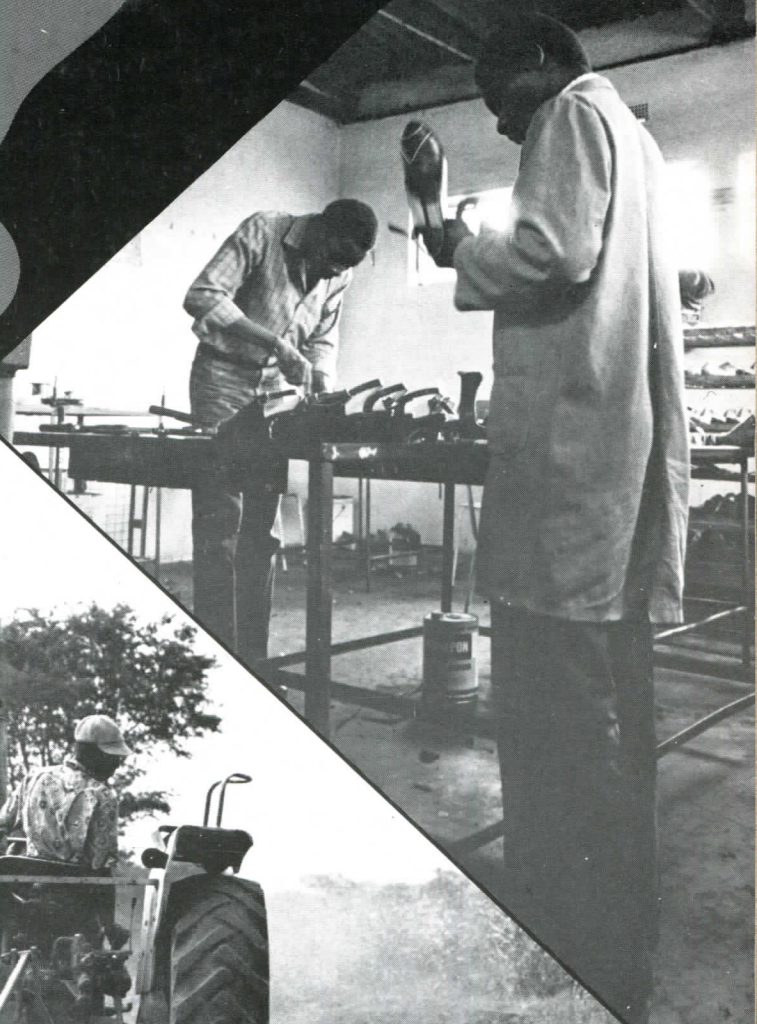


CO-OPERATIVES

What about them



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Unit.

**The book may be used in Education
For Living, Political Economy, and as
a Supplementary Reader, Forms 1-1V.**

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Quotations : Co-operative members, Zimbabwe

CONTENTS

<u>Co-operation and Co-operatives</u>	1
<u>Co-operative Principles</u>	5
1. Open and Voluntary Membership	5
2. Democratic Control	7
3. Limited Interest on Share Capital	8
4. Profits - fair distribution	9
5. Continuing Education	11
6. Co-operation amongst other Co-operatives	13
<u>Different Co-operative Formations</u>	14
a) Producer Co-ops	14
b) Skills Co-ops	16
c) Marketing and Supply	18
d) Consumer Co-ops	18
<u>Co-operative Organization in Zimbabwe</u>	19
<u>How is a Co-operative Managed?</u>	20
a) Finance	20
b) Production	21
c) Marketing	24
d) Education	26
<u>What do we mean by a Successful Co-operative?</u>	35
Appendix	40
Glossary	

The collective co-operative movement in our country needs a new type of people: conscientious, dedicated, hard-working, honest, selfless, and sacrificial. Our work will curb anarchy, corruption, mismanagement, maladministration, and misappropriation of funds.

INTRODUCTION

This book has been written for students and young people who may be interested in joining or forming co-operatives.

We suggest that you do not simply read the book alone but form small groups and work through each section carefully discussing each issue as you proceed. If there is anything that cannot be understood; or with which you disagree or if there are points about which you would like further information, we suggest that you discuss the issue with a sympathetic teacher, parent or friend who has some knowledge of co-operatives in terms of practice and ideology; arrange for someone from the Department of Co-operatives to come and talk to you; visit and discuss the issue amongst people who are already members of a co-operative; and throw the issue open by arranging a class debate or discussion. The more you know of and understand the principles, ideology and working practice of co-operatives, the more you, the movement as a whole and the country will benefit from your contribution. Likewise teachers who are interested in using the book as a basis for class development and discussion, should try by the inclusion of outside speakers, debates and visits to challenge students to think about all the aspects relating to co-operatives : principles, inter-personal relations, financial management, administration, the need for skills and skill development, within the context of the meaning of Socialism and Zimbabwe's struggle to achieve a more egalitarian, more equal society.

We wish you luck and look forward to hearing how you get on.

.....

CO-OPERATION AND CO-OPERATIVES

Before we answer the question 'What is co-operation' let us first make sure we know what the word means to us. So, before you turn to your dictionaries, write down whatever meaning(s) the word 'co-operation' has for you. Compare your definitions with those of others.

Some definitions of 'co-operation' will include:

- a) working together
- b) working together for a common/agreed end
- c) working with a unity of purpose.

But, you might say, co-operation is a part of everyday life. I work with others and they work with me, but we do not belong to a co-operative movement. What is the difference?

In this booklet we hope to explore some of the significance that attaches to belonging to a co-operative, some of the principles to which you will commit yourself if you belong to a co-operative and some of the aims to which you will aspire at an individual, a local and national level.

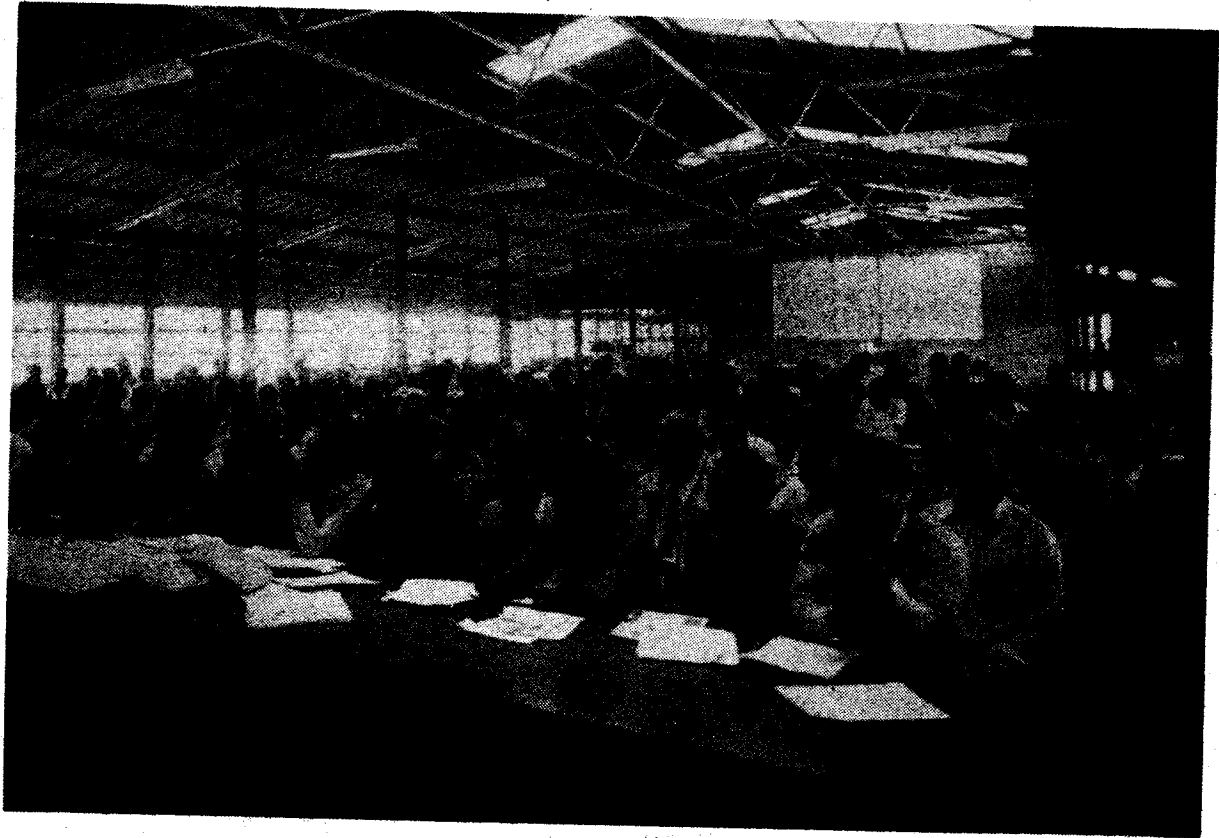
A co-operative is the legal association of free and equal individuals for social and economic gain. No member of a co-operative aims to gain at the expense of other members. Thus everyone receives equal pay for equal work and all decisions are made by all members of the co-operative.

In your notebooks list down what advantages you think there are in such a system and what disadvantages. Ask yourself questions such as:

- Question:
- a) If Tendai works harder than Shima should they both receive the same pay?
 - b) If Mercy is stronger than Thenji should they both receive the same pay?
 - c) We talked about 'equal pay' but all the money - the investment, (the capital), the profits and the losses will be the equal responsibility of the members. There is no-one in a co-operative who sits on a pool of money that they are going to dole out at the end of every month come rain or shine.
 - d) If your boss tells you to do something that you don't think is fair, or that you think is wrong, can you discuss it with him? Do you feel free to criticize? Would you be able to do so in a co-operative?

- e) If a Company makes a profit, the managers or the board of directors will decide what to do with that profit. If a co-operative makes a profit, the members will have to decide what to do with it. If you shared this responsibility, what sort of things would you want to consider?

Thus a co-operative is a democratic organization. Every member is equally free to contribute, discuss, criticize, elect or be elected to office. People who join co-operatives believe that by working together in a democratic way they will achieve more than they would as separate individuals.



