22 See Acts 2:44-45, 4:32-35 -MN

23 See George Cheney's **Values at Work: Employee Participation Meets Market Pressure at Mondragón**, ILR Press 2002, for a study of developments in this social energy. - MN

That's all for now. As for *how* to create and develop the C Factor, that is a task for each group to identify, and the best way to do that is to... do it. That is the objective of this Unit's group work, exercises, and the first *Jornada*.

[END BOX]

INDIVIDUAL TASK #1

To be done after the first session.

- Study the Glossary at the end of Unit 1.
- Answer the “Questions for Review and Discussion #1” in writing in your notebook.
- In your notebook, draw an image or figure that represents the C Factor.
- Think of a question you would like the group to discuss in the next session; write it in your notebook.

QUESTIONS FOR REVIEW AND DISCUSSION #1

Each participant should answer the following questions *individually, in writing*, in their course notebook. The answers *will be shared during the group discussion*, giving participants the chance to verify their understanding by comparing answers, hearing the discussion, and correcting and evaluating the answers given.

1. Is it necessary to secure financing before starting to create a solidarity enterprise?
2. What is an enterprise?
3. Where do people begin when creating a capitalist business?
4. Where do people begin when creating a solidarity enterprise?
5. What are the two ways in which people can form a collective in a solidarity enterprise?
6. Which two dimensions are present in every solidarity group in a solidarity enterprise?
7. What characteristics should the solidarity group have as a work group?
8. What are the minimum requirements that should be met by a collective or solidarity group in a solidarity enterprise?
9. What are the factors of production?
10. What is productivity?
11. What is the C Factor?
12. What determines the intensity of social energy converted into the C Factor?
13. What determines the quality of the C Factor?
14. What does Albert Hirschman mean by the “Law of Conservation and Transformation of Social Energy”?
15. What three aspects or components combine in the formation of the C Factor?

Session 2

Plan

1. Gather, welcome, thematic game, form a circle, choose a moderator for the meeting.
2. Read the answers to the questions that participants came up with in Individual Task #1, free conversation about them.²⁴
3. Exercise #1. Getting to Know Each Other: Yesterday.
4. Reading and commentary on the answers to Questions for Review and Discussion #1. (If the group is large, each participant will read only one or two responses.)
5. Break, snack.
6. Exercise #2. Drawing Together: Picture the C Factor.
7. Reading and Organization for *Jornada #1: “El Mitote.”*

24 This could be in pairs or small groups, depending on the size of the whole group. - MN

Exercise #1

Getting to Know Each Other – Reflections on the First Session.

Explanation

Mutual trust is the basis of the C Factor and it can not be established and developed unless the people forming the solidarity group get to know each other well. Developing mutual understanding is a process which never ends and can always grow richer. It begins in various ways and spreads in many forms. The people starting this process together may already know each other but even so they are probably far from constituting a solidarity group and reaching the levels of unity needed to create a C Factor of high quality.

For this reason the first exercise is an activity for getting to know each other. Many other activities to come will deepen this process of mutual understanding.

At the beginning of the first session the group members introduced themselves in a general way, but more is needed to establish trust. Nor is it particularly helpful for people to say general things about themselves, for example their strengths and weaknesses. Participants should know each other more specifically, concretely, in their daily lives, and know how they think and feel about their lives. So the first exercise refers to *yesterday*.

The Flow

1. Seated in a circle, one volunteer starts off, telling the group what they did yesterday, what they did at different times of the day, interesting things that happened, problems, joys, sorrows, meetings; whatever they like that they can tell in about five minutes.
2. The person facing the first speaker from the other side of the circle listens carefully and responds as they like, without any pressure of any type. If they like they can pass, explaining why (if they like).²⁵
3. The person facing the first speaker then takes their turn, telling the group about what they did yesterday. When they are finished, the person to the immediate left of the first speaker responds, asking the second speaker a question or making a comment.
4. Then the person who just asked a question takes a turn, and so on, until each has told the group about their yesterday and responded to the previous speaker.²⁶

This activity should not run longer than 40 minutes. Depending on the number of participants, the time is divided among them. The moderator must enforce the time limits to make sure there is space for all to participate.

