



## **Good Practice Report**

### **AGROCAINE - Bolivia**

#### **Premises**

0.1) Describe the Social and Economic situation in the Country

*Inhabitants, GDPs and others(/alternative specific indicators, education, employment, production, consumption, environment, social protection*

Bolivia's population increased from just over 2.7 million in 1950 to more than 10 million people in 2012, 49% of them are men and 51% women. There is a greater concentration of population in urban areas where 67% of population live, while 33% live in rural areas. Life expectancy is 69 years; maternal mortality is 17.3%. The literacy rate reached 94.98% in 2012, ie 6,552,853 people who can read and write.

In the economic field we can highlight the good performance in the sustained economic growth of around 5% in the past five years, the control of inflation, income coming mainly from oil and minerals, the increase in GDP and GDP per capita which reached US\$ 3000/person.

Poverty levels have declined nationwide between 2005 and 2012, extreme poverty fell from 38.2% to 21.6%; while moderate poverty declined from 60.6% to 43.4%. In rural areas, the population in extreme poverty fell from 66% to 41% between 2005 and 2011. Although it declined, the persistence of inequality and inequity is still significant. However, this boom seems to have reached its turning point at the end of 2014, mainly due to the effects of low international oil prices. In the first quarter of 2015, the decline in revenues from the Direct Tax on Hydrocarbons were Bs 450 million, compared to the same period of 2014.

In this context, rural and native indigenous sector, despite external and internal changes, are still relevant in demographic terms: in fact, while its percentage decreases, its number continues to grow in absolute terms. It is also relevant for their contribution in the political field, in the transformation process despite setbacks and stagnation in the implementation of the Constitution. The same can be said for the socio-cultural aspects, options for indigenous autonomy, its contribution to diversity and multi-nationality country.

The notion of plural economy and the position that all sectors must be partners in development is generating contradictions in national development policy: on one hand the government supports the development of the agribusiness sector, and, on the other hand, it supports measures that promote the development of family farming such as Law No. 338 of the OECA (Economic Peasant Organizations)-OECOM (Community Economic Organizations), which declares sustainable family farming as national interest and establishes standards for its recognition; this one is however stalled while the big producers' sector grows incessant with monocultures which increasingly put pressure on forests. This sector seems to be the standard bearer for the implementation of some aspects of Agenda 2025, as food production to increase the volume from 15 million to 45 million tons, expanding the cultivated area from 3.8 to 13 million by 2025.



The State, for its part, is assuming a more active role both in the economy and food security with various measures such as the regulation of the food supply via import and temporary suspension of export, creation of state companies for the distribution of food.

The presence of State has strengthened and expanded in rural areas to support agricultural development of small and medium producers and “OIOC” (Indigenous native peasant organizations) and allocated nearly \$ 500 million to rural areas, through programs of the respective Ministry. Although the amounts allocated are significant, it is still insufficient to reverse the structural conditions of the rural indigenous production and overcome the current impasse where the indigenous native producers are and strengthen their role as producers and suppliers of food for the country.

In general we can say that the country has sufficient availability of food provided by the indigenous peasant production and medium producers, agribusiness, the import and smuggling. Food imports have grown from US \$ 217.9 million in 2006 to US \$ 655.3 million in 2013.

However, according to the map of food vulnerability, 102 municipalities out of a total of 339 are vulnerable to food insecurity; 199 municipalities have medium vulnerability; and only 38 municipalities show low vulnerability to food insecurity.

As for climate change and environment, despite government efforts to control the accelerated rate of environmental degradation in the country, this is caused mainly by the expansion of industrial monocultures. This is to be added to the effects of climate change which causes increasing losses in production every year. Recurrent natural disasters in different ecological zones and regions and trends for the future show the need to seek alternatives to reduce these threats.

Regarding the situation of women, although progress has been made in formulating rules for the exercise of their rights and to guarantee a life free of violence, these standards are not properly implemented and there aren't sufficient financial and human resources to ensure their implementation. In recent years, both in urban and rural areas the economic integration of women has increased. In the case of rural women, it is considered that about 86% produces food, a fact that contributes to food security and poverty eradication in the country. However, the role of rural women is invisible and their contribution not yet recognized. As for their political participation, it has improved at least quantitatively, reaching almost 50% in the Plurinational Legislative Assembly, and between 40 and 50 in the municipal councils and departmental assemblies in subnational elections on March 29, 2015; only 8% of mayors are women.

## 0.2) Describe the Social and Economic situation in the territory

*Inhabitants, GDPs and others(/alternative specific indicators, education, employment, production, consumption, environment, social protection*

Torotoro Municipality is located in the extreme northeast of the Department of Potosi, in the Plurinational State of Bolivia. It has a population of 10,870 inhabitants, where the economically active population corresponds to 47%. Life expectancy is 55 years, below the provincial (57 years



old) and national average (69 years). INE<sup>1</sup> data for 2012 indicate that 98.7% of the population are poor, mainly due the lack of access to basic public services, health, education and income. Migration is seen as a result of this situation: the average percentage of migrant population is 10.94% among men and 9.91% among women. The percentage difference is 1.03% between the sexes, so this fact suggests that both men and women are forced to choose other strategies to generate more income, and leave their communities in search of jobs for family subsistence. Migration areas with better job opportunities, which the migrant population has identified since many years ago and has been passed down the generations, are, according to importance: Chapare, Cochabamba and other countries like Argentina and Spain.

The health system in the municipality works in the framework of the policy of multiculturalism, where, according to the data presented in the Municipal Health Program (PMS 2014-2018), there are 9 traditional doctors legally certified to provide their care services to the population; they are specialized in traditional, naturopathic medicine, midwife, aysiri and bonesetter.

Based on information provided by the Education District Directorate in the town of Torotoro, there are 7 educational centers strategically located in the major population centers of the 7 districts of the municipality and 54 sectional educational units, all focused on improving the quality of life of the population. In 2014, both in schools and sectional units 3,336 students enrolled, of which 52.19% men and 47.81% women.