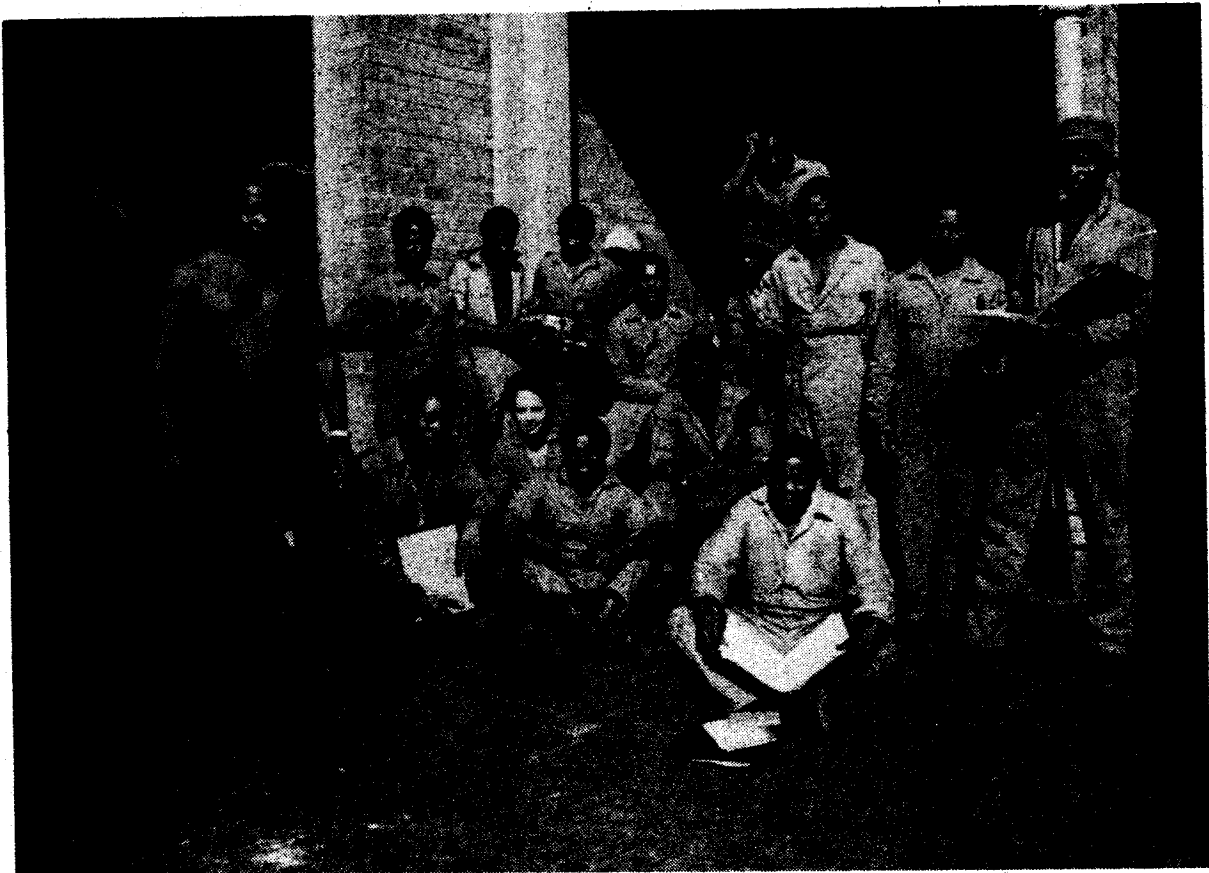
For example, if you had one field which you dug with a hoe, you might join with another two, three, four people in the same position and jointly buy a plough. Then, with one big field instead of four small fields you might have a much better crop than before.

Co-operatives differ from other business organizations in that

- a) the co-operators own the means of production e.g. the plough
- b) they decide how they will work, when they will work and what they will do with the profits; (remember, they will also have to take responsibility for their losses).

Private business organizations are usually owned by people who, because they have put their money into the organization, employ the workers and decide their hours and wages. They also decide what to do with the profits. The workers themselves have little or no control over decision-making.

Thus a capitalist society is a society where the means of production, e.g. the factories and raw materials, are privately owned. Put very simply, such a society is divided into two : the owners who invest their money, control the way business is operated, and aim to make profits for themselves; and the workers who produce the goods and earn a wage but who have no financial or social control (except through workers committees and trade unions).



Co-operatives provide an alternative. Their democratic, egalitarian principles offer financial and social equality to their members.

Let us look more closely at co-operative principles.



CO-OPERATIVE PRINCIPLES

Six principles were agreed by the International Co-operative Alliance (ICA) in 1966. The ICA is an alliance of co-operative movements from different countries, and the principles have been accepted in both capitalist and socialist countries. In Zimbabwe, OCCZIM (Organization of Collective Co-operatives in Zimbabwe) and CACU (Central Association of Co-operative Unions) accept the principles, but Zimbabwe is not yet a member of the ICA because it does not have a single national co-operative organization.

The six principles are as follows:

1. Open and voluntary membership.
2. Democratic control.
3. Limited interest on share capital.
4. Profits to be distributed fairly.
5. Continuing education.
6. Co-operation amongst co-operatives.

1. Open and voluntary membership: this means that membership of a co-operative should be open to everyone if they want to apply to join it. Membership of a co-operative should not be refused because some people might want to discriminate against others on the basis of their religious or political beliefs, their tribe, their sex or their race. Membership must be open to all. This means that people who belong or who decide to join the co-operative movement by becoming a member of a particular co-operative must believe:
 - a) that they can and will respect other people's opinions and beliefs;
 - b) that disagreements can be resolved through open discussion and education;
 - c) that real equality is not based on discrimination but on mutual respect.

In Zimbabwe, for example, co-ops have members who were with both Zipra and Zanla; men and women try to share the burden of work equally with others; people who are religious and people who aren't. Such co-ops are at the forefront of the struggle against discrimination and prejudice. They are trying, in a practical way, to create a more fair and equal society.

Nonetheless, co-ops often have to restrict membership to certain particular areas of activity e.g. an agricultural, marketing and supply co-op will probably only open membership to farmers; a saw-mill co-op might (especially when it first starts) restrict membership to people with a knowledge of forestry and of the saw-mill business; a collective farm will restrict membership to the number of people or families it can accommodate. These are genuine, necessary restrictions if the co-ops are to succeed.

Everyone plays a big role in production in collective co-operatives and everyone smiles after a hard and satisfactory day's work.

2. Democratic control: this means that everyone in the co-op has an equal right to vote, an equal voice in all decisions.



If particular committees are elected to do particular work e.g. the book-keeping, the members of the committee must be elected from the co-op members by the co-op members and the committee must be accountable to the membership. This means that they must keep the members informed of everything they do and every decision they make; for instance, if they are responsible for the accounts, they must present them to the members for regular approval e.g. at the end of every month.

Sometimes people elected to the committees are elected because they have particular experience or particular skills but they are still responsible to the members and they, like the other members, only have one vote. Being on a committee does not make you more equal than others. Every member of a committee has been entrusted by members of the co-op to do a particular job on their behalf and all committee members have a responsibility to do the job to the best of their ability.

3. Limited interest (if any) on share capital: What is share capital?

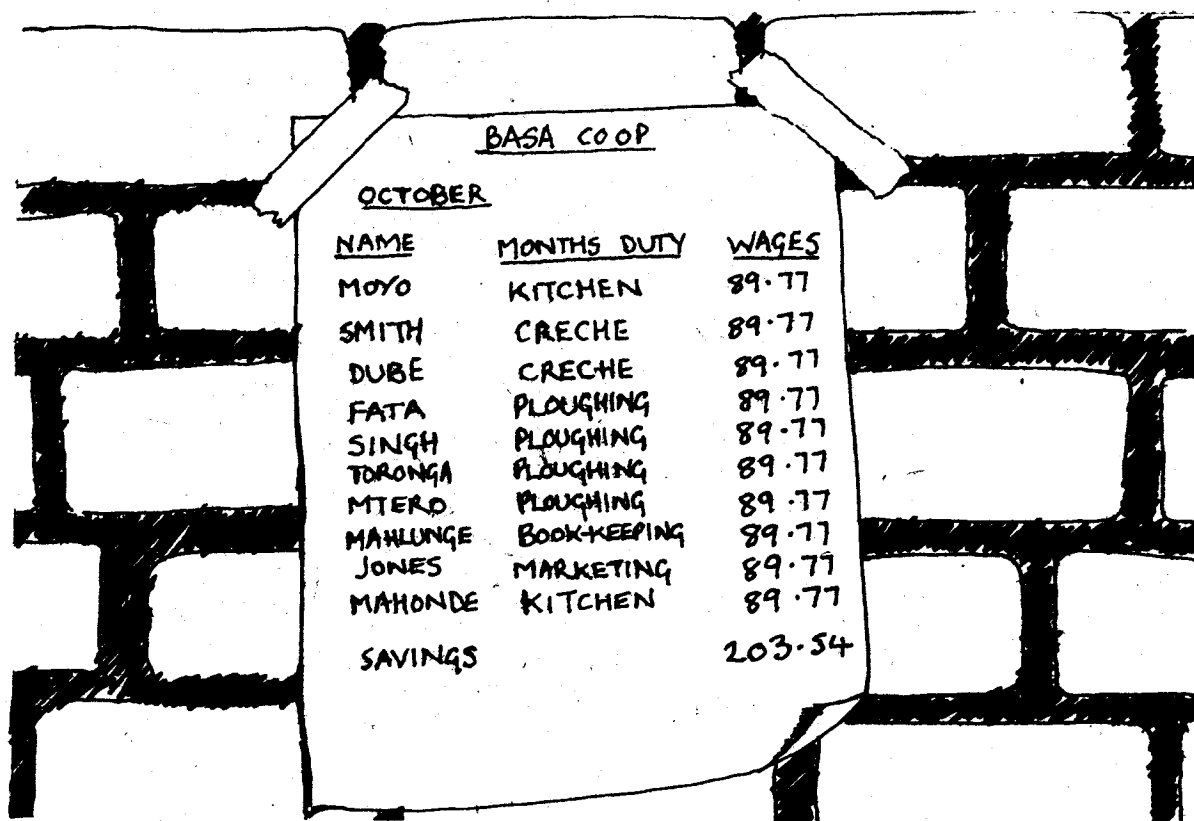
Many co-operatives ask members to put money into the co-operative to help buy tools, or land, or whatever else may be needed. This money is called share capital. It means the member has invested in the co-op not for personal profit but in order to help the co-operative. In a co-op, what comes first is people, not the money that each member may have put into it. For example, if a security guard co-op obtains enough share capital from its members to be able to buy uniforms, whistles and walkie-talkies (so they can alert one another in case of danger), it will be much more likely to be successful and to earn more money for its members than it would if it had none of that equipment. Share capital should be used to benefit every member.