25 The freedom to “pass” is important to building trust. Maybe that person’s yesterday was especially difficult or traumatic in some way. If a person passes repeatedly, a facilitator or other group member should check-in with them. - MN

26 The first person to speak gives the final response. - MN

Exercise #2

Drawing Together: Picture the C Factor.

Explanation

Drawing is used in all enterprises: for product design, logos, corporate images, and many other things.²⁷

Drawing can be used to develop our creativity. It is an activity that every human group, in every epoch, has used to express its identity, its aspirations and desires, its projects and objectives. In a drawing, ideas are represented and fixed, becoming more precise and easier to remember and communicate to others.

Drawing together is an activity that develops group integration while it permits each participant to express their ideas and demonstrate some of their creativity, skills, and capacities.

The Flow

1. Each participant shows the group the drawing of the C Factor they did after Session 1, giving a brief explanation. The drawings are then posted, gallery style, where all can be seen.
2. After all the drawings have been posted and people have had a chance to look at each one, the group discusses the drawings and chooses the image that best represents *the group's idea* of the C Factor. People then discuss how to improve the image, perhaps by integrating elements from other drawings.
3. The group chooses the best *artist* (not necessarily the person who drew the drawing they chose) to re-draw the selected image on a sheet of large drawing paper, incorporating some of the suggestions for improvements.
4. The group analyzes the new picture, comparing it to the original, and people propose corrections or modifications.²⁸

27 In recent years, graphic recording has become widely used in companies, organizations, and schools. - MN

28 All drawings should be saved for future reference. - MN

Jornada #1

“El Mitote”

What is a “mitote” and why do it?

A “mitote” is a type of community party held at home and comes from the name of a Toltec ritual dance.²⁹

In a traditional *mitote* the principal activity was a dance done in a circle with everyone holding hands, wearing their best party clothing. A banner or other symbol of identity was placed at the center of the group, with a basket of food and a jar of water. People danced to the sound of a drum, periodically taking food and drink.

The meaning of the *mitote* is obvious, in our terminology it is a *gathering designed to develop the C Factor*. The elements of the party are clear:

- **Dressing up** for the occasion. This expresses the fact that each person wants to present themselves at their best and bring the best they have to offer, without holding back on their personal preparation for the event.
- **Dancing together**, holding hands. This represents the unity of the group. The dance plays out at length, and with joy, reproducing and cultivating the feelings of friendship that hold the people together.
- **The flag or symbol** at the center. This represents the group’s collective identity. Dancing around it, constantly seeing it, reminds the group of belonging to the community it represents, and strengthens that feeling.
- **Placing food and drinks next to the symbol of the unified community**. This represents the contribution that each makes to the collective for the common good. Eating and drinking, not in one’s own place, but at the center next to the symbol signifies that it is the collective that is the source of satisfaction of one’s needs, aspirations, and desires.

The “mitote” that is the focus of our first *Jornada* does not have to be done in the same form used by the ancient American peoples, because that form corresponded to a different culture and context than our own. But it has the same profound meaning: to contribute to the formation and development of the C Factor in the group of people – the solidarity group – that proposes to create a solidarity enterprise. These ancient and wise cultures teach us the meaning of the activity and lend us elements to reconsider and re-elaborate in our own way.

At the same time, the organization and performance of the *mitote* constitutes a *practical application of solidarity in organizing an economic activity*. Organizing and holding a *mitote* is, in fact, a way to work together, a temporary, one-off solidarity enterprise that nonetheless shows how to organize a permanent solidarity enterprise, and helps us begin to prepare for that work.

How to organize a mitote?

