



Proposal of Playful Innovation for Decision Making in Savings Cooperatives. The Case of Ecuador

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Abstract. Although theory helps to lay firm foundations on business cooperative development, practices based on bottom-up actions and adaptation to new forms of interaction through telematic platforms catalyze the manifestation of situations that can positively affect the participation of members, employees and customers in companies. To this must be added the processes of formation, training and consolidation of human capital that allow the empowerment of participation techniques centered on the experience of the member as the central actor of the cooperative process, giving the role it deserves on the primacy of people in relation to capital. Hence, the contributions that can be generated by the participation of members through formative games facilitate the simulation of realities that are incorporated to feed back the information that is provided by the members to the decision makers. Therefore, the applications of mobile devices, social networks or the cooperatives' own web pages combined with the games help to become "centers" for gathering information, which allow managers to obtain specific data for decision-making from a democratic, educational and formative perspective of the members, thus having better information, accurate planning, strategy proposals and management of the common good.

Keywords: Playing · Social Economy · Cooperatives · Citizen participation · cooperative education · solidarity economy

1 Introduction

In Latin America, and especially in Ecuador, new policies are being implemented to promote the use of credit in all sectors of society through innovative tools that are aligning and restructuring the market system of the social economy. These processes have been consolidated with the vision set forth in the Ecuadorian constitution on the Popular and Solidarity Economy, in the creation of a law for this sector and in the creation of institutions that support and regulate the Popular and Solidarity Economy. These changes that have occurred in the "other economy" have aligned most of the cooperative sector, creating a division among the entities that are within the financial system.

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These changes have positioned this “new” social economy market system within the local context, however, this alignment, necessary but contradictory, has forgotten the fundamental part for which the cooperatives have been created, ensuring a better system to represent the financial data of these institutions, but totally neglecting the member and even more the beneficiaries -direct or indirect- of the cooperative activity. While there is a wide range of financial parameters introduced to demonstrate the proper financial functioning of cooperatives assimilated into the notion of transparency, there is no parameter that has gone deeper into the support of the cooperative by its members [1].

Indeed, a few years later, the same authors, Chaves and Monzón [2] note the existence of advances on the centrality of the member as the primary actor of the cooperativized activity, manifesting the primacy of people over the social object through the combination of the interests of the members, the democratic role of the institutions and the participatory empowerment of the members, however such a panorama has not been clearly formalized in Ecuadorian cooperatives.

Under the strict concepts of the Social Economy there are other important elements for the analysis of the participation of members, among them is the freedom of adhesion and the satisfaction of the needs of individuals, households and family [2], and of course enters one of the principles of the Declaration of the International Cooperative Alliance which is education, training and information; in which the fundamental key is the training of members, workers and before the same society [3].

Whether they are ordinary, worker or quasi-capitalist members of cooperatives [4], they must be provided with a direct participation in the entity to which they belong, such participation must result in information that generates changes in the cooperative, either at the service of the cooperative - internal - or to the actors seeking to satisfy the needs - external-. Although the General Assembly of Representatives exists, it should not only be an element of meeting, but through new mechanisms, this instance can bring to the Board of Directors, the details that the members can make known through new systems that involuntarily or induced can improve the participation of the members. In Ecuador, member participation is minimal, often because there is no sense of belonging to a cooperative, either because the member does not have the initiative to participate and make himself heard, or because the cooperative’s directors are not really interested in knowing the member’s contributions.

Therefore, recognizing the emerging influence of Information and Communication Technologies in the financial field [5], the proposal put forward responds to the new connectivity through the use of technological tools to know and evaluate what members think about the management of the cooperative to which they belong. Hence, the notion of formative games appears on the scene, which provides playful elements that allow to enhance interaction and simulate realities that through educommunicative processes will provide information to the decision makers of a cooperative [6].