Outsiders - that is, non-members - cannot have shares in a co-op; in a private business they can. People who buy shares in a company do so only in order to earn interest on their money, so as to make a financial gain. Members contributing to a co-op do so in order to strengthen the organization and ensure its future success.

We have always had some form of co-operation during our history. The whole community working in a field or building the home of a fellow community member for example. The fathers of our forefathers, we are told, made full use of our country's land.

4. Profits to be distributed fairly: No member of a co-operative should earn something or make a profit at the expense of any other member, i.e. nobody in a co-op should exploit anyone else. If the co-operative makes a profit, the members may, for instance, decide to use the profit for:

- a) capital investment in buying something that will help the co-op as a whole. For example, a building co-op might decide to buy a concrete-mixer to make their production more efficient;
- b) the provision of a common service such as a small clinic or school;
- c) fair distribution among the members, according to the contribution they have made;
- d) saving; for example, if an agricultural co-op decides it needs a tractor and has made a profit but one which is not enough to buy the tractor, it may decide to put some money aside in a bank or post office that will go towards the purchase of the tractor in the future.



<u>BASA COOP</u>		
<u>OCTOBER</u>		
<u>NAME</u>	<u>MONTHS DUTY</u>	<u>WAGES</u>
MOYO	KITCHEN	89.77
SMITH	CRECHE	89.77
DUBE	CRECHE	89.77
FATA	PLOUGHING	89.77
SINGH	PLOUGHING	89.77
TDONGA	PLOUGHING	89.77
MTERO	PLOUGHING	89.77
MAHLUNGE	BOOK-KEEPING	89.77
JONES	MARKETING	89.77
MAHONDE	KITCHEN	89.77
SAVINGS		203.54

If the co-op members are sensible and if they think about the future of the co-op as a whole, they will probably decide to do not just one thing but a combination of different things.

Question: If you were the chairperson of a small sewing co-op with ten members, four sewing machines, eight tables and eighteen dependents (children) and your co-op had made a small profit of \$675, how would you suggest (to the members) the money could be used?

Remember that every member of the co-op must feel (and be) treated fairly and that your suggestions must be made in a way that everyone can understand what your proposal is so that their vote is meaningful. You will be in danger of exploiting others if you wrap your proposal in words and figures that cannot be understood.



5. Continuing education: this principle states that all co-operatives should make provision for the continuing education of their members, employees (if any) and the general public. Remember that education is something that must be shared with others - knowledge in a co-op is not something to be personally owned to the advantage of one person and the disadvantage of others.

Education within a co-op might be provided in any or all of the following ways:

- a) training in technical skills;
- b) training in business skills - this is very important if people are going to participate in and understand co-operative management. All members of every co-op should be helped to easily understand profit and loss, how to price their labour, their services, their goods, and how to read the book-keeper's figures at the end of every month to ensure they are accurate;
- c) training in literacy and numeracy;



- d) training in co-operative principles and practice;
- e) in the provision of a teacher or a school for the children of the co-operators;
- f) learning about the economics, politics, history and culture of the country.

Some of this education may be done formally (with teachers and classes or by sending people on short courses); some of it may be done informally through discussion, explanation and practice.

Question: Suppose that you were a member of the co-op education committee given the responsibility of planning an education programme. You are a member of a sign-writing co-op in Seke and there are nine other members of the co-op. You and the Chairperson each have five 'O' levels. Yours are in English, maths, history, geography and metal-work. The Chairperson's are the same except that she has an 'O' level in science instead of metal-work. The oldest member of the co-op has five years experience of the sign-writing business and knows more about it than anybody but he left school after Grade 6. The book-keeper has an 'O' level in maths and some ZJC subjects. One member is literate in Shona and Ndebele but not in English and is an artist. Four members left school after ZJC.

Name:					
C/person	Ed Com	B/keeper	Member	Member	Other members
5 'O'	5 'O'	1 'O'	Sign-writing experience Grade 6	Artist Literate in Shona, Ndebele	ZJC

In a good week you are all busy all the time and can earn \$40 - \$60 a day. In a bad week there will only be work for three or four people. Everyone has families so no-one likes staying too late in the evening for study.

How would you organize a training programme? Ask yourself who can teach useful things to others? What are the most important skills that the co-op should have? Are there any short courses anywhere that would be useful to you? How much do they cost? What are the areas of training that would most benefit the co-op as a whole? If one person went away on a short course would the co-op be able to afford it? What other questions would you ask?

6. Co-operation amongst co-operatives, locally and internationally:

As you will discover as you read through this booklet, there are many different kinds of co-operative - Producer, Skills, Consumer, Marketing and Supply, etc. - and it is important that co-operative members, no matter to what kind of co-operative they belong, recognize that they are united by the six principles and that they should co-operate with each other and not work against each other. In Zimbabwe, co-ops may be members of OCCZIM or CACU, and as members they are entitled to send delegates to the Annual General Meetings to elect the Executive Committee and decide on what they want them to do for the movement as a whole.

From the above six principles it can clearly be seen that anyone who wishes to join a co-op must believe, above all, in the principles of equality, no matter what the sex, race, tribe, education or politics of the other members may be; in democracy, which means the full participation of every member; and in the fair sharing of responsibilities, work, education, problems and profits.

Question: Imagine that you are a member of a co-op which has some elderly men and women, some young strong men, some experienced middle-aged people, a few pregnant women and some children. Not everyone is going to be able to do the same kind of work and not everyone is going to be able to do as much work as everyone else although everyone will work equally hard according to their work capacity. How will you ensure that the distribution of work is fair and that there is a system so that no-one has to do the unpopular jobs all the time?

First decide on what kind of co-op you belong to. Then decide how many members there are, including the very old and the very young. Thirdly, make a list of all the jobs that have to be done - work in the co-op business, cooking, cleaning, washing of clothes, book-keeping, meetings, letter-writing, child-care, etc.

Work out your plan in detail and then exchange it with someone of the opposite sex and, if possible, of a different age-group, to read through and comment upon. Discuss the comments in detail and look at both the comments and your plan in terms of the principles of equality, democracy, justice, the sharing of skill and knowledge, etc.

Now let us turn to look at the different kinds of co-ops that can exist.

DIFFERENT CO-OPERATIVE FORMATIONS

There are several different kinds of co-op:

- a) producer co-ops
- b) skills co-ops
- c) marketing and supply co-ops
- d) consumer co-ops

a) Producer co-ops

Producer co-ops are those which make or grow things to sell: an agricultural co-op growing maize and soya beans; a carpentry co-op making furniture; a craft co-op making jewellery and baskets; a sewing co-op making school uniforms; a market gardening co-op growing vegetables and fruit, etc.



The co-op members will collectively own tools of their labour which they may have bought with a loan, with their savings or with the profits they have made.

Sometimes, particularly in agricultural collective co-ops which are just starting, members may also share accommodation, domestic work, care of children, etc.

When the co-operative is successful, the members may decide to build family homes for the members, although they may also choose to have communal cooking and eating rooms.

In urban areas it is less common for the members of a producer co-op to live together as a collective although they may decide that it is cheaper and more efficient (say with transport) to do this. Producer co-ops in urban areas may have a creche or a play area on the premises, and a dining room which they all can share.

Question: If you were a member of a small co-op in a large urban area what sort of facilities would you like the co-op to try to provide? Estimate how much these might cost and then you will have an idea of how much profit your co-op would need to make before they could be provided. Remember some members of the co-op may be single parents, some may have a long way to travel etc.

What would be the advantages and disadvantages of living as a collective? Make two separate lists and then discuss it with a colleague. Try to reach a decision about what would be the best thing to do.

**At a co-operative
it is easy:**

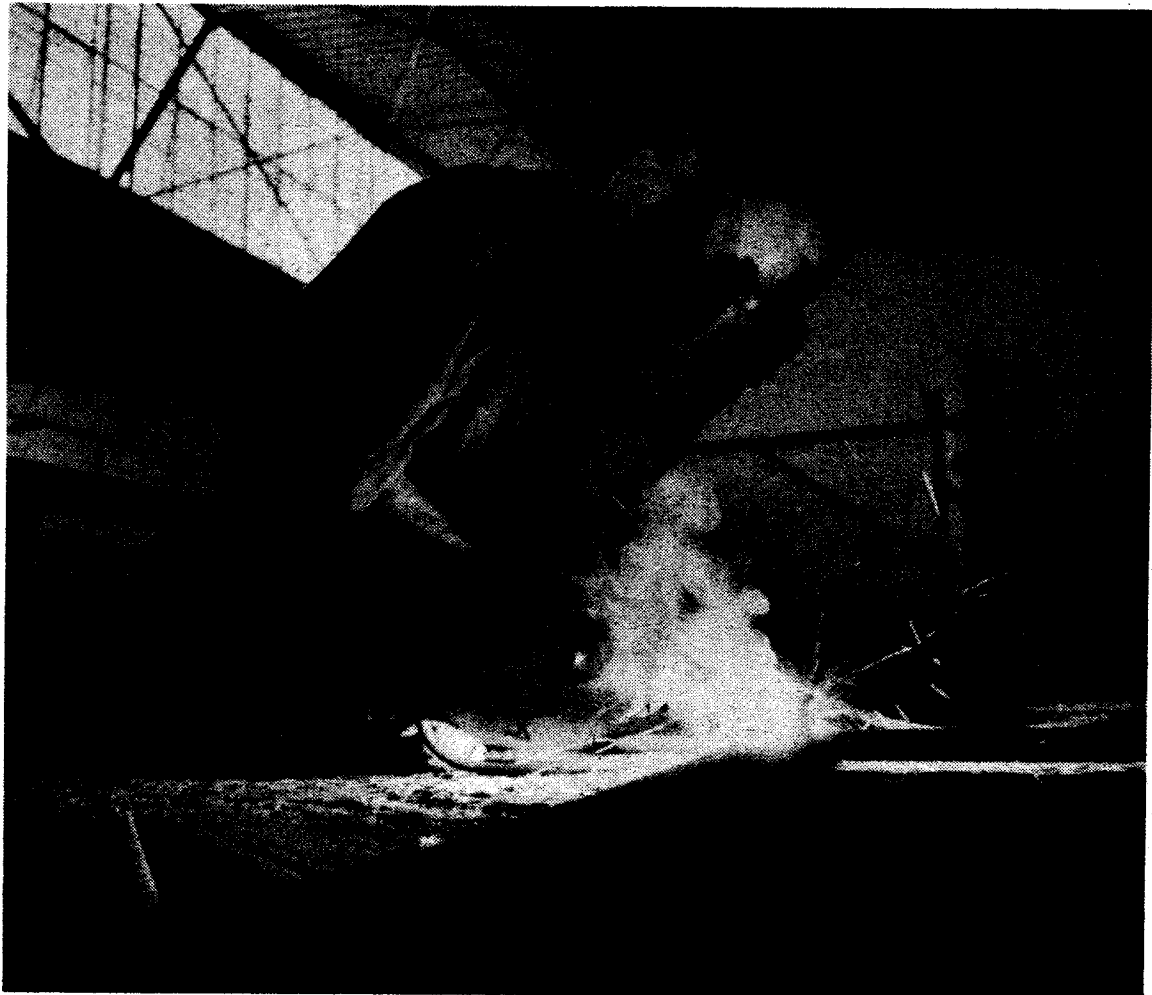
**We live together
work together
produce together
sell together
buy together
and eat together.**