29 “Mitote” has additional meanings, including problem or trouble. - MN

- The *mitote* to be organized for the *jornada* in this Unit consists of a group or community get-together that the group organizes in accordance with its habits and customs, on a day, time, and place chosen by the group.
- Having explored the meaning of the C Factor and the symbolic elements of the ancient indigenous practice, the group will see how to adapt them to their particular circumstances and characteristics, giving the process as much time as they feel is possible and appropriate.
- During the get-together the participants should make an effort to bring their best spirit of collaboration and friendship. All the activities should be performed by the group as a whole, avoiding the formation of subgroups or circles that separate themselves and leave other people out.
- The *mitote* includes certain elements that must be included in order to completely fulfill the objectives.

Which activities are indispensable for the *mitote*?

- Before the *mitote* is held, a *symbol* should be created, something that represents the identity of the group and can be placed where all can see it. The gathering is held in front of the symbol or near it. (This symbol will be saved and used again.)
- There will be a *shared meal* (breakfast, lunch, dinner or other). Some of the food and drink can be prepared ahead of time by participants and some can be prepared where the *mitote* is held.
- There should be a simple ritual in which each participant makes an offering, writing on a piece of paper their promise to offer to the solidarity group those skills and abilities that they believe would be their best contribution to the solidarity enterprise that the group is proposing to create. Seated in a circle or semi-circle facing the symbol that represents the group's identity, each person stands up, reads their promise, and places the piece of paper on or near the symbol.
- Immediately after doing this, the group will hold an open discussion in order to broaden and deepen the participants' mutual understanding. The form for this conversation can be improvised (if the members already know each other for some time) or prepared ahead of time (if they feel it is necessary to facilitate the exchange in some way), using whatever group activity will best help the group achieve its purpose.³⁰
- In addition to the techniques already mentioned, the group could organize other activities: songs, dances, a campfire, skits, or other techniques that might help build a better, more complete unity and a joyful spirit of conviviality.³¹
- During the *mitote* the participants should be reminded that each person will do an *individual written evaluation* of Unit 1. People should be encouraged to be as honest as possible and reminded to bring the evaluation to the next session where they will share it with the group.³²

30 Two useful sources of group activities: **Técnicas Participativas Para la Educación Popular**, by Laura Vargas Vargas et al., and **Educating for a Change**, by Bev Burke et al. - MN

31 Theater improvisation games can be good for this. - MN

32 Again, it is important to permit people to decline to share their evaluation, but, since evaluation is a key tool for building trust and accountability, an alternative way to do that will need to be put in place. - MN

How exactly should the *mitote* be organized and prepared?

- It is necessary that **everyone** participate in planning, organizing, and preparing the *mitote* in its various aspects. Individual responsibilities will be assigned and work teams will be formed for activities that require more than one person.
- The organization of the *mitote* should be optimal: careful, complete, and detailed. Keep in mind that the group is organizing this event as a kind of one-off business activity and in the process learning how to organize the long-term enterprise they are hoping to create.
- The organization of the *mitote* should be documented, with a written description of the activities, the names of the people and teams, the agenda and schedule, etc. This will aid in the preparation and execution of the event and serve as a basis for evaluation afterwards.

Why should people put effort into preparing their self introductions?

- The idea is not to stand out from their friends but to show that they are ready to give their best to the solidarity group. A good self introduction is a form of respect.
- A person who takes care of their hygiene, clothing, and presentation, without ostentation or excess, is more warmly received by others, and in this way acquires self-confidence and ease.
- The success of an enterprise depends to a large extent on its image. An enterprise should be careful to avoid giving the impression of poverty or neglect and this applies to each of its members as well.

What can be used for the symbol of unity that is placed at the center, for all to see, representing the identity of the solidarity group?

- Something designed and built by the solidarity group itself. It is important for it to be well made, to be joyful, to “speak” to those who see it.
- Everyone in the group should agree that the object or design adequately represents the spirit of the solidarity group.
- One option is to use the collective drawing of the C Factor drawn in Exercise 2; but re-drawn, with high quality materials and executed with all the care that a symbol representing the solidarity group merits.

What kinds of food and drink are good for the *mitote*?

