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MATCOM

training for the management of cooperatives

international labour office geneva

TRAINER'S MANUAL

A WORKERS' CO-OPERATIVE: THE DECISION TO START

material for training of co-operative advisers

by Malcolm Harper

MATCOM



material and techniques for cooperative management training

The MATCOM Project was launched in 1978 by the International Labour Office, with the financial support of Sweden. In its third phase (1984-1986) MATCOM is financed by Denmark, Finland and Norway.

In collaboration with cooperative organisations and training institutes in all regions of the world, MATCOM designs and produces material for the training of managers of cooperatives and assists in the preparation of adapted versions for use in various countries. MATCOM also provides support for improving the methodology of cooperative training and for the training of trainers.

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Preface

The ILO-MATCOM Project has produced a total of fourteen training packages designed to assist the people responsible for planning or conducting training courses for advisers and managers of agricultural co-operatives in developing countries.

In addition, MATCOM has now designed two packages to help in the training of advisers to people considering establishing workers' co-operatives:

A WORKERS' CO-OPERATIVE: THE DECISION TO START

and

A WORKERS' CO-OPERATIVE: FORMATION AND MANAGEMENT

Workers' co-operatives are usually concerned with manufacturing rather than farming. The important distinction here, however, is not between agricultural and non-agricultural co-operatives but between service and workers' co-operatives.

Service co-operatives exist to provide marketing, supply, equipment hire, credit and other such services to their members, generally independent farmers. (MATCOM's training packages for agricultural co-operatives are actually designed for this type of service co-operative.) Obviously, independent craftsmen, such as carpenters or tailors, can also form service co-operatives.

Workers' co-operatives, on the other hand, are set up to provide jobs to members, not services. Members of a service co-operative own the co-operative and buy from or sell to it; members of a workers' co-operative own it and also work for it.

The term "workers' co-operative" has been chosen because it is probably the most widely used term to describe this kind of organisation. Other terms in common use include industrial co-operative, producers' co-operative and workshop co-operative. The terminology is not important; the critical determinant is not the particular activity undertaken but the fact that members of service co-operatives retain their own independent economic activities, while members of a workers' co-operative are actually employed by it.

Many countries have long experience with agricultural service co-operatives. The function of the MATCOM training packages for their managers is often to introduce more effective management techniques to organisations whose basic principles, problems and activities are already well understood. Workers' co-operatives, on the other hand, are less common; they have a greater need for more fundamental training. It is hoped that these new complementary MATCOM training packages will help to satisfy this.

THE MATCOM TRAINING PACKAGES

1. THE MATCOM TRAINING PACKAGES

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THE TRAINING PROGRAMME1. Target Group

This training programme is intended for co-operative officers and other advisers to people considering setting up a workers' co-operative or some other form of organisation to provide themselves employment.

2. Aim

The aim of this training programme is to enable the course participants (the co-operative advisers) to decide whether or not a workers' co-operative should be started. (Formation and management of a workers' co-operative are dealt with in a complementary training package.)

- It is important that participants be clear that workers' co-operatives are only one possible solution to the unemployment problems of those whom they are advising.

Participants may be familiar with the problems of the agricultural sector, where service co-operatives are often the natural and only possible type of organisation for certain functions. They may have little doubt as to whether a service co-operative should be started.

They may be less familiar, however, with workers' co-operatives which are only one of many different ways in which potential members' objectives may be achieved. The "start up decision" is therefore fundamental and crucial, and this training programme has been designed to help advisers to focus on this issue.

In some cases the best advice and the wisest decision may be not to establish a co-operative at all. Trainers and trainees should be encouraged by the use of this package to be quite realistic about the possible reasons for failure and the conditions necessary for success.

A basic condition for success evident from this material, is that all co-operative decisions (especially the fundamental one of whether to begin or not) must be made by the potential members, and not by an outsider. It is therefore vital that advisers realise that their job is to advise and not to decide. They should learn from this material the conditions most conducive to success, but they should never think that this knowledge gives them the right to tell people whether or not to start a co-operative. What the advisers should do (and this is in fact more difficult) is help people make their own decisions, by showing them both opportunities and potential problems and then leaving them to decide for themselves.