**It is easy:
We are one family
we are not exploiters.**

b) Skills Co-ops

Such co-ops are very like producer co-ops. The members will be employing themselves rather than being employed by someone else. However, members of skills co-ops will not be selling finished goods such as shoes, chairs or baskets; they will be selling their own skills.

You might have a building co-op, a house-painting co-op, a sign-writing co-op, a security guard co-op, a house-help co-op, a laundry co-op, a welding co-op, etc.



Members of skills co-ops must know how much to charge for their service; they must be able to estimate how long a job will take and they must try to provide a better service than anyone else, otherwise there will be no work for them to do.

Question: Suppose you are a member of a general repair co-op (i.e. your co-op mends doors, chairs, windows, roofs, etc.) and you know that you could a) find work in Highfields (Harare) to last at least one year at \$10 a day; b) find work in Pumula (Bulawayo) for approximately 25 days - not all at once but with two days here and there - at \$25 a day. Which would you choose?

Estimate the income

Consider which community most needs your service

Consider the co-operative principles

Make a decision.



c/d) Marketing and Supply, and Consumer Co-ops

Members of these co-ops do not live together as a collective, nor do they produce together as a team; they join these co-ops in order that they can share services such as transport, storage, bulk purchase and bulk sale, and accounting. Thus members of these co-ops will usually employ a manager (and other staff) who will organize these services on their behalf. These professional staff will be responsible to the management committee, and through it, to the members. They will have to do the jobs that are outlined for them by the management committee and they will have to report regularly to the management committee. They will not necessarily be members of the co-op themselves, but they will receive a salary from the co-op.



CO-OPERATIVE ORGANISATION IN ZIMBABWE

All co-operatives must be registered by the government's Department of Co-operative Development, and, depending on the nature of their activities, they may then join either OCCZIM or CACU.

The collective co-operatives in OCCZIM represent a wide range of business activities, including farming, mining, industrial production, supermarkets, craft production and construction. The members of these co-ops do not necessarily live together, but they work together - hence the name 'collective'. The member co-ops are called primary societies as they are the first level of the organization. OCCZIM is planning the development of secondary societies, which will be unions of primary societies - perhaps grouped on a geographical basis - to share facilities and exchange information. The central structure of OCCZIM would then be the tertiary (third) level of the organization.



CACU represents unions of co-operatives which are made up of individual farming enterprises. These farmers work as individual producers, but they join a co-operative in order to take advantage of joint input-purchase and produce-marketing facilities. They are not collectives, like the OCCZIM co-operatives; they are usually called marketing and supply co-ops.

HOW IS A CO-OPERATIVE MANAGED ?

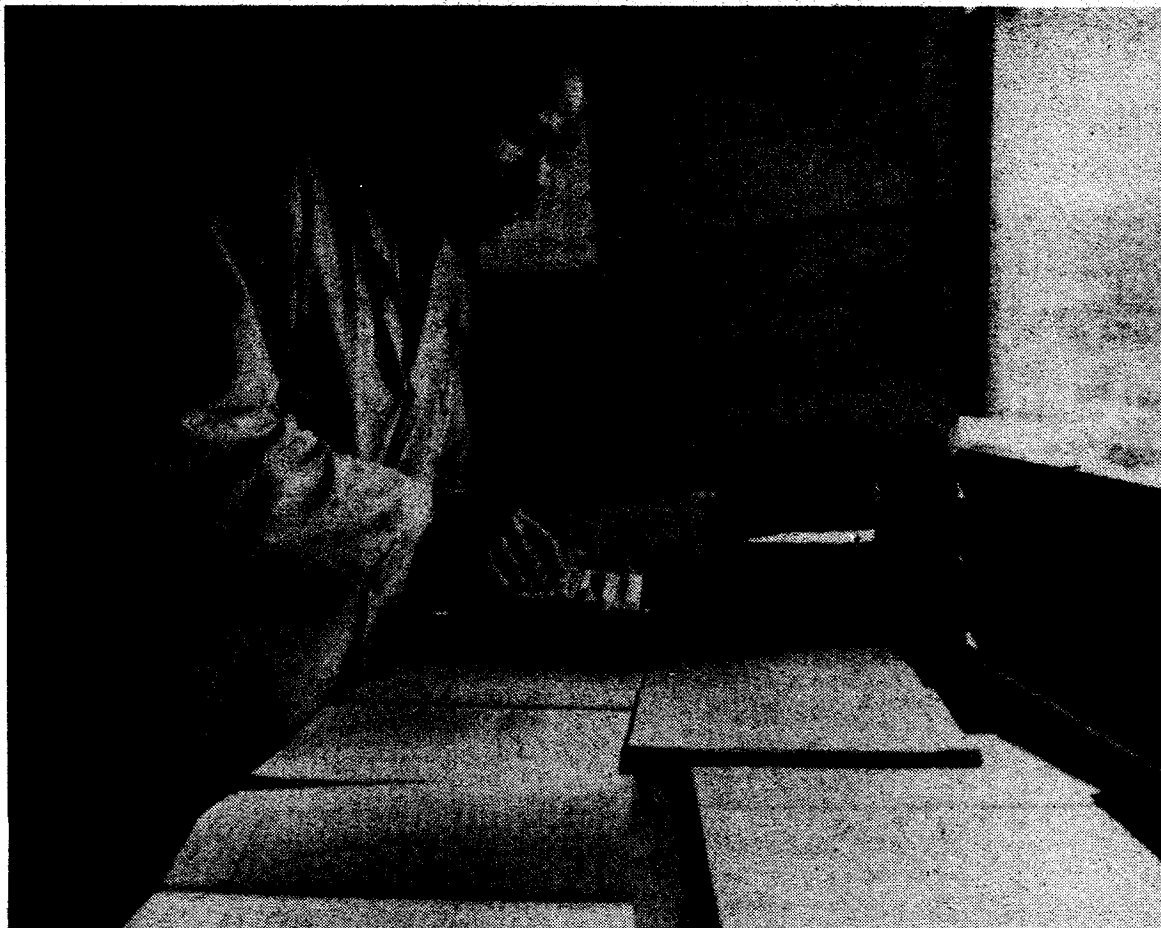
This will very much depend on the kind of co-op it is, the size of the co-op, and whether or not the members live together as a collective.

All co-ops, though, will have an elected management or executive committee which is accountable to the general membership. This committee will be given responsibility by the members to make sure that the affairs of the co-op are in order and that everything runs smoothly; it will be responsible for negotiating bank loans, dealing with the Department of Co-operatives, liaising with other co-ops, co-op agencies and the neighbouring community. A co-op should hold elections every year to choose the management committee, which in turn may appoint sub-committees each headed by a management committee member. Alternatively, the general membership may elect all the members of the various committees. Whichever system is used, the membership must be free to criticize anyone elected or appointed in this way.

If the people on the committees and sub-committees are doing their job well (that is, being efficient in their duties and providing regular reports and explanations to the management committee and members), then they will probably be re-elected or re-appointed; if not, then the management committee or members have the chance to replace them with someone who will do the job better.

What sort of sub-committees will a co-op need to have? This will depend on the business the co-op is engaged in, but the following are examples:

- a) Finance: This committee will prepare the budget. It will estimate how much the raw materials are going to cost (in an agricultural co-op these would be the seeds, fertilizer and the pesticides; in a shoe-making co-op the leather, the yarn, the dye and the laces); how much the overheads are going to cost (e.g. electricity, petrol, rent); how much money the co-op has, how much it is likely to get when they sell their goods; and whether the co-op will need a grant or a loan to pay expenses until sales income is received. If the project is agreed by the members, the committee will do the monthly book-keeping, write the invoices and receipts, deposit and withdraw money from the bank, and prepare a financial report at the end of every month for the co-op members to see.



- b) Production: This committee will draw up a plan showing what jobs have to be done and when. They will allocate different tasks to different members of the co-op according to their skills and abilities, and they will give people production targets or objectives. For example, if they are a printing co-op they will know that the client wants a book on a certain date. First of all they must work out a schedule to make sure they can fulfil that requirement and, if they say they can, then they know they must keep to their part of the agreement, otherwise they will lose money or lose the contract. So the committee will work out a schedule. It might look like this:

	Book in lithography department		Book in plate-making		Book in machine-room		printing		printing
Day	1	2	3	4	5	6	7	8	9
	Collating		Binding		Trimming		Dispatch		
Day	10	11	12	13	14	15	16		17

They will tell all the members of the co-op in the different departments when they should expect the book and when they must finish their job on it.

If a co-operative is going to make profits for the members, it must work efficiently and fairly, and this requires good production planning. In a country like Zimbabwe, where capitalist firms are competing in most sectors of the economy, co-operatives cannot afford to live from day to day without a proper plan.