- Healthy, nutritious, tasty, with variety. Food that everyone likes, nicely presented, prepared in accordance with strict hygienic standards.³³
- Enough for everyone, abundant food and drink, but it is wise to avoid excessive alcohol. That which can not be eaten should be divided up among the participants at the end.

How should the *mitote* be financed?

- As this *Jornada* will show, an excellent *mitote* – a successful solidarity enterprise – can be organized and carried out with very little money. Any solidarity group can hold a party by sharing what they have.

33 To this could be added organic, regenerative, locally grown and produced foods and drinks, preferably from a cooperative or other solidarity enterprise. The standards should be determined by the group. - MN

- The participants can set an amount of money that each member will pay, and commit to contributing needed items, for example a space to hold the get-together, food, music, utensils, etc.
- In the organization and execution of the get-together, the group should be careful not to spend any money on things they can obtain through group or individual work.
- A budget will be prepared showing income and expenses and there will be strict accounting, with receipts and other paperwork kept. Each member will note in their course notebook every expense they incurred in preparing for the *mitote*: money they spent for preparing food and drinks, transportation and other activities, or even costs incurred in preparing their self-introduction. Thorough and rigorous accounting is an indispensable and constant practice in any solidarity enterprise (later on we will see why in this case we are also interested in personal expenses).

GLOSSARY

Associative enterprise

An associative enterprise is one formed by a group of people acting together, normally called “members,” who contribute money, labor, and management activity to the enterprise. An associative enterprise can take different legal forms and organize and function in various ways. Forms of associative enterprise include the various types of cooperatives, worker self-managed enterprises, social enterprises, community businesses, and mutuals.³⁴

The C Factor

The C Factor can be defined as “solidarity converted into an economic force.” It is the social energy generated in a solidarity group which pursues shared objectives through the combination of each person’s awareness, will, and feeling. The C Factor is manifested in cooperation, comradeship, amity, mutual aid, fluid collaboration and communication, and the sharing of sacrifice as well as benefit.

Capitalist business

Capitalist businesses are those created on the basis of an investment of capital with the objective of maximizing the profit on the capital invested. These enterprises take the form of juridical persons independent of the human beings who create them and assume a limited liability for the capital invested.

Cooperatives

Cooperatives are one of the most widespread forms of solidarity enterprise. In their organization and operation they are based on “cooperative principles” (e.g, one member one vote, open membership, limited interest on capital, distribution of surplus according to patronage or work, cooperative education, and religious and political pluralism).³⁵

A cooperative organization typically has a General or Membership Assembly (the highest body), an elected Board of Directors, an Administrative or Management Council, and an Auditing Committee.

Division of labor

Division of labor refers to the fact that in a company or other enterprise the distinct functions, tasks, and activities that need to be done are carried out by different people, each specializing in one area, with the different roles complementing each other.

Efficiency

In economics, “efficiency” refers to the means of extracting the greatest profit and benefit at the least sacrifice and cost. The efficiency of enterprises is achieved by the correct use and organization of productive factors such that all operate with maximum productivity.

Enterprise

34 Types of cooperatives include: workers, producers, consumers, credit, housing, and platform cooperatives. - MN

35 See the International Cooperative Association Principles <https://www.ica.coop/en/cooperatives/cooperative-identity>. An analysis of alternative cooperative coordinates can be found in Noyes, 2017 https://geo.coop/sites/default/files/mnoyes.article_a_on_solidarity_economy.final-1.pdf - MN

An enterprise is an organization of people, resources, and activities for economic purposes. It is a unit of economic activity producing goods and services, in which profits or benefits are obtained through efficient organization of the human, material, and financial factors of production. An enterprise can take various organizational forms.³⁶

Entrepreneur

An entrepreneur creates and organizes an economic enterprise, taking the risks and getting the benefits that may be generated. An entrepreneur can be an individual or a group, community, or associative organization. The principal characteristic of an entrepreneur is their capacity for organization and innovation.

Factors of production

In economics, factors of production are all the elements – units of energy and information – that are brought together in an enterprise where they contribute to the process of production, each making a particular contribution which can be recognized, evaluated, quantified, and remunerated. The most important factors of production are: labor, technology, management, materials, financing, and the C Factor.