The land tenure of the communities in the municipality of Torotoro occurs in general by hereditary succession and/or buying and selling of land which includes the farming areas and grazing areas; this is done in accordance with established local limits, not specifying the area extension.

Thanks to the various ecological zones of the region, with an agrarian structure based on smallholding subsistence farming and a variable availability of water for irrigation depending on the communities, agricultural production is diverse and becomes the more important peasant economic activity in rural communities. Other important economic activities include handicraft, agricultural processing and livestock. Local diet is based on tubers and cereals, where the main crops are represented by potatoes, corn and wheat followed by quinoa, lupine, beans, peas, sweet potatoes and peanuts. However, the crops of economic dominant importance are potatoes, corn, wheat in Añahuani, Carasi, Pucara, Tambo Kasa, Torotoro and Julo districts, with the exception of cultivation of sweet potatoes and peanuts produced on the banks of the Caine river specifically in Quirusmayu, Julo Chico, Julo Grande, Calahuta, Rancho Pampa, Sucusuma, Khewayllani and Aguas Calientes communities. While in most districts there is an higher diversity of crops, their production is mainly for consumption and barter with other products not produced in their region or ecological zone.

The organizational system in the municipality is based on trade union, where communities are organized into agrarian unions; they formed the Subcentral and then the mixed and women's sectoral Central; moreover there are transporters' organizations, traders' organizations and the civic committee of the village. Then there are the productive organizations of the town of Torotoro, which have no direct connection with the territorial organizations; they emerge as sectorial

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<sup>1</sup> INE – National Employment Institute



enterprises of groups of people organized in associations categorized as “Economic Peasant Organizations” (OECA's). Some have legal status, others not. The Julo district, however, coincides with the form of peasant organization, which is the Subcentral, made up of 12 communities, 238 families and a population of 1,667 inhabitants. AGROCAINE is part of this Subcentral, whose base of operations is Julo Grande community, even if the members belong to different communities. In fact, it was founded as the economic arm of the organization.

The local OECAs operating under the principles of the Social and Solidarity Economy are as follows: the Association of Agricultural Producers of Caine (AGROCAINE), with facilities in the community of Julo Grande, established in October 2002 and with legal status since 2008, dedicated to the transformation, industrialization and commercialization of tropical and subtropical fruits for juices, nectars, ice cream, preserves and sweets; the Association of Ecological Producers of Caine Basin (AIPECAINE), which is a local bread producer association based in wheat flour production; the Association of Sheep Producers of the Upper Zone of Torotoro (APROZAT), consisting of nine communities in the upper area, dedicated to the production of hats, linen and mattresses from local wool processing; the Women's Association of Rosas Tika, with facilities in the traditional urban area of Torotoro, which gathers women artisans and seamstresses who perform production clothes and handmade fabrics; the Integral Association of Ecological Producers of Caine River (AIPE-Caine), dedicated to the transformation, industrialization and commercialization of peanuts; the Association of Ecological Producers Carasi Torotoro (APEC-T), for the transformation and industrialization of “Culli” corn, yellow corn, black corn, yellow-purple corn, in order to offer products like purple api, api, tojori, yellow tojori and instant beverages; the Añahuani Association of Seamstresses, which is an association of women seamstresses who produce clothing; the “Comideras” Association of the Central Market, which is located and operates in the traditional center of Torotoro, is an association of women dedicated to providing breakfast, lunch and dinner in the central market of Torotoro.

### 0.3) Describe the Social and Solidarity Economy Organizations' role in this context

In the national context:

The Political Constitution of the State of Bolivia recognizes community economies. These have been already organizing since the early 80s, to ensure food security and food sovereignty. The main feature that unites and defines them is their peasant identity with activities directed to access the market and increase production and income in rural areas.

Economic Peasant, Indigenous and Native Organizations (OECA's) are a set of productive organizations under different legal forms: cooperatives, agricultural peasant corporations (CORACAS), associations, communal enterprises and other forms of peasant association.

Through productive activities today they create jobs in the rural areas, and through the transformation they add value to their production. They collect and sell with their own means, and increase their income. It is estimated they represent at least 20% of the economically active population, with a contribution to GDP of 12%. We must consider that this production is done



under conditions of low labor productivity, poor access to technology and funding constraints. By processing and marketing they improve their agricultural production. The OECA's are looking for a different way of doing economics, of producing, distributing resources, goods and services, of marketing and consuming, of developing within a social, political and cultural integrity, toward a Solidarity Economy. It is estimated that the number of organizations nationwide is over 800 and rural families more than one million (CIOEC: 2012).

Today, with the enactment of Law No. 338 of the Economic Peasant Native Organizations (OECAs) and Economic Community Organizations (OECOM), the State formally recognizes two types of community economic organization established by the Political Constitution of the State, and thus one of the pillars of the rural economy is grounded. This law establishes policies for encouraging the economic development of these organizations, from the transfer of technology, training, credit and access to markets. Fundamental elements for their insertion in the national economic circuit.

In this context the public authorities are in the process of designing policies to support this type of community organizations, and the process will be long. In addition, what is needed are adequate resources, established markets, strong promotion policies, and, above all, much patience and perseverance. Therefore, the economic empowerment of these organizations should also consider social and environmental aspects, considering that apart from the economic work they carry out, their social function – as a factor that contains migration, a space of building a society, a center for the preservation of culture and an organic production unit - must be expressed in a public long-term effort.

In the local context.

Due to the importance and growth of the productive sector, the Municipal Government implemented the Local Economic Development Plan 2008 - 2010 including the Local Economic Development Unit (UDEL) within its organizational structure. This entity has been strengthening economic organizations in the municipality. Its participation in departmental agriculture and production fairs, where Torotoro municipality has gained the first prize for 5 consecutive years, amounting to 150 thousand US\$, allowed to allocate these resources to infrastructure and equipment of the OECAs.