Question: If you were a member of the production committee in an agricultural collective co-op and you were working out a plan for your wheat crop, when would you buy the seed, plant the seed, till the fields, transplant the seedlings, irrigate, weed, harvest, bag, deliver? How much wheat are you growing? How many acres have you got? How many co-op members are there? How many of those are women and how many are men? Imagine your co-op in detail (take other jobs into consideration) and set out your work plan on a chart to show when the various tasks will be done, how long they will take, how many people will they involve, etc.

**'We neither own factories
nor big machines.
Our hearts and souls,
Our strength and determination,
These are our weapons
And armed with these
We enter into production
to fight hunger, poverty, ignorance
disease and destitution.
And guided by the spirit of unity
and togetherness
We shall overcome'**

AGRICULTURAL WORK PLAN 1, 1986-87

for detailed discussion at Co-op. Planning meeting - July 15.

MONTH	CROP = MAIZE	DUTIES ASSIGNED TO:
SEPT. OCT.	Dig in manure and fertilizer Early dry planting (Yields 1 and 2)	
NOV. DEC.	Main planting (Yields 3-8) Early weeding (Yields 1 and 2) Buy chemical spray for borers	
JAN. FEB.	Top dressing Weeding Spray for borers	
MAR. APR.	Harvesting Ploughing Placing fertilizer and Seed orders	
MAY JUN.	Ploughing Marketing Collecting fertilizer and seed	
JUL AUG	Repair fences, irrigation canals and equipment.	

- c) Marketing: In a producer co-op, this committee will compare the price of its goods, say shoes, with other shoes on the market to make sure the prices are competitive and that the shoes will sell. They will find outlets. i.e. shops and stalls, who will buy the shoes. They will arrange distribution, transport, packaging and negotiate delivery dates. If the co-op is a skills co-op, the marketing committee will make sure that people know where to find them, know what service they provide and at what prices, and keep a job diary, etc.

Both co-ops may decide to advertise. If they do, then the marketing committee will be responsible for finding out the best way of doing so.

Question: Imagine that you are a member of a ten-member shoe-making co-op and that you each would like to earn \$100 per month.

Find out the cost of a pair of men's shoes.

What will be the cost of your materials?

What will be the cost of your overheads e.g. rent, electricity, water?

How many pairs of shoes will you have to make each month?

If you price your shoes at the same price as the other shoes why will people decide to buy yours?

Are they better made? Will they last longer? Are they more fashionable, etc.?

Equipped with all this information you are now going to work out a marketing strategy. How will you do it? Remember that the time you spend doing this will be time you don't spend making shoes - so it must be a strategy that will work, otherwise the co-op will lose all round.

Which shops will you go to?

Will you offer them a discount?

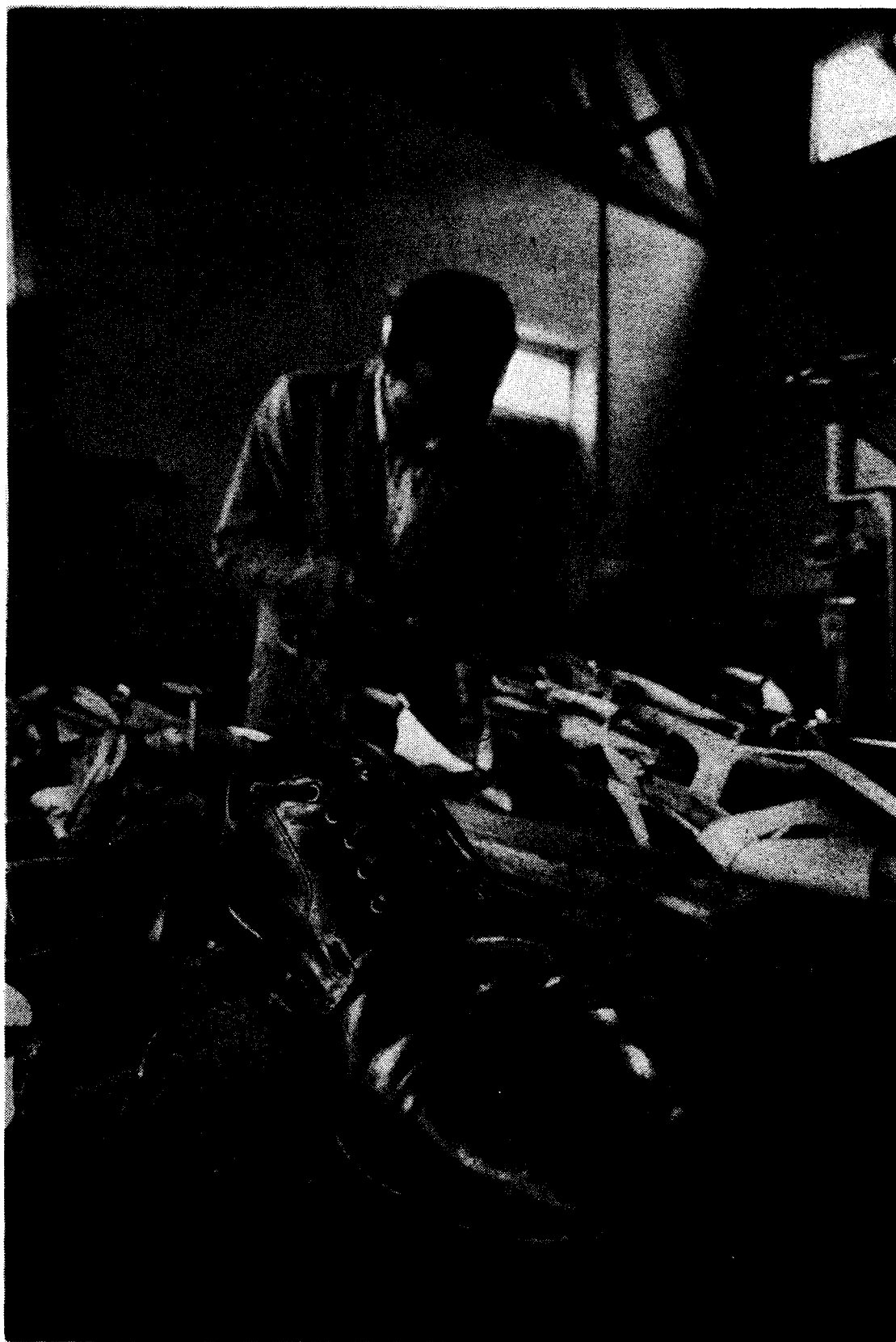
Will you sell to two or three big shops or to fifteen small shops?

Will you advertise? How much will it cost?

Where will you advertise to reach the people that will buy your shoes?

Where is your competition?

Discuss your strategy with a colleague. Compare ideas as salesmen and customers.



- d) Education: This committee will organize education programmes for the members and their children; it may run its own literacy classes and have a creche for small children, and will find out what facilities are available for those who have need of a particular education and skills-training.

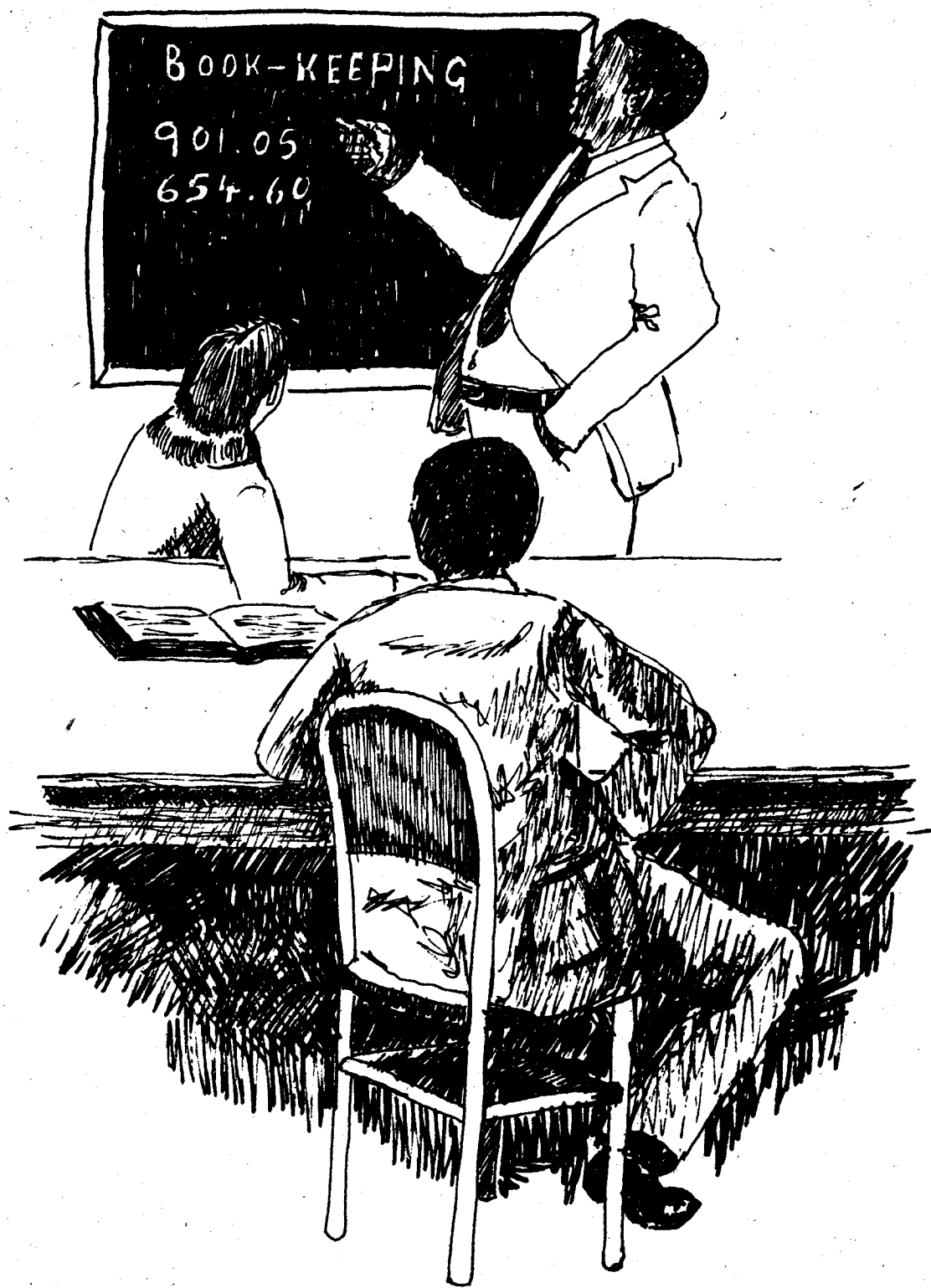
Remember, the more experience and understanding a person has, the more likely they are to do the job well, and this will benefit the whole co-op. It does not make sense to have new people on the committees every year as they will often have to start from the beginning again.