Micro-enterprise

A small market oriented unit of production, commercial activity, or service provision that operates with no more than five workers, with a minimal investment of capital, simple technology, and limited management. A micro-enterprise can be individual, familial, or associative.

Organizing factor

The organizing factor is that factor of production that constitutes the basis for the formation of an enterprise. It is provided by contributors – who themselves comprise an economic category – seeking to augment and improve their investment. The organizing factor assumes the risks and benefits of the enterprise, and takes the gains (as well as the losses). Any of the factors of production can play this role. Which one becomes the organizing factor distinguishes one type of enterprise from another, as each represents a characteristic economic rationality.³⁷

Originary accumulation of the C Factor

The social and cultural process which permits the development of a solidarity economy, in the broad sense. Applied to an enterprise, it consists of the formation of a solidarity group united around the objectives of the enterprise, based on a shared awareness, will, and feeling.

Originary accumulation of capital

The term “originary accumulation of capital” refers to the historical process by which capital was accumulated and made available for investment at the dawn of the capitalist system.³⁸ When applied to an enterprise, it refers to the gathering of the initial capital to be invested in the creation and launch of a capitalist business.

Popular economic organizations

36 In this manual the word “enterprise” is used as a general category which can include cooperatives, non-profits, collectives, as well as social enterprises. “Business” is used primarily for private, capitalist companies. - MN

37 In a capitalist business the organizing factor is capital, in a solidarity enterprise it is the C Factor. – MN

38 Most famously analyzed by Karl Marx, in **Capital**, Volume One, Part Eight “The So-Called Primitive Accumulation of Capital” (Vintage, 1977).

“Popular economic organizations” are various types of grassroots social organizations that carry out economic activities for the benefit of their members. They are associations of people with meager economic resources but great drive, capacity, and force, who join together in a spirit of self-help and solidarity in order to collectively address unmet needs and aspirations for a better quality of life for individuals and their *barrios*. In many countries in Latin America a variety of popular economic organizations have sprung up: jobs programs, buyers’ clubs, family kitchens, do-it-yourself construction, neighborhood committees, family and community boards that carry out activities for the community, popular education and skills training groups, alternative health groups, community collection and storage centers, etc.³⁹

Productive forces

The productive forces are energies of nature, people, and society that can be put to use in an organized way in the social production of goods and services.

Productivity

Productivity refers to the contribution that each factor of production – labor, capital, technology, management, the C Factor, etc. – makes to the production of wealth or economic value. The productivity of a given factor is measured by dividing the total value produced by the number of units of the given productive factor. An enterprise’s productivity is an indicator of the efficiency of each factor alone and in combination.

Rotating fund

A rotating fund or solidarity fund is a modality of solidarity financing in which an entity or organization makes a certain quantity of money available to provide credit or make low interest loans. People or groups of certain types, with specific characteristics, present their projects to the fund with the object of obtaining the necessary financial resources. The money “rotates” in the sense that the repayment of loans allows the fund to offer new credits or loans to the same or other beneficiaries.

Solidarity economy

A form of production, distribution, and consumption in which relations of solidarity and mutual cooperation form the basis of the organization of enterprises as well as of the circuits of economic distribution. The solidarity that is present and operating in the economy gives rise to a special economic rationality.⁴⁰

Solidarity enterprise

Solidarity enterprises are enterprises organized by a solidarity group, in which the C Factor is the principal economic factor, contributing in a decisive way to productivity and the generation of benefits part of which are shared by the members and part used for development of the organizing group and the community. These are enterprises whose organizers and owners are associated workers who constitute a community of work. The economic objective of these enterprises is to maximize benefits for the workers and the community or association they form.