3. Objectives:

This programme consists of thirteen sessions (see page XI.) Briefly summarised, their objectives are to enable the participants -

- to identify and distinguish between different types of organisations;
- to identify co-operative enterprises, to distinguish between service and workers' co-operatives and to identify activities for which each may be appropriate;
- to identify the main reasons why workers' co-operatives fail and to list the factors which can help to avoid common problems when selecting groups for assistance;
- to recognise and avoid the dangers of excessive intervention and support for workers' co-operatives, and to recognise the need for encouraging self-reliance;
- to identify situations where lack of participation in a workers' co-operative is likely to lead to exploitation and failure;
- to recognise the importance of effective leadership in the development of workers' co-operatives;
- to recognise ways in which politicians and vested interests may attempt to work through workers' co-operatives, and to identify and prevent, when possible, inappropriate intervention;
- to identify ways in which new workers' co-operatives can overcome obstacles and strengthen their commitment through persistence;
- to identify and make use of appropriate sources of finance for new workers' co-operatives;
- to identify the appropriate criteria for new members of a workers' co-operative;
- to guide members of new workers' co-operatives through the procedures necessary for formal registration;
- to apply what they have learned in this course to their work in the field.

4. Timing, Structure and Use of the Material

The following material is provided for each session:

- a session guide for the trainer (yellow pages), giving the objective of the session, an estimate of the time needed and a comprehensive "plan" for the session, including instructions on how to conduct the session;
- handouts (white pages) of all case-studies, forms, etc., to be reproduced for distribution to the participants.

The course which is covered in this package can be completed in something between 20 and 30 hours of classroom time, depending on the number of trainees and the pace at which the material is used.

Note: The complementary training programme "A Workers' Co-operative: Formation and Management" can conveniently be linked to this course, and both programmes run as one course.

Trainers may prefer to use groups of sessions, individual sessions or parts of sessions, and they should certainly feel free to do this. Components of this package can be integrated with other material and can be modified and used in whatever way the trainer thinks fit. Each trainer should aim to make this material his or her own; parts of it will undoubtedly need substantial modification to conform to local situations, regulations, currencies and so on. Trainers may have better examples and case-studies which can be substituted for some of those which are used in the material. A MATCOM manual is deliberately produced in loose-leaf form; it should be written on, amended and improved continually.

5. Training Approach

The MATCOM packages are based on the assumption that training is expensive and that funds for training are scarce. Training is an investment, and unless the training yields results which are greater than that investment, it would have been wiser to use the money for some other purpose.

On their return to work from the training programme, participants should be able to show concrete results. In order to prepare them

almost entirely participative, with the minimum of lecturing and a maximum of shared experience and learning.

The participants will not learn how to advise workers' co-operatives in a passive way; the kinds of problems which they meet in their everyday work have been, as much as possible, translated into realistic case-studies and other problem-solving exercises. Participants, working in groups and on their own, will solve these problems with the help of one another, and with some assistance and guidance from the trainer. He should act more as a facilitator of learning than as a lecturer.

Every participant, even if he or she has never actually given any advice to members or potential members of a workers' co-operative, has some ideas and suggestions from which others can learn. If all these insights and experiences can be shared, a great deal will have been achieved even without the new knowledge provided by the material or the instructor. The material is designed to facilitate this process of exchange, so that everybody goes away with the accumulated knowledge that each has brought to the programme.

Remember that knowledge is like fire; you can share it with other people without losing anything yourself. You should treat each person as a source of ideas and suggestions which are at least as valuable as your own. The material is designed to help you draw out, or "elicit", these contributions.

The last session, on "Action Commitment", is designed to ensure that the "bridge" between the course and the working world is as easily crossed as possible. Working with each other and with you, each participant should come up with a very specific plan of what he or she proposes to do on return home. You should make every effort to ascertain whether or not they implement their plans and to support them in their efforts. If they fail, it is the course that is at fault; and if they succeed, you - the instructor - can take a great deal of the credit.

6. Preparing the Training Material

Handouts constitute an important part of the training material used in the programme. They can be reproduced from the original hand-