



MATCOM

training for the management of cooperatives

international labour office geneva

TRAINER'S MANUAL

A WORKERS' CO-OPERATIVE: FORMATION AND MANAGEMENT

material for training of co-operative advisers

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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 TRAINING PROGRAMME1. Target Group

This training programme is designed to help in the training of advisers to workers' co-operatives.

With minor adjustments, the programme can also be used for managers and potential managers of workers' co-operatives.

- In field tests of this material it was found very useful to include both advisers and managers of existing co-operatives among the participants, since each could learn from the other.

However, it is important to be clear as to the different roles of advisers and managers. As is evident in the material, one of the most important conditions for success is that the members of a workers' co-operative make their own decisions and manage their own enterprise. An external adviser may find it easier to make decisions for them, confident in his own expertise, but if he does, it will almost inevitably result in failure. What he must do is help and guide the members to make their own decisions.

2. Aim

The aim of this training programme is to enable advisers to workers' co-operatives to help their members establish and manage them more effectively, and to train the members to undertake these activities on their own. (If the advisers are likely to be concerned with groups which have not yet started a co-operative, they should first go through the introductory MATCOM programme "A Workers' Co-operative: The Decision to Start".)

3. Objectives

The training course described in this manual is made up of thirteen sessions (see page XI). Briefly summarised, their objectives are to enable participants -

- to identify the typical features of a workers' co-operative, and the most common reasons for failure;
- to identify and play an appropriate role as outside advisers in the initial stages of a workers' co-operative;

- to advise and obtain from prospective workers' co-operatives a simple but comprehensive plan of action which will enable the co-operative to finance and start operations effectively;
- to advise and assist members of a workers' co-operative to market and sell their products;
- to assist and advise members of existing or prospective workers' co-operatives to select and acquire appropriate premises, equipment and material;
- to advise and assist members of workers' co-operatives to assess their capacity, set optimum prices and choose the best work for their societies;
- to advise and assist members of workers' co-operatives to manage their finances effectively;
- to assist members of workers' co-operatives to identify appropriate sources of finance;
- to prepare and make effective use of statements of the financial condition and operations of workers' co-operatives;
- to make members of workers' co-operatives aware of the need to set up appropriate and effective procedures for making decisions;
- to assess the condition of moribund workers' co-operatives, to identify reasons for failure and to recommend and advise on appropriate remedies when possible;
- to advise and assist members of workers' co-operatives to plan and budget for the future;
- to identify specific tasks which they will commit themselves to undertake on their return home, and which will apply what they have learned on the course.

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, role play briefs, etc., to be reproduced for distribution to the participants.

The programme can be conducted in something between 25 and 35 hours of classroom time, depending on the level of participants and the pace at which the material is used.

Note: The course described in this manual can conveniently be linked to the introductory course "A Workers' Co-operative: The Decision to Start", and run as one course. In that case, Session 13 "Action Commitment" should be omitted from the first part, and Session 1 "Introduction" of this second part should also be omitted.

If this second part is run on its own, the instructor may wish to use parts of Sessions 1, 2 and 3 of the first part to supplement Session 1 here.

Some trainers may prefer to use groups of sessions, individual sessions or parts of sessions, and they should certainly feel free to do this. Components from this programme can be integrated with other material, and trainers should in general feel free to make whatever use they care to of the ideas which are contained in this material. Every trainer should aim to make the material his or her own; parts of it will undoubtedly need substantial modification to conform to local conditions, and trainers may have more appropriate examples and case studies which they should substitute for those which are given in the material whenever possible. MATCOM manuals are deliberately produced in loose leaf form; trainers should write on them, amend and improve on them continually.

5. Training Approach

This MATCOM programme is based on the assumption that training is expensive and that money for training is scarce. Training is an investment; unless the benefits resulting from participants' improved performance exceed the cost of conducting the course, the money should have been used in some other way.

After the training programme, the participants must be able to show concrete results. In order to help them do this, the course makes

day problems which advisers and members of a workers' co-operative have to face have been put over in the form of case studies and exercises which they actually have to solve. Participants, working in groups and on their own, will learn from each other and from the trainer, whose role is mainly that of a facilitator, how to perform their jobs more effectively.

Every participant, even those without experience of advising or working in a workers' co-operative, has insights and experience to contribute; the material is designed to help you, the trainer, draw out or "elicit" these insights, and if every participant goes away sharing the accumulated expertise which each has brought to the programme, a great deal will have been achieved without any contribution in terms of knowledge either from the material or from the trainer.

The final session on "Action Commitment" is designed to help participants cross the "bridge" between the classroom and their jobs. The sessions should have been as close to reality as possible, and this final session should help them, assisted by the trainer and by one another, to develop a specific programme of action which they will commit themselves to completing on their return home.

6. Preparing the Training Material

This course is based on a number of exercises dealing with the formation and management of one specific hypothetical society - a carpenters' co-operative.

Woodworking has been chosen as the activity for our hypothetical society, because there are carpenters everywhere and there have been many woodworking co-operatives. If there is another activity which is more familiar to participants, or is far more likely to be taken by co-operatives which they must advise, the material should be re-written accordingly.

Women's co-operatives are increasingly common, and often successful. If participants are likely to work with such groups the whole case study should be re-written.