Solidarity group

39 For more on popular economic organizations in Latin America, see Chapter 2 of Solidarity Economy Roads: <https://www.geo.coop/story/solidarity-economy-roads-chapter-2> - MN

40 See Razeto’s **Solidarity Economy Roads** (GEO, 2019) for a thorough explanation of solidarity economy. – MN

This is the name we give to a relatively small group of well organized people, united around a common project or purpose, who join their capacities, potential, and resources in order to carry out activities whose benefits will be shared among them and extended to the broader community in which they work.

Subordinated factor

Factors that play a dependent role in enterprises. Normally they are contracted by the entrepreneurial factor and used instrumentally to achieve specific economic objectives. Subordinated factors receive a fixed remuneration for the time during which they operate in the enterprise.⁴¹

Utopia

Literally, that which is in no place. Utopia is a label typically used to suggest that a project is unrealistic, impossible to concretize. But the word also expresses the ideals and dreams of individuals and groups, or a model of social organization considered perfect or desirable that is postulated as an ideal or goal at which to aim even if it is never completely achievable.

Viable enterprise

An enterprise is considered viable if it manages to balance its income and expenses in a sustainable manner over time, generating enough surplus and reserves to meet the demands of future operation in the market.

⁴¹ In the basic principles of the Mondragón cooperative group, capital is categorized as “instrumental and subordinated” while labor is “sovereign.” – MN

EVALUATION OF UNIT ONE

This evaluation is to be done both individually and as a group.

Individual Evaluation

Each participant should answer the following questions in their notebook. Participants will share their responses at the beginning of the next session.

A. Circle the answer that best matches your experience.

1. My understanding of the contents covered is:
Weak – Good – Excellent
2. My performance of the individual assignments in this Unit was:
Weak – Satisfactory – Very good
3. I consider my contributions to the group exercises:
Poor – Adequate – Outstanding
4. My participation in the organization and execution of the *mitote* was:
Passive – Relatively active – Very active
5. I now know the group members:
A little – Somewhat – Very well

B. Reflect on the following questions and summarize your answers in writing.

1. Is the group sufficiently united? Do we have common interests and objectives? Is there mutual trust among us? Do we know each other well? Have we developed the C Factor we need in order to take on the creation of a solidarity enterprise?
2. What are the group's strengths? What values or qualities stand out? What are some potential strengths that could be developed?
3. Which aspects of the group are weak? Can you foresee problems or conflicts that might arise? Which? Have you seen anything that could make it difficult for us to build a solidarity group? Is it possible for us to overcome those difficulties or conflicts?
4. How would you describe the dominant spirit and energy of the group? Is it shared by all?

C. Reflect on these questions about your individual participation in the solidarity group and write your responses:

1. Do I really want to participate in this group? Does it excite me? Am I prepared to make a commitment and contribute all I can to the group, to give it my best? Am I sure I want to belong to this group?
2. Is there anything that makes it hard for me to be a part of this group? Do I have any hesitations? Do I have enough trust in the group and all of its members? What prevents me from giving more of myself? Can I foresee problems that might make it impossible for me to continue participating? Do I know the group well enough to decide to make a deep commitment? What are the conditions I am placing on the group, or on myself, before I take a chance on it and on the project that we are thinking of undertaking? Have I clearly stated them so that others know what I am thinking and what they can expect of me, in terms of my participation?
3. How can I contribute to making this a real solidarity group and to strengthening the C Factor? In the activities we have done so far, have I given my best? Do I feel like there is more that I can give? What, specifically?

Group Evaluation

Seated in a circle, the whole group discusses the following questions. (Note: this discussion takes place at the beginning of the next session.)

1. Are we a solidarity group yet? Do we have enough unity to undertake together the creation of an associative enterprise? Is there a clear awareness of our shared objectives? Do we have the will and determination required to achieve them? Is there a feeling of friendship, comradeship, and mutual trust that makes us feel like this group is ours, that we belong to a stable solidarity group, and can commit ourselves to a long term shared project?
2. Are we aware of anything that makes it difficult to integrate members into the group? Are there any divisions or other latent problems that could generate conflicts in the future? What threats to our group integration and solidarity might arise in the future?
3. How can we cultivate, strengthen, and improve the quality of the C Factor in our group?