Today the main market for these organizations is the local market, due to the flow of tourists who visit each year. But the municipality - responding to its policy of strengthening the economic organizations - is the main purchaser of processed agricultural products to supply school breakfast. From this development, a new Local Economic Development Plan 2014 – 2019 has been draft, where twelve production units located has been identified in 5 Districts: Torotoro (three organizations), Julo (two organizations), Palla Palla (two cooperatives) Yambata (two organizations), Añahuani (three organizations). The challenge of this plan is to aim towards a productive and tourist town, where local production can accompany the diet of the local inhabitants and visitors.

0.4) Describe eventual public/legislative initiatives to support/which affect those sectors



Favorable regulations for OECAs are contained in the Political Constitution of the State, in its Part IV on the structure and economic organization of the state, Title I Economic Organization of the State, Title II Environment, Natural Resources, Land and Territory, and Title III Sustainable Integral Rural Development.

Law No. 144 of "Community Agricultural Productive Revolution" of July 26th, 2011, aims to promote agricultural production in order to seek food security and food sovereignty. The law seeks to boost peasant and agricultural economy and it disposes that the municipal governments should encourage local development with inter-institutional councils to address productive economic issues. This legislation promotes and seeks that the State can invest in them, in order for the economic organizations to develop and to generate revenue, not for pure profit but in order to seek the welfare, quality of life and what is called here "live well" ("buen vivir"). Law 144 also recognizes Agricultural Insurance for certain products in case of adverse events the producers can suffer.

Law No. 338 "Law of Economic Indigenous Native Peasant Organizations - OECAS and of Community Economic Organizations – OECOM", adopted on January 28th, 2013, recognizes these organizations as active actors within the economic life of the Plurinational State of Bolivia.

Other legislative initiatives that support this sector are Law No. 031 "Framework Law of Autonomy and Decentralization - Andrés Ibáñez" of July 19th, 2010, Law No. 071, "Rights of Mother Earth" of December 21st, 2010, and Law No. 300 "Framework Law of Mother Earth and Integral Development for Good Living (Vivir bien)", from October 15th, 2012.

Moreover, it's worth mentioning Law No. 622 "School feeding in the context of food sovereignty and the plural economy" of December 29th, 2014, intended to contribute to school performance and promote retention of students in the educational units of the Multinational education system, through healthy, timely and culturally appropriate food. Previously already, the Decree "Buy Bolivian" disposed that the governorates and municipalities should give priority to local production in public procurement. However, this had proved almost impossible to follow as local producers had no sanitary registration, and had no economic possibility of issuing invoices. Now, with Law 622 local and municipal governments impose the obligation that a percentage of the purchase for school supplementary feeding comes from local purchase, where the actor of the Community social economy can be the local food producers, including small farmers associations, indigenous native peasant economic organizations, the community economic organizations, and native indigenous, intercultural and Afro-Bolivian peasant farming families. It's therefore a responsibility of the municipal government to organize their producers in order to put them in the conditions to provide food for school. And this must be reflected in municipal budgets. A Supreme Decree also gives the chance in this case to make direct purchases without issuing invoices (up to 50,000 Bs) for purchases from peasant and community economic organizations and associations of small producers. These legislative initiatives support the economic organizations in one of the big problems that they have to face, the access to market, due also to the fact that they are unable to meet certain requirements.



At the municipal level, as mentioned before, there is a specific plan inserted in the Annual Operating Plan (POA) with municipal resources, but they are insufficient for the ambitious goals it presents.

While there are many policies and regulatory measures with impact favorably on solidarity economy associations, however its implementation is still in process, and is slow due to the lack of regulation and budgets for its implementation.

## **Description of the SSE Good practice**

### 1.1) Name, Organization and/or network responsible for the practice, Location, Sector.

Asociación de Productores Agropecuarios del Caine (Caine Agricultural Producers Association) – AGROCAINE

Location: Julo Grande Community, part of Tototoro Municipality, Potosí Department, Bolivia.

Sector: agro-food processing.

### 1.2) Proposed activities

According to its By-laws, the main aim of AGROCAINE is to provide services to support the production and marketing of agricultural farming families in the region.

Specifically, the main activities it's carrying out are the following:

#### ➤ Production:

AGROCAINE is an economic peasant organization which gathers fruit producers of the Caine river valleys. Their production comprises fruits such as guavas, tumbos, lemons, oranges, papaya, and tubers like sweet potato.

#### ➤ Processing and transformation:

AGROCAINE collects fruits and tubers from its members and other local producers, if needed, and processes them in order to give the production an added value in the market. The association is currently producing: fruit pulp, jam, juice, jelly, fruit ice cream and candied fruit.

#### ➤ Collective marketing:

The producers deliver their products to AGROCAINE. The association is responsible for marketing the processed products, including performing the needed quality control (it recently processed sanitary registration for fruit pulp and jam) and dealing with private and public entities. AGROCAINE is currently marketing its products in different way:

- through a shop, made available by the local municipal government in the central market of the town of Torotoro, taking advantage of the ideal location accessible to both local customers and tourists (Torotoro is a well known touristic place in Bolivia);



- part of the production (jam and juices) are purchased by the municipal government to be distributed as school breakfast in different educational units in the municipality of Torotoro;
- the association maintains relation with the private sector (such as IndustriasRAVI) in order to sell big quantity of the production through that channel.

In the future, another shop will be opened in the premises of the processing plant, benefitting from its location on the main road which connects Torotoro and Cochabamba, transited by local people and tourists.