On the other hand, the sharing of skills and knowledge is a principle of co-operative activity. If committee or sub-committee members do not take the time to explain things to others and pass on their skills, and do not participate in the general day-to-day business of the co-op because they think they are 'special', then the members should seriously consider if there is anyone who will act more responsibly and co-operatively in those positions.

Question: Consider these alternatives:

- i) A book-keeper (elected member of the finance committee) who works very carefully and thoroughly but very slowly. This means that she genuinely does not have time to take part in the other work. The co-op will, therefore, produce a bit less unless other people work harder. However, the book-keeper always takes time to explain the books to people who do not understand figures and she teaches book-keeping on two evenings a week to the other co-op members.
- ii) A book-keeper (elected member of the finance committee) who is very quick and efficient. This means he has time to help with the other work and the co-op produces a bit more. However, the book-keeper then complains that he is doing two jobs, is too tired in the evenings to give lessons. Moreover, because this book-keeper is good and quick with figures he gets very impatient when people do not understand. This means that only half the members know what is going on.

Both book-keepers are honest. Which one would you choose for your co-op?



Now we have had a look at:

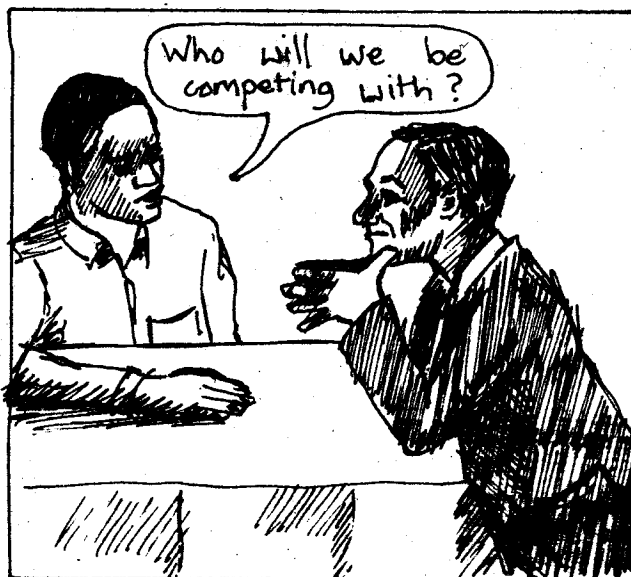
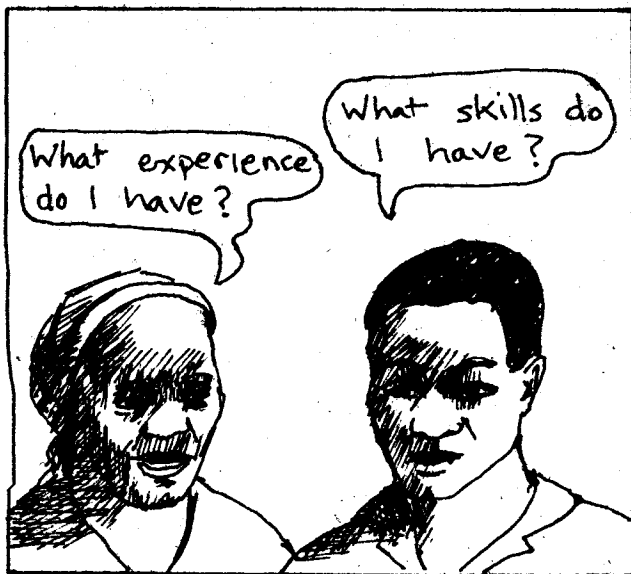
- a) co-operative principles; can you remember how many there were?
Can you remember what they were? Some of them may seem more important to your own situation or thinking than others, can you list them in order of importance to you?
- b) Can you name the different kinds of co-operatives? Can you write a brief description of each different kind of co-op? If you wanted to join or form a co-operative, which kind would you choose to belong to? Why?
- c) the management structure of co-operatives; how does this work in producer or skills co-operatives? How does it work in marketing, supply or consumer co-operatives? Are there any co-operatives in your own area? Have you visited them? If you were to visit them what sort of questions would you want to ask the members?

Perhaps you feel that you would like to join a co-operative. You might be someone who has not been able to find a job, or you might have worked for a small company that has had to close down, or you might be a member of a community that has to rely on other commercial organizations to buy, transport and re-sell your goods for you. What would be some of the things you would have to think about before you formed a co-operative? Let us take each potential new member of the co-operative movement in turn.

- a) Somebody who is not able to find a job - what should they consider?
 - i) What skills have they?
 - ii) What experience have they?

Suppose the answer to the first is a little book-keeping and some woodwork, and suppose rather than be unemployed, it seems a good idea to form a small woodwork co-op, what sort of questions need to be answered, what areas researched before the co-op is formed?

- i) What skills would be essential in this co-op? Woodwork skills, book-keeping skills, marketing skills; what else?
- ii) How many members should the co-op have?
- iii) Should they be male and female?



iv) If you are going to make things to sell:

- a) what sort of things?
- b) how do you know that there is a market for these articles?
- c) who will you be competing with?
- d) how much do their articles cost?
- e) will you be able to make your goods for the same price?
- f) how will you price your labour?
- g) where will you get your tools?
- h) where will you work?
- i) will you need to rent space?
- j) are the other members of the co-op going to be able to put in some money to buy the tools you need?
- k) how much money are you going to need?

v) If, rather than making and selling products, you are going to do sub-contract work for building firms, you will have to ask yourselves some of the same questions:

- a) what experience do you have?
- b) where will you find your jobs?
- c) will you need to advertise?
- d) will you need a telephone?
- e) who will you competing with?
- f) how will you price your labour?
- g) where will you get your tools? etc.

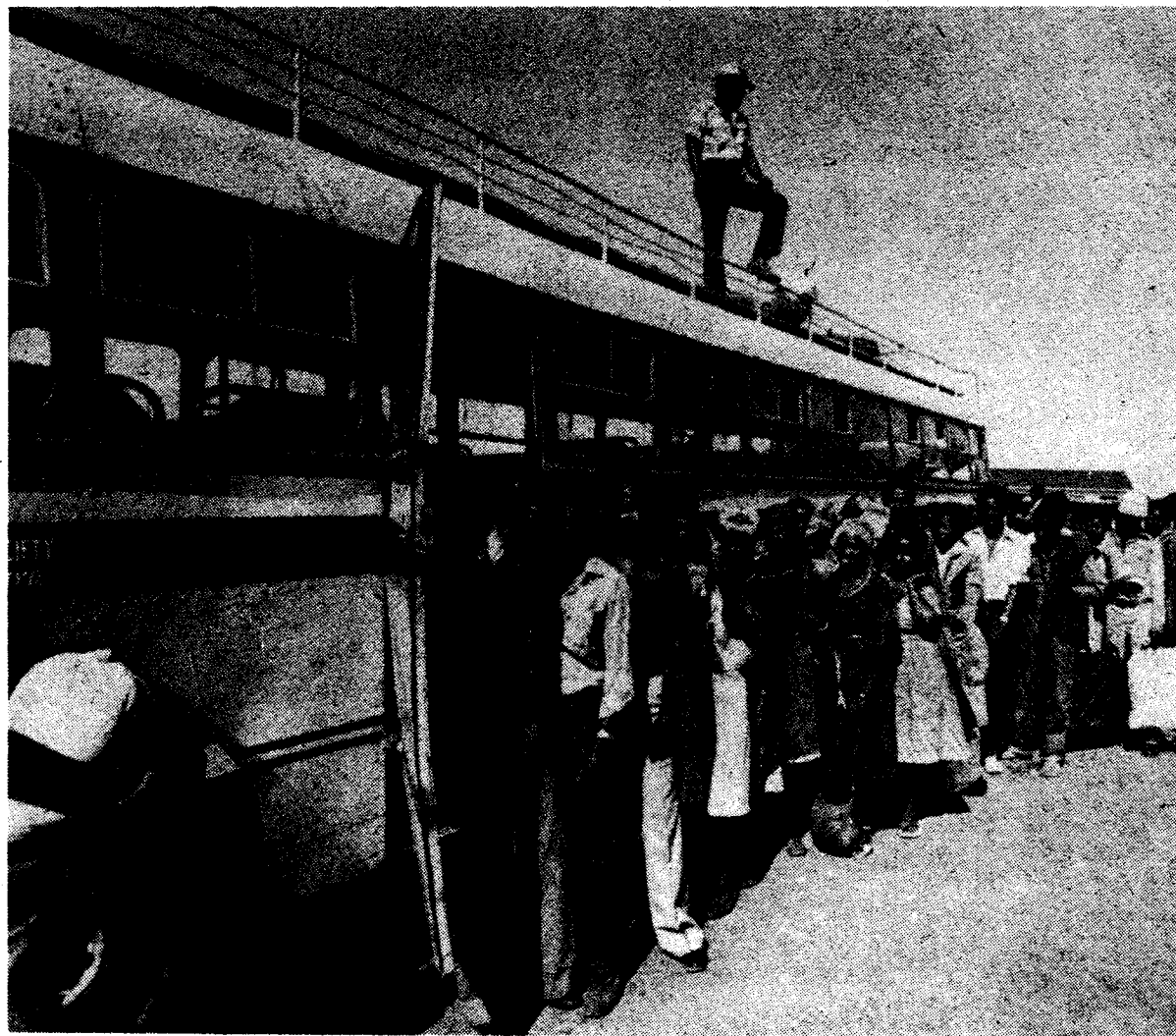
Once you have got a group of people together, what will be your next step?