The use of formative games clearly responds to the problem posed by the high degree of physical disengagement in cooperative assemblies [7], thus generating a tangible alternative to motivate feedback, understand their desires and aspirations as members. That is, it is intended to perform a search for formative games that allow members to learn about cooperative values and seek to raise awareness in citizens of social problems that can be solved by the cooperativized activity, from there we obtain a derivative of

the formative games known as Games for Social Change-Games for Social Change-, seeking to know the impact and concrete purpose of action of the member [8].

In this case, the fundamental premise of the formative games will be to diligence two fundamental pillars in the cooperative: democratic participation and training of members. In that tenor and admitting that formative games, also known as serious games, stimulate the behavior of participants, increase motivation, promote learning and help solve problems [9], it is intended to create a new form of interaction to consolidate new participatory and management strategies for the common good.

1.1 The Role of the Member in the Ecuadorian Savings and Loan Cooperative System

The purpose of a cooperative process is the welfare, not only of the people involved in it, but of the entire ecosystem, hence the decision-making process is carried out by the members with an equal voice [10]. Admitting such circumstances, the cooperative principles the International Cooperative Alliance (ICA) has defined a series of criteria through which cooperatives put into practice their values, highlighting the organization with democratic form that implies a representation of one voice one vote, the search for democratic guarantee for cooperatives of ulterior degrees.

In order to comply with the cooperative principles, in addition to the cooperative bylaws, it is necessary to generate a “total involvement of the members in the cooperative society [which] becomes an indispensable condition for the maintenance of equality in decision making as the axis of its particular identity” [11]. Without the commitment of the members to see themselves as the actors involved, it will not be possible to manage under the democratic notion; such a scourge is usually one of the main disadvantages that have been found in some of the processes of participation in savings and credit cooperatives in Ecuador [12]. If we add to this the geographical dispersion, the large number of members that cooperatives have, the different levels of education, the difficulties of access not only physical but also telematic, are barriers to the development of adequate participation in the organization of a cooperative [13].

Spear [14] raises the existence, in addition to the above, of other elements that generate a concern for good cooperative management:

- Identity: that the member feels part of the cooperative, i.e. that he/she asserts his/her identity as owner.
- Relay generation: increase in the age of the first members, which decreases their participation.
- Location: geographical dispersion of the members, emphasizing rural, marginal urban and urban areas.
- Size: growth and expansion of the cooperatives’ activities in several provinces, reducing their communal proximity.

The conceptualization of cooperatives as an association of people who focus their activity to meet the economic and social needs of their members is still present, it continues to create wealth and employment in the areas where they operate [15]. However, it should not be unfocused from its members and from this perspective the governing

councils should create open systems that allow creative interaction taking into account that cooperative entities are nonlinear dynamic systems that evolve and always tend to self-regulation [16]. Accordingly, many cooperatives have implemented strategies that allow an adequate performance and search for democratic participation of the members:

- a) Information systems that process data related to the environment and internal functioning of each of the cooperatives' representations in the territories.
- b) Autonomous units that put into practice the needs of the members and provide government units with complex conditions but that respond to specific segments of the environment.
- c) Flexible structures that allow carrying out complex tasks, establishing learning and improvement strategies, working in a network.
- d) Cooperative education that provides the basis not only of elements inherent to cooperativism, but also seeks to train in other formative, professional and human aspects, necessary for the participation of members.
- e) Involvement of people with committed members who identify themselves with the success of the cooperative activity.

The governance model chosen by the cooperatives, under the principle of one voice, one vote, radically marks the form of management in this type of entities and as a differentiating element in the management and identity. Taking up again the second principle of the ICA, in the cooperatives the members manage and decide democratically in the General Assembly, they participate actively in it and in the election of their representatives, these representative positions manage under a governing council, and they are the ones responsible to the members. If cooperatives increase in size, they must have administrative directors and salaried personnel to manage the decisions made by the members and at the same time ensure the proper economic functioning of the cooperative [1].