### 1.3) Management model and stakeholders involvement

Internally, consistent with the social economy principles that the association embraces, its structure is characterized by:

an assembly with equal participation of all partners; it is the highest decision-making instance of AGROCAINE, its resolutions are binding on all members. It elects the members of the Board and the Supervisory Board;

the Board is the planning and operational instance and is in charge of the strategic drive for all matters related to the development of the association. The Board consists of 6 members, elected by the Assembly every 2 years. The President is the legal representative of AGROCAINE;

the Supervisory Board, comprised of three members, is the body that oversees the Board in the execution of the budget approved by the Assembly.

In all areas of work, democratic principles have remained solidly to the present and are included in AGROCAINE'S By-laws and rules, among which gender and generational equality, political pluralism, renewal of leadership, respect for collective and individual rights, accountability, collective ownership and collective responsibility.

AGROCAINE is an independent organization, self-managed, who works to benefit its members and, in general, agricultural farming families in the region.

All fruit and tubers producer of the area are potential members of the association, and can ask to join the association. The Board is responsible for considering requests for admission of new members. Through the Board AGROCAINE maintains direct relations with the Torotoro municipality. The municipality is an important stakeholder that has to be mentioned as has been supporting the association's activity since the beginning, being AGROCAINE the first peasant economic organization established in the area. The Board is also responsible for looking for markets, making contact with the public (Torotoro municipality) and private sector (IndustriasRAVI, for example). A fundamental role also has been played by the relation established by the Board with local and international development agencies, including CIPCA, in order not only to bring funds but also helping in the promotion and consolidation of democratic and solidarity principles.

### 1.3) Turnover and job creation/quality



The association is generating local employment mainly for women and young people, who are the ones involved in the process of fruit processing. This creates possibilities at the local level to generate income for these social sectors in favorable conditions.

Learning is a key value for the peasant economic organizations, and the members of AGROCAINE and their families were given the opportunity to participate in a capacity-building plan on fruit processing and conservation. They were also trained on the proper use of equipment and machinery, as the use of equipment and tools of processing are fundamental to improve the quality and increase the life of fruits. In order to work in the processing plant it is required to have completed the above mentioned training courses. It is also compulsory the attendance to trainings on solidarity economy and the principles that inform economic peasant organizations.

Currently the plant is operating only during the months when the fruit is collected, which is when the processing takes place. For this reason there is only one person working full time while the other workers are hired only during the months of activity.

An important element to highlight is that gender equity informs selection of workers process, the policy of remuneration and working conditions.

#### 1.5) Social and ecological externalities

It's worth highlighting that the economic peasant organizations like AGROCAINE have an important role in significantly reducing the scope for negative social and environmental externalities associated with conventional for-profit enterprise, but they also foster equitable patterns of resource and surplus distribution and promotes social, cultural and power relations that can be considered democratic and empowering. AGROCAINE is a social and economic solidarity actor, it is an association rooted in its environment, both natural and social, which seek to provide positive externalities (creation of quality jobs, reduction of migration to the city...) and minimize negative (contamination, competition with other associations, ...). Based on a model of social and community management, AGROCAINE, which promotes plural participation, family and community work and equitable distribution of income, has improved the living conditions of local families with higher incomes sustainably. Its model has been followed with the creation of other associations, who positively stimulate local economy.

Among the positive externalities that AGROCAINES generates, it has contributed in increasing self-esteem in women and young people, as it allows them to generate income working in the plant and acquire new technical and organizational capabilities which makes visible the participation of women and youth in the productive sector. This has a positive impact on young people's work prospects, reducing in this way the increasingly worrying phenomenon of migration from rural areas to the city.

Moreover the activity undertaken by AGROCAINE is helping in enhancing local production, both for local people and tourists. This, on one hand reduces the level of pollution caused by consumption of non-local products, on the other hand strengthens the local social and economic



fabric. The fact that some of AGROCAINE's products are distributed to students as school breakfast generates recognition of local products as an alternative to the ones commercialized by big foreign companies, while contributes to improve nutrition of school children. It's to be added that AGROCAINE promotes organic farming among its members and other producers in the region, strengthening the agricultural production system and stimulating at the same time environmental sustainability.

As for the negative externalities, it has to be mentioned that AGROCAINE doesn't have a system of waste management. While the waste coming from the fruit processing are offered to the members as natural fertilizer or, in case of seeds, to sow them; other waste such as waste such as plastic bags are burned, possibly disregarding the environmental damage, but only thinking not to leave them in the environment.

#### 1.6) Communication and advocacy

A part from the occasional participation in radio programs, the main space used by AGROCAINE for communication purposes are the local and departmental fairs where they participate together with other local peasant economic associations.

Given the context of Bolivia where the fairs represent important opportunities to meet and exchange experience especially in the rural area, AGROCAINE has found there a space where communicate about the association's experience, their products and the ethical values they promote and defend.

The fact that during the last 6 years they gained the departmental fair context is the best way for AGROCAINE to promote itself and has been used to advocate with the local institution. The money gained by Torotoro municipality in these events have been used to support AGROCAINE with infrastructure, construction of collection and processing centers.

#### 1.7) Networking, affiliations and openness of the Good practice to the existing networks

In its process of organizational growth, AGROCAINE received the support from different development institutions, and gradually has been interacting with different public private actors, including the peasant organization, the municipal government, the departmental government and various organizations related to development cooperation.

The association, with the main support of the Bolivian NGO CIPCA, has worked two strategic lines: the first referred to the organizational strengthening and the second to productive economic development of its activities with market opportunity. In the first aspect, emphasis was given on joint work with various private public bodies focused on the representativeness and legitimacy; for this reason from the beginning AGROCAINE is part of the social organizational structure of the territory, being part of the Peasant Organization and participating in municipal consultation spaces, allowing it to interact with the Municipal Government. Also it was able to interact with different



entities involved in development cooperation, attracting financial and non-financial support geared towards the consolidation of the organization.

At the municipal level, a supra-organization of the economic organizations was formed, to thereby influencing municipal and departmental policies. However this supra-organization, with the intended objective of coordinate among the different economic organizations, is not working yet. Instead, a unit of local economic development has been created inside the municipality, which is responsible for providing some counseling and technical assistance or, at least, make the link with development cooperation agencies.