First, you must be quite clear why you want to form a co-operative and not a small business. You must discuss the co-operative principles thoroughly together to make sure that you will all want to work democratically and equally.

Second, you must decide who is going to be responsible for what, and you must discuss your proposals with the Department of Co-operative Development so that you can register your co-op.

They will want to know that you have considered everything very carefully; what money (capital) you will need to start; your potential market (who is going to need your goods or services); where you are going to work from, etc.

The Department of Co-operative Development runs pre-registration training courses to help you think through all the difficulties you might encounter and to help you plan for the future. Remember that the members of a co-op are responsible to each other; you will work to run your co-op successfully so that you can all benefit and no-one will do so at the expense of anyone else.



b) Question: Now, suppose you had been a worker in a small factory or company that had to close down and you, with a few other workers, wanted to try to run the business as a co-op. What sort of things would you have to consider? You would, of course, have to ask yourselves:

i) Why did the business/factory close down?

- a) Was it not able to obtain raw materials?
- b) Did it need new machinery?
- c) Did it run out of investment capital?
- d) Were the goods it made too expensive? Why?
- e) Were there too many or too few workers?
- f) Who were your competitors?
- g) Was someone dishonest?
- h) Were the transport costs, the rent, the wages, etc. too high?
- i) Were you trying to make too many or too few goods?

ii) When you think you have the answers to these (and other) questions you will have to ask yourselves why you think you can succeed when the previous management failed. You will have to consider:

- a) What you are going to make.
- b) How many members you will have.
- c) What new capital you will need.
- d) Where you will obtain it - from members?
from a bank loan?
from both?
- e) What the basic wage will be.
- f) What you will pay it from (at first).
- g) Will all the members have to do without any wages to start with?
- h) Who is going to be responsible for what?
- i) And, of course, how will you run as a co-op?
Will you run meetings in work-time? Run meetings in the lunch-hour or after work? How many committees will you need and what will they be responsible for?

Again, before you register your co-op you will have to go to the Department of Co-operative Development to discuss your idea and again, you will have to be very sure why you think you, as a co-operative, can succeed where the previous management has failed.



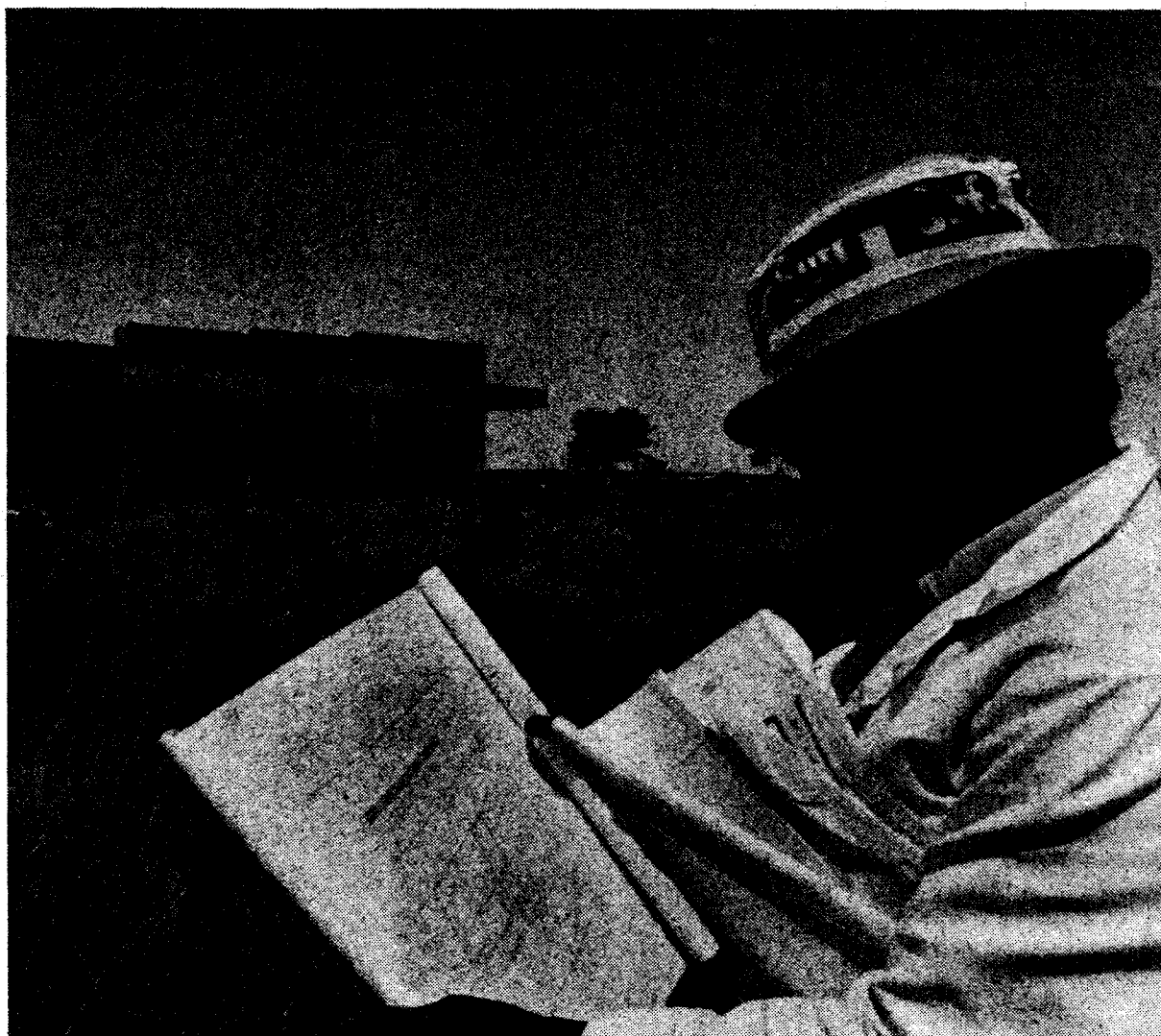
- c) Finally, let us look at our third example, that of somebody who perhaps lives in a rural area and who depends on a middle-man to buy his/her goods, transport them to town and resell them. You may think that the middle-man sells the goods for three or four times as much as he buys them from you. What will you do? How will a Marketing and Supply or a Consumer Co-op help you?

First of all you will look around your area to see who else is in the same position. There may be many small farmers, tailors, craftsmen and women who are in the same position, so you would call a meeting to look at your situation. If you all decided to form a co-operative you might find that you could:

- i) pool your resources - transport, for instance;
- ii) pay a subscription fee from which you, yourselves, could employ a manager to handle the sale of your goods for you;
- iii) or you might decide to rent, build or buy your own small shop from which all your goods could be sold;
- iv) and you might decide to buy all your inputs in bulk so that you could buy them more cheaply.

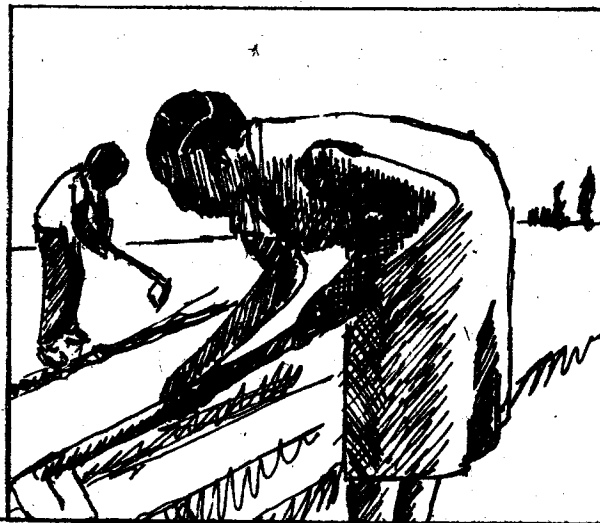
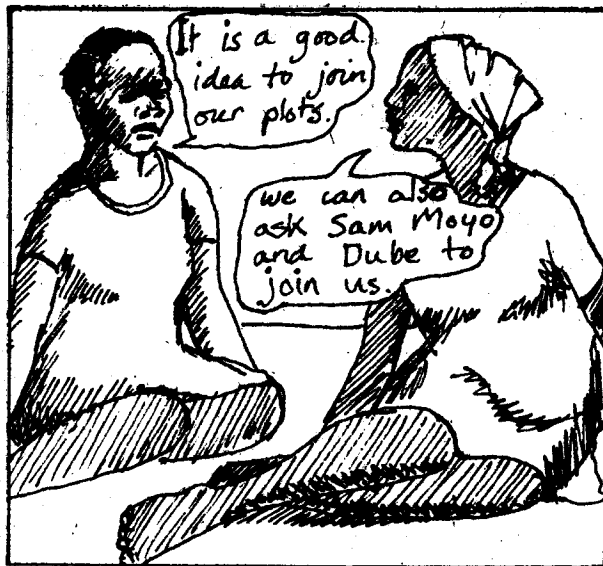
Whatever was decided, you would have to make sure that everyone was agreed, that nobody was out to exploit anyone else, that a management or executive committee was elected from the membership to take on the month-to-month and week-to-week responsibility of the organization, and that everyone was kept fully informed.

Remember that the more carefully planned a co-op is, the more likely it is to be successful.



WHAT DO WE MEAN BY A SUCCESSFUL CO-OPERATIVE?

A successful co-operative brings together people who have a common need or problem that they want to solve together, or who want to create productive employment for themselves. For instance, most small farmers cannot, on their own, afford to hire or buy a truck to transport their goods to market; or to bring in their fertilizer, etc. Nor can they individually raise a loan from a bank. But if they come together and form a co-operative, they can then pool their resources, their ideas, and their skills which will help them to overcome the problem and unite them as a group (which will be much stronger than if they were working as individuals against, or in competition with, each other) at a cost which they will all be able to afford.



A group of unemployed school-leavers or ex-combatants cannot, as individuals, afford to buy the tools needed to set up a producer or skills co-op, or a small farm etc., but if they pool their resources and their skills, they will be able to achieve, as a group, what no member could do individually. They

will also be able to provide themselves with jobs instead of waiting for other people to employ them.