The General Assembly, as the sovereign body of a cooperative, on which the principle of democracy is based, must ensure proper member participation. In fact, Spear [14] evidences the problems of participation in relation to the level exercised by each member, but it is in this body that the agreements to be taken according to the cooperative activity of the entity are ratified. Although participation is low, especially in savings and credit cooperatives [1], it entails costs for all members. "It is not in vain that since the 19th century, the first pioneers of cooperativism promulgated the Principle of cooperative education as one of their Cooperative Principles, still in force today. The most widespread practice is not precisely that of facilitating member information and training" [1].

1.2 Formative Games for Participation and Decision Making

Through games we can obtain a reality in a completely controlled way, which can derive in an environment that enhances capacities that will be put into practice in the future. Without realizing it, we are participating in games that stimulate "the development of a different faculty-from physical, chance, competition, simulation, intelligence, retentive, role-playing or vertigo games" [17]. The use of ludic themes in society is not new, they have been used for many years to model our civilization [18]. It is for this reason that representation by ludic models in society closely involves social learning and currently

these ludic processes are giving results in gamification methods that exist in environments close to us such as: schools, universities, homes, work, etc., i.e., in most of our places of interaction with other people. In games there is no 100% correct answer, you can start over. For there to be a true way of interacting through these it is necessary to have a set of rules and norms [17].

Games can be traditional or contemporary, physical or digital. The participants of the same must know the rules of the game that are usually determined by the same environment and its operation depends on the rules that it has imposed. “This experience is shared with games with the mother, classmates, friends that one acquires throughout life, co-workers, relatives, etc. it is acquired with the first games of smiles and hugs with the mother, games at school, high school, at university, in bars and terraces, in shopping malls and even in geriatric homes through observation and habit” [17]. In this way we can see that it is not a new fashion, since we have been implementing competencies and developing skills through everyday life and social interaction regardless of the roles we exercise or the age we are [19]. Nowadays, we find movies, games, mobile applications and even books in which we interact -children, adults and seniors-, to build the human being “with their expectations, with their learning, with their roles and status, with the interaction with others, with the development of their interpretation of their self and the world, with the culture to which they belong and with creativity” [17].

For their part, recognizing the importance of the ludic experience, formative games should be highlighted as those games that go beyond entertainment, that is, they contain a particular purpose that could be to educate-edugames-, inform-newsgames-, persuade-advergames-, exercise-exergames- [20] and of course facilitate decision making. In fact, Rumeser and Emsley [21] assert games beyond improving team performance, can also improve players’ ability to make decisions. In short, games can lead to a positive shift from participation to decision making, hence their inclusion in financial institutions such as cooperatives can be envisioned.

2 Methodology

2.1 Case Study. Jardín Azuayo Savings and Credit Cooperative

In the first instance, the general objective was determined as: to analyse the decision-making processes in Savings and Credit Cooperatives, deriving from there 3 specific objectives: 1. To identify the incorporation of democratic principles in decision-making in Savings and Credit Cooperatives; 2. To explain the formative processes in decision-making in Savings and Credit Cooperatives and; 3. To compose an innovative proposal through formative games for decision-making in Savings and Credit Cooperatives.

To achieve these objectives, the methodology was systematized using a qualitative deductive approach through a case study focused on the assessments made by the Jardín Azuayo Savings and Loan Cooperative, the second most important Savings and Loan Cooperative in Ecuador. The data presented below have been collected through 200 in-depth interviews with employees, members and Manager of the Cooperative collected from January to July 2020, in addition to public and internal documentation of that institution.

3 Results

First, the development of management, education-participation-action, are the elements that are managed through a working model created specifically to encourage and ensure member participation that facilitates decision-making. The structures of credit unions in Ecuador, as they have increased in size, have had to incorporate changes to respond not only to the demand for their services but also to a structure that can cover the territorial range of their members. For this, there is a process in which the architecture of the cooperatives is based on their ideology -mission, vision and values-, their objectives, their cooperative activity and the functioning of the entire organization. For the management of this process, it is necessary to have a governance structure, in this case distributed, by blockchain. This structure allows the “achievement of efficiency in its actions and in the contracts that configure it, to achieve the creation of value for the members” [22]. At the same time, social capital is accumulated in the environment that suits economic, social and governance aspects to strengthen participation.