Finally, from its participation in different ecological fairs AGROCAINE has generated networks with agro-ecological producers and consumers.

## **Evaluation of the Good practice**

### 2.1) The Good practice's economic and social impact and potential

*“Speaking of community social economy, what we see from this perspective is that community social economy has two approaches: one is the issue of economic benefit, seeking economic returns, and the other is social welfare, which seeks quality of life of people. This is reflected in the mission of AGROCAINE to generate and combine economic profitability and social welfare of the members of their families through democratic processes<sup>2</sup>”*. As we describes above, AGROCAINE experience creates opportunities, at the local level, for women, to generate income in favorable conditions. This contributes to increase self-esteem as the women and young people are able to generate income and acquire new technical and organizational capabilities, which makes visible their participation in the productive sector.

Thanks to the democracy structures of AGROCAINE, which also give a special importance to gender equity within the association, women have an effective participation in the spaces of deliberation and decision, and have the same weight as men in decision making. As a matter of fact, *“the participation of women in AGROCAINE has been very important because since its foundation women have almost always been the ones in the presidency in AGROCAINE”<sup>3</sup>*.

The association contributes also to maintain the social fabric and the social cohesion, involving the different members of the family in its operation and management (husband, wife, sons and daughters) and creating a space of dialogue and exchange among members of the same community who find themselves members of the same association.

The experience contributes to make local production considered and appreciated by local people (and young local people, as fruit jam and juices produced by AGROCAINE are also distributed as school breakfast) and tourists, contributing in maintaining the relationship between these people and their land, and limiting, as a result, the rural-to-urban migration. *“Rural economic enterprises as*

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<sup>2</sup> Vladimir Paniagua Delgadillo, responsible for providing advisory to OECAs in the regional office of CIPCA Cochabamba

<sup>3</sup> Eliodoro Uriona Pardo, Mayor of Torotoro municipality



*AGROCAINE encourage local employment and encourage people to stay there, stop migration*<sup>4</sup>. “*[This is] not only sell fresh products harvested in the market but to give it an added value in what is its transformation. That was the main objective of AGROCAINE, to transform the products produced on the banks of Caine river*”<sup>5</sup>. It’s worth reminding that, before the creation of the association, the producers were finding it difficult to marketing the fruits offered by their land, and very often the transportation cost for carrying the product to faraway markets, such as Cochabamba city, were higher than the income generated. Moreover, the fruits are delicate products, which waste away quickly, and because of that their transportation, without any processing and without the necessary logistic, makes the business very precarious and aleatory. “*Other element, perhaps less visible, is that products are bought from local producers (members and non) at fair market value, easing the risk that production of small producers go rotten for lack of market access*”<sup>6</sup>.

Another very important social impact, AGROCAINE and the other peasant economic organizations created in Torotoro municipality afterwards have gained a fruitful space of dialogue with the local institutions, which gives them a role and a power to affect and influence local decision-making and promoting public investment in the social solidarity economy.

From an economic point of view, AGROCAINE generates income for the families involved and contributes therefore to improve their living conditions, in a context that give young people job prospects which allow them to think about a future inside his/her community. “*I believe that this has been very important for the region, especially for the families of these productive associations because it is generating and generates jobs, generates economic resources and that has been very positive for the town of Torotoro*”<sup>7</sup>. Moreover, processing fruit give the product an added value, which has also economic returns. It’s important to stress that income generation positively affects the health and education of children.

Finally, associations like AGROCAINE generates economic dynamism inside the community that ultimately contributes to food security and food sovereignty and to reduce poverty in the area, for the individual and collective benefit of the region.

## 2.2) The transformative impact on the territory and beyond

*“At the local level, the Municipality of Torotoro is a national and especially regional model. Historically it represents one of the poorest areas (with over 95% of poverty). The conditions to generate economic opportunities have been limited”*<sup>8</sup>. AGROCAINE is “*the first association that was born in Toro Toro, it has been a reference and model and has given impetus to the formation of other associations in its municipality*”<sup>9</sup>. Its example has in fact encouraged the creation of new socio-economic practices, which defend and promote solidarity economy principles of cooperation

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<sup>4</sup> Victor Salazar, Administrative manager of Industries RAVI

<sup>5</sup> Wilson Araus Santa Cruz, Technical Manager of Local Economic Development, autonomous municipality of Torotoro

<sup>6</sup> Vladimir Delgadillo Paniagua, responsible for providing advisory to OECAs in the CIPCA regional office of Cochabamba

<sup>7</sup> Eliodoro Uriona Pardo, Mayor of Torotoro municipality

<sup>8</sup> Vladimir Paniagua Delgadillo, responsible for providing advisory to OECAs in the regional office of CIPCA Cochabamba

<sup>9</sup> Wilson Araus Santa Cruz, Technical Manager of Local Economic Development, autonomous municipality of Torotoro



and mutualism, self-management, democratic control and decision-making, equity on a gender and generational basis, collective property, environmental sustainability, participative social and economic democracy and social benefit with the commitment to work for social, economic, and environmental justice, care with the environment and the responsibility with the future generations. AGROCAINE was a pioneer in betting on a new way to organize in order to contribute to economic development and started promoting a new business model and economic practice which, instead than prioritizing profit over all, pursues social as well as economic benefits and strengthens the diversity of local cultures and environments, especially important in a country like Bolivia, “plurinational” by definition. *“Beyond profit, they have started work without thinking about profit and believing in their potential, and the profit has come later on. They make the association ‘their association’. This way AGROCAINE has achieved economic benefits and welfare for its members”*<sup>10</sup>.

The experience also contributed to capacity building in the area in topics such as food processing technology and organization, through a democratic and equalitarian access to information and training for everybody, including women and young people.