Workers often need small loans to help them with school fees, school uniforms, house repairs, wedding expenses, burial expenses, etc. Many of them will not have bank accounts and some banks are not happy about lending many small sums of money - besides, the interest rates are often high. There is, however, a solution to this problem if the workers come together to form what is called a credit union or a savings and credit co-operative. In such a co-operative workers will put some money each month into the credit union and these savings may be put into a bank account where they will gain interest. Then when a worker wants to borrow money he can borrow it from the credit union. A credit union is like a workers' co-operative bank. (Remember that the person the workers elect to be their book-keeper/accountant must be reliable and honest and that the workers must make regular savings payments otherwise there will be no money to lend and the credit union will collapse).

For co-ops to be successful, the members must believe in (and practise) democracy, equality, in sharing their skills and knowledge with others, in hard work, in good management, in self-reliance, in honesty and in unity. Remember, if one co-op member is lazy, dishonest, dictatorial or inefficient, he can destroy the whole co-op.

What can co-operatives do for the individuals, for their community and for their country?

All members who belong to a co-operative of whatever kind need to commit themselves to equality, justice, democracy and co-operation. Being a member of a co-op means that you are willing to put these principles into practice in your everyday life.

If, however, you become a member of a production, service or retail collective co-operative:

- a) You have the right to expect that you will be treated fairly and without discrimination, no matter what your age, sex, race, religion or political convictions, provided you treat others likewise.
- b) Whatever work you do within the co-op you should know that your work is as important to the success of the co-op as the work of any other member.
- c) You have a say in every decision that the co-operative takes, either directly, through your monthly membership meetings, or indirectly, on a day-to-day basis through the chairperson, production manager and other

co-op officials you have elected.

- d) You should always have the chance to say what you think.
- e) You know that whatever profits are made will be used in your long-term and short-term interest.



- f) You know that whatever the co-op decides to make or do, it will aim not to exploit others.
- g) You know that whatever formal education you may or may not have, you should not be excluded from decision-making or be treated unequally, and that other members of the co-op will be concerned to improve your understanding and develop your technical skills in order that you can participate in the production, decisions and development of the co-op.

If you are a member of a Marketing and Supply or a Consumer Co-op you know that:

- a) your co-op will get the fairest price for your goods
- b) you will aim to buy necessary commodities at the fairest price your co-op can arrange
- c) the services, e.g. transport or accounting, will be provided at a more reasonable and affordable rate than if you had to arrange for their services yourself.

'The society we live in has not always committed itself to these principles and even today has maintained many practices which continue to be unequal, anti-democratic, unjust and lacking in effective co-operation. Many would say that the way we do things at this time in our history is because of our capitalist economy. That until we change this exploitative economic system, we can never hope to achieve widespread justice, democracy and equality among all our citizens. Many previously unemployed people say that the formation of co-operative economic units is an essential first step in rebuilding a new society and transforming exploitative capitalist work-places into work-places which can eventually serve all the basic needs of all of us.' (Quotation from a co-operator in Vanguard, the magazine of the collective co-op movement).



Collectives cannot and should not struggle alone.
We require the support of all forces, all those who
support the idea of co-operation and economic
transformation. We need friends to throw their
weight behind us.

APPENDIX

What is required from a group before it is registered as a co-operative society?

- a) When a group has decided that it wants to form a co-operative society, it must get in touch with the local officers of the Department of Co-operative Development, tell them of its intentions and seek advice.
- b) The Department staff will ask the group to show why it wants to form a co-operative.
- c) The group will be asked to show how it is going to finance the co-operative society.
- d) The group should show that it understands and agrees with the co-operative principles.
- e) The group should show that it understands co-operative management as compared with the management of a private company and a state enterprise.
- f) The group will be asked to show that its co-operative is going to be a viable business.
- g) The group will be asked to show how it will choose its leaders.
- h) The group will be asked to show how it will run its meetings.
- i) The group will need to learn what a balance sheet is, what a profit and loss account is, what a budget is, what business records are, what planning is, and how it will manage its money and loans.
- j) The group will need to know the difference between a loan and a grant.
- k) The group will be asked to show how it will manage the society as a whole.
- l) The group will be asked to show how it will keep its books and records.
- m) The group will be asked to show the difference between the functions of the members and those of the management committee.

- n) The group will be asked to show what the by-laws are and what the co-operative law is, as well as being familiar with the law of the economic sector it will operate in.
- o) If the group knows and understands these things, the Department officials will probably recommend to the Provincial Co-operative Officer (PCO) that it be registered as a co-operative society. If the group is not sufficiently familiar with these things, then a pre-registration learning programme and feasibility study will be embarked upon with the officials of the Department leading the education and training and giving the necessary advice. This will continue until such time that the group shows that it has grasped the basics of co-operation and business management, and is ready to be registered as a co-operative business that has a very good chance of being viable.
- p) For registration purposes the group is asked to fill in an application form given to it by the local officials of the Department of Co-operative Development.
- q) If the PCO is satisfied that the group will make a viable co-operative he sends his recommendations and the group's application form to the Registrar of Co-operatives. The Registrar reviews the application and the relevant documents concerning the proposal; if he is satisfied that the group will make a viable society, then it is registered. If he is not satisfied, it will not be registered, and he will say why. If the group is refused registration, it has the right to appeal to the Minister responsible within 91 days.

One of the most important documents the group has to produce is its own constitution, the by-laws. In the by-laws the group can have whatever it wants, but sixteen items are expected by law to be contained as well.

These items are:

- a) Name of the co-operative society.
- b) Registered address.
- c) Objects for which the society was established.
- d) Purpose for which the funds may be used.

- e) Qualifications for membership, the terms of admission of members and the method of election.
- f) Nature and extent of the liability of members.
- g) The payment, if any, to be made to members who leave the co-op.
- h) Transfer of the share or interest of members.
- i) Manner of raising funds, including the maximum rate of interest on deposits and share capital.
- j) The maximum share of the capital of the co-operative which may be held by one member.
- k) General meetings and the procedure and powers of such meetings.
- l) Appointment, suspension and removal of members of the management committee and the powers and duties of the management committee and officers.
- m) The consequences, if any, of failure to pay any money due on loans, or the disposal of profits.
- n) The name of the officer or officers authorized to sign documents on behalf of a registered society.

If the objects of the registered society include the creation of funds to be lent to members, additional by-laws should be made on the following matters:

- o) The occupation and residence of the members.
- p) The conditions on which the loans may be made to members including
 - i) the rate of interest
 - ii) the maximum amount which may be lent to a member.

Remember - there is no need to hurry into forming a co-operative. A co-operative is a business undertaking; therefore everything has to be done carefully in a planned manner, and members must understand how they can make the business run successfully as a co-operative and for the good of each member's welfare.

**'We have nothing to lose but our
poverty, our ignorance, our hunger, our
suffering.**

We have a bright future to win.

Forward with co-operative unity

Forward with the unity of all progressive forces

Forward to socialism'

GLOSSARY

- Profit** - to make money in something. For example, if you bought a bottle of jam for 20 cents and sold it for 40 cents you would have made a profit. But, if you made the jam and the fruit and sugar cost you ten cents, the bottle seven cents and the label three cents, you would (if you depended on selling jam to live) have to charge something for your time, your labour.
- What do you think is a fair profit? Are there times when people do charge more or charge less? What happens if people cannot afford to pay for an item?
- Loss** - a loss is something which happens when an article is sold for less than it cost to make or grow.
- Democracy** - the belief that everyone has the right to vote i.e. the right to take part in decisions that affect his or her welfare. As everyone cannot vote on every decision, governments, councils, committees are elected by people to make decisions for them. Before they are elected, they must carefully explain to the people what they will do if they are elected into government, onto a committee, etc. Only when people really understand what they are voting for and what they are voting against and only when they know they can trust the elected leaders to do what they promised, is there real democracy.
- Means of production** - these are the tools that are used which enable workers to make or grow things. If you own the 'means of production' you will have more control over your life (autonomy) than if you don't.
- Capitalism** - is that form of society where the 'means of production' are not owned by government, nor by co-operatives, but by private business organizations.
- Egalitarian** - something that is done on the principle that it is equal and fair.
- Accountable** - to be responsible to others for your actions; to be able to show others why and how you have done something on their behalf.

- Share Capital - to own a part (a share) in something because you have put something - money or labour - into it.
- Interest - the profit or the money that is made by money. For example if you put \$10 into a savings account at the post-office or the bank and leave it there for a year, at the end of the year it will be worth \$10,10cents; \$100 would be worth \$110 and so on.
- Investment - this means to put money into something which will make more money or earn you interest. If you invest \$100 in a new business and it is successful then at the end of the year it will be worth more; if it is not successful, it will be worth less.
- Competitor - this is someone who is competing with you if it is in a game and you will be competing to win; if it is another company or organization of the same kind you will be competing for the same market/the same people. Two companies both making leather sandals will be competing with each other ; the one who makes the most profit will do so because the sandals look nicer, are stronger, are cheaper, or more accessible i.e. they are in more shops, etc.
- Delegate - to commit authority to a person or persons to represent a community at council, committee meetings, etc.
- A delegate - is a person entrusted by members of a community to represent their movement/organization at council, executive, or annual general meetings, etc.
- Negotiate - to deal successfully in order to obtain favourable agreements and value for money. For example: a sewing co-operative is in need of a regular trading outlet. A local school requires a continual supply of well-made, reasonably priced uniforms. The sewing co-op and the school negotiate a contract whereby the co-op becomes the sole supplier of uniforms to the school, therefore establishing a regular trade, in return for consistent supplies of good quality, competitively priced merchandize.
- Marketing Strategy - is the art of planning ideas/movements to encourage positive sales. This would involve research into advertising, transport, distribution, etc.

Finance - is the management of money.

Principle - is a fundamental rule for people/organizations/co-operatives to be guided by.

Organizations with an interest in Co-operatives
and Co-operative development

Department of Co-operative Development,
Ministry of Lands, Agriculture and Rural Resettlement,
Box 8158, Causeway,
Harare.

Central Association of Co-operative Unions (CACU)
205 Debmar House, Forbes Avenue,
Box 8450, Causeway,
Harare.

Organization of Collective Co-operatives in Zimbabwe (OCCZIM)
Rooms 102/103/112
Emekay House, 25 Forbes Avenue,
Box 66102, Kopje,
Harare.

Zimbabwe Project,
57 Baker Avenue,
Harare.

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