The block structure allows members to be part of the cooperative from their place of daily development through electronic or face-to-face participation in “mini” assemblies with democratically elected representatives. The latter are the ones who carry the voice of the members to the General Assembly. For this, communication and participation processes are used through apps such as WhatsApp that facilitate the connection and coopworking for each cell. It is not possible to talk about an adequate participation in these processes of participation if there is not a process of valuation of the cultural imaginary, which should be a bet from the cooperatives. In this case, the branches that add value are the processes of education and cultural events. Nourishing the cultural imaginary, either individually or cooperatively, contributes to a better participation of the members in the governance of the cooperative. This participation does not only exclude the member, but also the managers who are the ones who contribute with each of their members’ voices in each cell. The sum of the culture and the governance of members facilitates the administration and therefore the correct development of the cooperative activity.

In terms of educational processes, there are two types: i) training linked to cooperativism, citizenship and leadership programs (around 700 members per year), rigorously academic training processes; and ii) training on topics such as financial education (595 young people), popular and solidarity economy, personal development (3,439 members), roles and functions for managers (604), etc. This process of education is necessary to consider that they arise under a problem that is detected by the partners, leading to organize with others and then with people who have the same problem, as a result of this research-action-participatory groups are formed that generate action plans to work this need for education and that in the end are transformed into results.

Regarding the games, it is complex to understand their importance beyond the triviality that they conceive in themselves, however, in Jardín Azuayo, the games were being considered as face-to-face and dynamic strategies applied by Human Resources and for the training of partners in the conceptual field, transferring them to the notion of project methodologies such as Scrum and Canva. They also state, from self-criticism, that games have not been fully used by the cooperative, but their potential incursion is

latent, especially from the digital level. Judging from the above, it can be deduced that the games will also be considered by Jardín Azuayo for other issues:

- Recruiting young customers: today, most customers are still located within an age bracket above 40 years old, therefore, the incorporation of playful experiences can achieve a significant attraction to young customers.
- Training on financial concepts: It is recognized that financial theory can, at times, be accompanied by technicalities, hence the inclusion of games would extend the knowledge and understanding of financial terminology.
- Identity culture: Building a common identity by valuing the collective imaginary.

In the case of the cooperative, it increases the social and relational capital of each of its members, which destroys the fear of sharing with others and facilitates close contact to deal with issues of collective interest.

- Traceability: the play interfaces provide computer traceability, which means that a direct record can be kept of members' participation in terms of their interactions with the game platform.

Based on these four questions extracted from the interviews conducted with members, employees and manager regarding the playful theme, it is understood that the games will be a fundamental piece both in the digital transition and in turn to promote the participation and training of the collective belonging to the Jardín Azuayo Savings and Loan Cooperative.

4 Conclusions

Cooperatives, due to their structure, encourage member participation, not only for intrinsic management elements of the cooperative activity, but they are also platforms for collective interaction that, when properly channeled, develop democratic participation processes. This is not only a culture, but is transformed into practice when there are strong training bases and adequate channels of participation. In the development of this research, it has not only been possible to show that these types of entities have democracy as a principle, but that it is exercised through the voice of the members and the actions of the General Assembly. It is in this instance that the directors, representing the members, can choose to use new tools that facilitate participation through the use of technologies, but with values such as reciprocity, co-responsibility and redistribution.

The use of educational games has been seen to be physically encouraging participation and social capital, but it would still be a challenge to introduce them in the boards of directors to further strengthen the participation of members. These processes are not temporary, but by introducing immersive recreational experiences, a motivation is created that allows the constant participation of players/partners. The dynamics and incentives, the feedback, the orientation in the "game", the chains of activities and the order in the game, allow to know in a permanent way the way of thinking of the partners that is transmitted in the form of data to the managers who can take actions of improvement,

corrective or development of future options. These elements favour decision making, planning processes and new structures based on the experiences of the partners to achieve the desired objectives through feedback and interactive evaluation for decision making.

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