From a social point of view, it had an important transformative impact on relations between men and women, as AGROCAINE model contributed to balance their roles (same work opportunities, same salary, same roles, equal possibility to express their opinion and be listened to, some opportunities to access trainings), the women themselves gave more value to their participation and economic contribution, increasing their self-esteem and well-being.

Finally, we need to mention the transformative impact generated by the establishment of socio-economic solidarity associations thanks to their articulation to public institution such as Torotoro municipal government, establishing a partnership that, while brings benefits to the association through a favorable legislation and supportive public policies, at the same time integrates economic, social and environmental objectives in the local public discourse, where solidarity economy appears as an important tool to address poverty, social exclusion, gender non-equality and environmental degradation, linking “buen vivir”, food sovereignty and cooperativism. *“It is the policy [of Torotoro municipality] buying their products as a way to encourage them to continue working, create jobs, buy local products”*<sup>11</sup>.

### 2.3) Policy impact of the Good practice

AGROCAINE inspired the municipal policy of promoting fruit production: the starting of the process of fruit processing has led the municipal government of Torotoro to establish strong policies to promote and boost fruit production within the municipality in the perspective that this processing plant will diversify its production.

On the other hand, AGROCAINE has influenced the political vision of the municipal government: after its experience, the municipality has progressively incorporated a policy of economic

<sup>10</sup> Vladimir Paniagua Delgadillo, responsible for providing advisory to OECA in the regional office of CIPCA Cochabamba

<sup>11</sup> Eliodoro Uriona Pardo, Mayor of Torotoro municipality



development that has allowed the emergence of new economic organizations which receive from their municipality advice and promotion of its activity, positioning the municipality as a benchmark inside the department of Potosí. “[Torotoro municipality] has now become a model of ‘productive municipality’, promoter and actor at the same time”<sup>12</sup>. The municipality also created the Local Economic Development unit that contributes to strengthening economic organizations, and it is an indicator of its willing to further promote the development of this kind of organizations within the town of Torotoro.

It is also under study a proposal of municipal law to transfer public funds to the private sector – in this case represented by economic organizations - to encourage the development of these organizations. That would facilitate access to public funds to strengthen the equipment and the capacities of enterprises that require this support. “And this legislation, this policy promotes and seeks, in time, to enable the State to invest [in these associations], give them another little push to enable them to develop as economic organizations and to be able to generate income, not with a view to profitability but with the aim to seek the welfare, quality of life and what is called here ‘buen vivir’. And this regulatory framework has been well used by the municipal government, which also managed to understand that, in order to generate dynamism in the territory, to generate benefit to excluded families, it’s necessary to incorporate policies”<sup>13</sup>.

At the national level, AGROCAINE and other similar peasant economic organizations promoted the adoption of Law No. 338 of the Economic Indigenous Native Peasant Organizations-OECAS and Community Economic Organizations- OECOM for the integration of sustainable family farming and food sovereignty. Recognizing that the right to food is a human right, in order to contribute to food sovereignty and security for the “bien vivir” of Bolivian people, this law seeks to regulate sustainable family farming and diversified family activities undertaken by the OECAS, the OECOM, and indigenous native, intercultural and Afro-Bolivian farming families organized in sustainable family farming.

#### 2.4) Sustainability of the practice

The following elements guarantee the sustainability of the practice:

- Being AGROCAINE an associative practice who believed in and implemented a new way to organize to contribute to economic development. This model of organization opened the door to the possibility of creating an added value to agricultural products, which at the time were going wasted because of the limited access to the market due to its perishability and its seasonality, where the production is highly concentrated in a short period of time. “The formation of the OECAs responds to the need to improve productivity and thus associate with several farmers to join forces,

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<sup>12</sup> Vladimir Paniagua Delgado, responsible for providing advisory to OECAs in the regional office of CIPCA Cochabamba

<sup>13</sup> Vladimir Paniagua Delgado, responsible for providing advisory to OECAs in the regional office of CIPCA Cochabamba



*capabilities and experience; also have access to financial aid, either from the municipal government, projects or own contributions, for the possibility of obtaining resources”<sup>14</sup>.*

The work undertaken by the organization – transformed fruit into processed products – proved to be successful and able to meet the producers’ difficulties in finding markets and getting economic returns from the fruit production. The social benefits resulting from being members of the association increase the sustainability of the practice.

- Its organizational strength: notwithstanding the number of current members is smaller than the initial numbers, the organization structure stayed strong and continue respecting democratic principles. The commitment of the present members of AGROCAINE is one of the main element of sustainability. In fact, over the years the members have devoted their efforts in increasing their level of participation and ownership, which consequently explains why the numbers of members hasn’t grown quickly. However, the associations is always open to admit new members provided they accept the same commitment required to all the associated.

- The capacity building (in food processing technology, organization, administration of an enterprise, solidarity economy principles) is an element of sustainability, as it generates capacities and knowledge inside the community. The involvement of young people shows even better the will of creating expertise that will remain over the time.

- For the sustainability of the organization is fundamental the diversification of production, with a continue search for new products in order to increment the offer.

- The relation established, since the beginning, with public entities such as the Municipal Government of Torotoro is a guarantee for the sustainability as, while this facilitated the access to the local market enabling AGROCAINE to market its products as school breakfasts, it also helps the formulation of public policies for the promotion and enhancement of local production and consumption and to support local peasant economic organizations.

-Finally, the adoption of organic and environmental-friendly farming practices associated with a sustainable use of natural resources establishes an ecological balance to prevent soil fertility or pest problems, making production more sustainable. Moreover, organic farming has the potential to contribute to sustainable food security by improving nutrition intake and sustaining livelihoods in rural areas, while simultaneously reducing vulnerability to climate change and enhancing biodiversity. AGROCAINE members are making the choice *“to produce organically, without chemicals, without doing damage to our people, our families, we want to get a very healthy product”<sup>15</sup>.*

## 2.5) Participatory space open to the territory

AGROCAINE hasn’t established formal participatory spaces open to the territory. However, there are some areas where the association guarantees the participation of the community. First of all, not only the members but also other fruit producers of the area are able to sell their production to

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<sup>14</sup> Wilson Araus Santa Cruz, Technical Manager of Local Economic Development, autonomous municipality of Torotoro

<sup>15</sup> Virgilio Espinoza Perez, AGROCAINE Vice-President



AGROCAINE (at a price slightly higher than the one paid to the members). This way they allow external people to know about AGROCAINE and its way of working based on solidarity economy. For the same reason the association welcomes other groups or individuals who want to learn from this experience. Through these exchanges, the association promote the idea of getting benefit while spreading social and solidarity principles and values.

The success of AGROCAINE also lies in not create a competitive environment inside the community, on the contrary they generated an atmosphere of inter-cooperation with other peasant economic organizations, which can rely on AGROCAINE to know from its experience and learn from its mistakes. This allows sharing resources, avoiding risks and facilitating the realization of common projects to reach wellbeing for the whole community. An important point to be highlighted is that one of AGROCAINE's ethical value are the sharing and caring for its community. Its members promote, in the community gatherings and decisional spaces, as well as in the contact and exchange with other associations, solidarity and cooperation among the socio-economic actors and within the community. Being an example of the struggle for the transformation of the economy and the establishment of social and economic relations and networks based on solidarity and trust, AGROCAINE is generating social awareness and mutual commitment to reach community benefit. AGROCAINE constitutes, moreover, a space open to participation of women and young people, who don't have many other opportunities and find it difficult to access roles where their voice are listened to and their power of decision have the same weight as adult men.

3.1 Please identify and analyse the areas in which lessons can be learnt, the key factors of success/failure, role of specific actors.

**(about 5000 characters)**

AGROCAINE is the first peasant economic association that was created in Torotoro, more than 10 years ago, and it has been a reference and has served as a model to conform other associations of solidarity economy in the municipality. It is still a model, that continues to receive visits, also from elsewhere in Bolivia, of associations and producers interested in forming a productive association of this nature. The association has managed to give an added value to agricultural products and thus improve living conditions of farmers. This factor has been very important for the region, as it is generating jobs and economic resources for the families of small producers, with positive social as well as economic impact for Torotoro municipality and Potosí Department. It's important to stress the role of an association like AGROCAINE which, maintaining its roots in the local community, it's contributing to create local development.

During the years AGROCAINE has continued progressing, also thanks to the charisma of many of its managers. It has been developing and improving both in the productive and organizational aspects. We can learn from the will and persistence shown by AGROCAINE members. The



producers involved have achieved their objective of forming an association and keep it functioning despite its weaknesses and shortcomings. During the years, the members have reduced, but the association is now stronger, with clearer goals, ready to grow again. *“AGROCAINE is a successful experience as it has succeeded, despite some differences between the members, to grow, differentiate the processed products offered and find new markets”*<sup>16</sup>. Through the perseverance of some of its members, it has been able to build a sustainable economic organization. This way AGROCAINE has achieved economic benefits and welfare for members. AGROCAINE managed to build production processes and social relationships based on self-management and participatory democracy, generating welfare and security (economic, social and food security) for its community. It has been a lesson learnt also by the Municipality and for this reason the local institutions - municipals authorities and departmental authorities – are committed to continue supporting this process, continue strengthening the organization, and continue coveting a better future for all the people, specifically the families of Caine River.

*“Another strong point, AGROCAINE has grown gradually. This is a lesson that has to be learned by both economic organizations and institutions supporting them: in order for an association to be successful and last, its development has to be gradual”*<sup>17</sup>.

On the other hand, the greatest success of AGROCAINE is its organization. The legitimacy of the organization in regards to its membership base is a key of success of the association, as well as the accountability and transparency. The fulfillment of legal obligations is important because it allowed to be present in different informal coordination network and even to have the capacity to propose projects to the municipality or other public bodies and/or to be beneficiary of projects. The support of CIPCA and international cooperation has been valuable in this aspect.

The structure of the association, based on self-management and where decisions are taken in assembly is fundamental to have the members’ support and loyalty. The association has also become a space for discussion and analysis of current issues, and it is actually a capacity-building space. The good management shown by the members of the Board of Direction, democratically elected, has been a fundamental point for the success and the growing of AGROCAINE.

AGROCAINE have managed to transform local products, giving an added value to them, but also to diversify production and test new products (they are now experiencing the transformation of papaya). Before the creation of the processing plant, the producers had to take the raw material to Cochabamba city to sell, it was very difficult to market their products, and many farmers left the field with their families to move to the city. AGROCAINE has progressed, it has continued developing, has reached new market and recently it got sanitary registration for some products.

Another important point to be stressed is the level of participation of youth and women, according to which AGROCAINE is also an example of gender and generational equity and of social inclusion.

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<sup>16</sup> Wilder Valencia, worker at AGROCAINE

<sup>17</sup> Vladimir Paniagua Delgadillo, responsible for providing advisory to OECA in the regional office of CIPCA Cochabamba



## **Individual story**

4.1 If possible, enclose an individual story/testimony which exemplifies the practice you describe. NB. This will help clarify the process you are describing and/or add qualitative information to it

Mr. Virgilio Espinoza Pérez is the current Vice-President of AGROCAINE and his life is tightly linked to this association's life. Mr. Virgilio, from Julo Grande community, is a farmer and is the owner of 1 hectare land. Before the creation of the association, his family was mainly producing tubers, like sweet potato, corn, peanuts. A part from family consumption, they were trying to sell the production. They sometimes were moving to Cochabamba to sell, but very often the price paid for their products were lower than the transportation expenses. Some fruit trees were also growing on his land, but Mr. Virgilio was not giving it any importance. Guava plant, for example, was considered a forest plant, whose fruit was consumed buy the family but mostly considered food for parrots and birds in general. Only after some time he began to take an interest in the production of guava. Together with other people from his community, he started also to think and to realize that it could be interested as processed product. The work of CIPCA (the Center for Research and Promotion of peasantry) in the region helped in the promotion of the importance of fruit trees, starting from the lemon tree. Mr. Virgilio has always been a curious person, he likes to experiment and try new things. So he has been introducing new species of fruit trees. He now has custard apples, lemons and he is now into papaya production. He has been diversifying his production. In the meanwhile, use of water and its efficient and sustainable management has entered in the local culture as fundamental element for a good production, from an economic and environmental point of view.

From the initiative of Mr. Virgilio together with some friends farmers, and with the support of CIPCA, the idea of creating an association to give an added value to their production started growing. Mr. Virgilio showed a leadership attitude and most of the families in the community started showing interest and supporting the idea. Some of the members started considering that the area had a good production of guava, but almost 80% of the guava went wasted. From this they started to think about trying to make guava jam. In 2001, thanks to CIPCA support, Mr. Virgilio and other people formed the association. However they did not know clearly which was their aim, what they wanted from their association. For this reason in 2001-2002 they started participating in exchanges of experiences, with CIPCA intermediation, in order to know how to form a formal association, which were the requirements. They discovered what are the main weaknesses of these associations, which benefits they bring to the members and the community. The first step was therefore to draft the status and regulations of AGROCAINE, with the support of a CIPCA lawyer. The documents were approved by the members. The association got a land in Sucusuma, but AGROCAINE suffered many problems, sometimes the same problems they had been told by other associations they visited. The members started to fight, there were arguments with the President who was seeking his personal interest instead that the collective benefit. In 2005 Mr. Virgilio was elected President, and he wanted to struggle to keep the association alive and operating according to the solidarity principles agreed and draft in their bylaws. In 2007-2008 they found a 1000m<sup>2</sup> land in



Julo Grande, where the processing plant was built. The association started processing their products in 2010. The number of members dropped to 28, but they are committed and willing to develop the association. They started producing jam and they found it was very tasty, a part from being organic. Guava production is still organic indeed. They had to face the difficulties to find market for their products. The Board, including Mr. Virgilio, was going to the city of Cochabamba looking for markets, but it was difficult especially because they didn't have sanitary registration for their products. They decided to talk to the mayor, offering some of their products as school breakfast, and that worked out. He listened to them, the jam started to be distributed to kids and young boys and girls in the schools. This was important for their children too, they were having healthy food there now. AGROCAINE got some resources, and with that they started.

Since the creation of AGROCAINE and throughout this process Mr. Virgilio has always been in the Board, and thanks to his tenacity, his determination and his capacity of identifying himself and his interests with the association, he encouraged to continue and stay strong and unite in the most difficult moments. During the years he has never stopped promoting the association while diversifying and experimenting in his own land.

Mr. Virgilio has 3 daughters and 2 sons. They are also active in the association's life, and last year one of his daughters was working in the plant.

Mr. Virgilio has always shown also a willingness to keep growing, and he participated in workshops aimed at empowering leaders on one side, and trainings on food processing on the other side, all promoted by CIPCA and other institutions. He is participating in experience exchanges in representation of AGROCAINE, and he's hoping they will be able to support other communities showing them the way AGROCAINE was created and is working.

### **Additional information**

Website references, contact details of the reference person if available, links to publications, press reviews, images, videos.

Articles published on-line:

[http://www.lostiempos.com/observador-economico/emprendedores/emprendedores/20140714/agrocaine-logra-dulce-de-frutas-y-camote\\_266593\\_584520.html](http://www.lostiempos.com/observador-economico/emprendedores/emprendedores/20140714/agrocaine-logra-dulce-de-frutas-y-camote_266593_584520.html)

<http://www.cipca.org.bo/index.php/noticias/noticias-2007/1144--sp-528044105>

Contact details:

AGROCAINE [agrocaine@gmail.com](mailto:agrocaine@gmail.com)

Municipal Government of Torotoro: [gamtotoro@hotmail.com](mailto:gamtotoro@hotmail.com)

CIPCA: [csalazar@cipca.org.bo](mailto:csalazar@cipca.org.bo)

Interviews to actors linked to AGROCAINE:



- Interview to Mr. Virgilio Espinoza, Vice-President of AGROCAINE (video and written interview)
- Interview to Mr. Wilder Valencia Fernández, worker at AGROCAINE (video and written interview)
- Interview to Mr. German Viaque, Representative of High School Students of the Education Unit Mariscal Sucre in Torotoro (video and written interview)
- Interview to Ms. Wilma Soliz, Director of the Education Unit Mariscal Sucre in Torotoro (video and written interview)
- Interview to Mr. Víctor Salazar, Administrative manager of IndustriasRAVI (video and written interview)
- Interview to Mr. Eliodoro Uriona Pardo, Mayor of Torotoro Municipal Government (video and written interview)
- Interview to Mr. Wilson Araus Santa Cruz, Technical Manager of Local Economic Development of Torotoro Municipal Government (video and written interview)
- Interview to Mr. Vladimir Delgadillo Paniagua, responsible for providing advisory to OECAs in the CIPCA regional office of Cochabamba (video and written interview)

#### Other Annexes:

- By-laws and regulations of AGROCAINE
- AGROCAINE logo
- Political Constitution of the State of Bolivia
- Decree "Buy Bolivian" (January 31<sup>st</sup>, 2004)
- Law No. 144 of "Community Agricultural Productive Revolution" (July 26th, 2011)
- Law No. 338 "Law of Economic Indigenous Native Peasant Organizations - OECAS and of Community Economic Organizations – OECOM" (January 28th, 2013)
- Law No. 622 "School feeding in the context of food sovereignty and the plural economy" (December 29th, 2014),
  
- Pictures